
SUBSTITUTE HOUSE BILL 2759

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Ericks, Pearson, Dunshee, Sells, Roberts and Rodne)

READ FIRST TIME 01/30/06.

1 AN ACT Relating to the transfer of certain real property and
2 facilities acquired, constructed, or improved using Referendum 29 or 37
3 bonds; adding a new section to chapter 43.99C RCW; adding a new section
4 to chapter 43.83D RCW; adding a new section to chapter 36.34 RCW;
5 adding a new section to chapter 43.19 RCW; adding a new section to
6 chapter 28A.335 RCW; adding a new section to chapter 39.33 RCW; adding
7 a new section to chapter 35.82 RCW; adding a new section to chapter
8 70.44 RCW; adding a new section to chapter 35.21 RCW; adding a new
9 section to chapter 35A.79 RCW; and creating a new section.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 NEW SECTION. **Sec. 1.** The legislature finds that protecting the
12 public health, safety, and welfare by providing services to needy or
13 vulnerable persons is a fundamental purpose of government. The
14 legislature further finds that private nonprofit corporations fill an
15 important public purpose in providing these types of health, safety,
16 and welfare services to our state's residents. Acting through
17 partnerships with governmental entities, these private sector providers
18 are able to increase the amount and quality of these services available
19 to state residents. The legislature finds that ensuring continued

1 provision of these services in the private sector confers a valuable
2 benefit on the public that constitutes consideration for transfer of
3 certain public property and facilities to eligible private nonprofit
4 corporations, subject to restrictions that provide continued protection
5 of the public interest.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.99C RCW
7 to read as follows:

8 (1) Public bodies, as defined in RCW 43.99C.020, may transfer
9 without further consideration real property and facilities acquired,
10 constructed, or otherwise improved under this chapter to nonprofit
11 corporations organized to provide services for individuals with
12 physical or mental disabilities, in exchange for the promise to
13 continually operate services benefiting the public on the site, subject
14 to all the conditions in this section. For purposes of this section,
15 "transfer" may include lease renewals. The nonprofit corporation shall
16 use the real property and facilities for the purpose of providing the
17 following limited programs as designated by the department of social
18 and health services: Nonprofit community centers, close-to-home living
19 units, employment and independent living training centers, vocational
20 rehabilitation centers, developmental disabilities training centers,
21 and community homes for individuals with mental illness.

22 (2) The deed transferring the property in subsection (1) of this
23 section must provide for immediate reversion back to the public body if
24 the nonprofit corporation ceases to use the property for the purposes
25 described in subsection (1) of this section.

26 (3) The nonprofit corporation is authorized to sell the property
27 transferred to it pursuant to subsection (1) of this section only if
28 all of the following conditions are satisfied: (a) Any such sale must
29 have the prior written approval by the department of social and health
30 services; (b) all proceeds from such a sale must be applied to the
31 purchase price of a different property or properties of equal or
32 greater value than the original property; (c) any new property or
33 properties must be used for the purposes stated in subsection (1) of
34 this section; (d) the new property or properties must be available for
35 use within one year of sale; and (e) the nonprofit corporation must
36 enter into an agreement with the public entity to reimburse the public

1 entity for the value of the original property at the time of the sale
2 if the nonprofit corporation ceases to use the new property for the
3 purposes described in subsection (1) of this section.

4 (4) If the nonprofit corporation ceases to use the property for the
5 purposes described in subsection (1) of this section, the property and
6 facilities revert immediately to the public body. The public body
7 shall then determine if the property, or the reimbursed amount in the
8 case of a reimbursement under subsection (3)(e) of this section, may be
9 used by another program as designated by the department of social and
10 health services. These programs have priority in obtaining the
11 property to ensure that the purposes specified in this chapter are
12 carried out.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.83D RCW
14 to read as follows:

15 (1) Public bodies, as defined in RCW 43.83D.050, may transfer
16 without further consideration real property and facilities acquired,
17 constructed, or otherwise improved under this chapter to nonprofit
18 corporations organized to provide individuals with social and health
19 services, in exchange for the promise to continually operate services
20 benefiting the public on the site, subject to all the conditions in
21 this section. For purposes of this section, "transfer" may include
22 lease renewals. The nonprofit corporation shall use the real property
23 and facilities for the purpose of providing the following programs as
24 designated by the department of social and health services: Facilities
25 for social services, adult and juvenile correction or detention, child
26 welfare, day care, drug abuse and alcoholism treatment, mental health,
27 public health, developmental disabilities, and vocational
28 rehabilitation.

29 (2) The deed transferring the property in subsection (1) of this
30 section must provide for immediate reversion back to the public body if
31 the nonprofit corporation ceases to use the property for the purposes
32 described in subsection (1) of this section.

33 (3) The nonprofit corporation is authorized to sell the property
34 transferred to it pursuant to subsection (1) of this section only if
35 all of the following conditions are satisfied: (a) Any such sale must
36 be subject to prior written approval by the department of social and
37 health services; (b) all proceeds from such a sale must be applied to

1 the purchase price of a different property or properties of equal or
2 greater value than the original property; (c) any new property or
3 properties must be used for the purposes stated in subsection (1) of
4 this section; (d) the new property or properties must be available for
5 use within one year of sale; and (e) the nonprofit corporation must
6 enter into an agreement with the public entity to reimburse the public
7 entity for the value of the original property at the time of the sale
8 if the nonprofit corporation ceases to use the new property for the
9 purposes described in subsection (1) of this section.

10 (4) If the nonprofit corporation ceases to use the property for the
11 purposes described in subsection (1) of this section, the property and
12 facilities revert immediately to the public body. The public body
13 shall then determine if the property, or the reimbursed amount in the
14 case of a reimbursement under subsection (3)(e) of this section, may be
15 used by another program as designated by the department of social and
16 health services. These programs have priority in obtaining the
17 property to ensure that the purposes specified in this chapter are
18 carried out.

19 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.34 RCW
20 to read as follows:

21 This chapter does not apply to transfers of property under sections
22 1 and 2 of this act.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.19 RCW
24 to read as follows:

25 This chapter does not apply to transfers of property under sections
26 1 and 2 of this act.

27 NEW SECTION. **Sec. 6.** A new section is added to chapter 28A.335
28 RCW to read as follows:

29 This chapter does not apply to transfers of property under sections
30 1 and 2 of this act.

31 NEW SECTION. **Sec. 7.** A new section is added to chapter 39.33 RCW
32 to read as follows:

33 This chapter does not apply to transfers of property under sections
34 1 and 2 of this act.

1 NEW SECTION. **Sec. 8.** A new section is added to chapter 35.82 RCW
2 to read as follows:

3 This chapter does not apply to transfers of property under sections
4 1 and 2 of this act.

5 NEW SECTION. **Sec. 9.** A new section is added to chapter 70.44 RCW
6 to read as follows:

7 This chapter does not apply to transfers of property under sections
8 1 and 2 of this act.

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 35.21 RCW
10 to read as follows:

11 Cities are authorized to transfer real property pursuant to
12 sections 2 and 3 of this act.

13 NEW SECTION. **Sec. 11.** A new section is added to chapter 35A.79
14 RCW to read as follows:

15 Code cities are authorized to transfer real property pursuant to
16 sections 2 and 3 of this act.

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