

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2759**

Chapter 35, Laws of 2006

59th Legislature  
2006 Regular Session

REAL PROPERTY TRANSFERS--PUBLIC BODIES--NONPROFIT CORPORATIONS

EFFECTIVE DATE: 6/7/06

Passed by the House February 13, 2006  
Yeas 96 Nays 2

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate February 28, 2006  
Yeas 49 Nays 0

BRAD OWEN

**President of the Senate**

Approved March 14, 2006.

CHRISTINE GREGOIRE

**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2759** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

**Chief Clerk**

FILED

March 14, 2006 - 2:53 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2759**

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Passed Legislature - 2006 Regular Session

**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.

Passed by the House February 13, 2006.  
Passed by the Senate February 28, 2006.  
Approved by the Governor March 14, 2006.  
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