
HOUSE BILL 2270

State of Washington

61st Legislature

2009 Regular Session

By Representatives Finn, Takko, and Haigh

1 AN ACT Relating to the powers of public corporations; amending RCW
2 35.21.747, 35.21.750, and 35.21.745; and adding new sections to chapter
3 35.21 RCW.

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

5 **Sec. 1.** RCW 35.21.747 and 1990 c 189 s 1 are each amended to read
6 as follows:

7 (1) In transferring real property to a public corporation,
8 commission, or authority under RCW 35.21.730, the city, town, or county
9 creating such public corporation, commission, or authority shall impose
10 appropriate deed restrictions necessary to ensure the continued use of
11 such property for the public purpose or purposes for which such
12 property is transferred.

13 (2) The city, town, or county that creates a public corporation,
14 commission, or authority under RCW 35.21.730 shall require of such
15 public corporation, commission, or authority thirty days' advance
16 written notice of any proposed sale (~~or encumbrance~~) of any real
17 property transferred by such city, town, or county to such public
18 corporation, commission, or authority pursuant to RCW 35.21.730(1). At
19 a minimum, such notice shall be provided by such public corporation,

1 commission, or authority to the chief executive or administrative
2 officer of such city, town, or county, and to all members of its
3 legislative body, and to each local newspaper of general circulation,
4 and to each local radio or television station or other news medium
5 which has on file with such corporation, commission, or authority a
6 written request to be notified.

7 (3) Any property transferred by the city, town, or county that
8 created such public corporation, commission, or authority may be sold
9 (~~(or encumbered)~~) by such public corporation, commission, or authority
10 only after approval of such sale (~~(or encumbrance)~~) by the governing
11 body of the public corporation, commission, or authority at a public
12 meeting of which notice was provided pursuant to RCW 42.30.080.
13 Nothing in this section shall be construed to prevent the governing
14 body of the public corporation, commission, or authority from holding
15 an executive session during a regular or special meeting in accordance
16 with RCW 42.30.110(1)(c). In addition, the public corporation,
17 commission, or authority shall advertise notice of the meeting in a
18 local newspaper of general circulation at least twice no less than
19 seven days and no more than two weeks before the public meeting.

20 **Sec. 2.** RCW 35.21.750 and 1974 ex.s. c 37 s 6 are each amended to
21 read as follows:

22 (1) In the event of the insolvency or dissolution of a public
23 corporation, commission, or authority, the superior court of the county
24 in which the public corporation, commission, or authority is or was
25 operating shall have jurisdiction and authority to appoint trustees or
26 receivers of corporate property and assets and supervise such
27 trusteeship or receivership: PROVIDED, That all liabilities incurred
28 by such public corporation, commission, or authority shall be satisfied
29 exclusively from the assets and properties of such public corporation,
30 commission, or authority and no creditor or other person shall have any
31 right of action against the city, town, or county creating such
32 corporation, commission or authority on account of any debts,
33 obligations, or liabilities of such public corporation, commission, or
34 authority.

35 (2) If the public corporation is authorized to enter into long-term
36 leases by enabling ordinance or resolution, the city, town, or county

1 that created the public corporation shall take the place of the public
2 corporation by assuming any duties, liabilities, or assets of such
3 leases.

4 NEW SECTION. Sec. 3. A new section is added to chapter 35.21 RCW
5 to read as follows:

6 A public corporation may lease all real and personal property owned
7 and controlled by it, for such purposes and upon such terms as the
8 public corporation deems proper.

9 No lease shall be for a period longer than fifty years with option
10 for extensions up to an additional thirty years.

11 NEW SECTION. Sec. 4. A new section is added to chapter 35.21 RCW
12 to read as follows:

13 Every lease of real and personal property of a public corporation
14 for a term of more than one year must have the rent secured by rental
15 insurance, bond, or other security satisfactory to the public
16 corporation, subject to the following provisions:

17 (1) Security must be the greater of one year's rent or one-sixth
18 the total rent, but the amount may not exceed the value of three years'
19 rent. However, nothing in this section prevents the public corporation
20 from requiring additional security for supplemental agreements or
21 leases;

22 (2) Evidence of the existence of the insurance, bonds, or security
23 must be on file with the public corporation at all times during the
24 term of the lease;

25 (3) If the required security is not maintained throughout the full
26 term of the lease, the lease must be considered in default. The public
27 corporation may waive the rent security requirement or lower the amount
28 of such requirement on the lease of either real or personal property
29 owned or controlled by the public corporation, or both; and

30 (4) Any security agreement may provide for termination on the
31 anniversary date of the agreement on not less than one year's written
32 notice to the public corporation if the lease is not in default at the
33 time of notice.

34 **Sec. 5.** RCW 35.21.745 and 2002 c 218 s 24 are each amended to read
35 as follows:

1 (1) Any city, town, or county which shall create a public
2 corporation, commission, or authority pursuant to RCW 35.21.730 or
3 35.21.660, shall provide for its organization and operations and shall
4 control and oversee its operation and funds in order to correct any
5 deficiency and to assure that the purposes of each program undertaken
6 are reasonably accomplished.

7 (2) Any public corporation, commission, or authority created as
8 provided in RCW 35.21.730 may be empowered to own and sell real and
9 personal property; to contract with a city, town, or county to conduct
10 community renewal activities under chapter 35.81 RCW; to contract with
11 individuals, associations, and corporations, and the state and the
12 United States; to contract for public works under Title 39 RCW; to sue
13 and be sued; to loan and borrow funds and issue bonds and other
14 instruments evidencing indebtedness; transfer any funds, real or
15 personal property, property interests, or services; to do anything a
16 natural person may do; and to perform all manner and type of community
17 services. However, the public corporation, commission, or authority
18 shall have no power of eminent domain nor any power to levy taxes or
19 special assessments.

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