

SB 6523 - H AMD TO CB COMM AMD (H4478.1) **1291**

By Representative Kretz

1 On page 1, beginning on line 3 of the striking amendment, strike
2 all of sections 1 and 2 and insert the following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.19
4 RCW to read as follows:

5 (1) A state agency with statutory authority to lease state-owned
6 properties to private parties may negotiate a modification to an
7 existing lease at the request of the lessee for a rate that is less
8 than fair market value in consideration of the lessee's occupancy of
9 the structure and agreement to restore, maintain, rehabilitate, or
10 otherwise improve the leased property. Such an agreement must be in
11 writing and must clearly specify the terms of the agreement, the
12 value of the improvements, the improvements to be made to the
13 property, and the time frame in which the improvements must be
14 completed. The value of the improvements should be a reasonable
15 exchange for the negotiated rate reduction and any other
16 consideration provided by the state agency. Improvements to the
17 property must be done with approval of the leasing agency. The
18 person approving such lease modifications may not be related to or
19 be affiliated with the lessee, nor can there be any conflict of
20 interest among the parties to the lease modification transaction.

21 (2) If the property is listed, or as part of the lease
22 modification includes an application to be listed, on the national
23 register of historic places, the Washington heritage register, or a
24 local historic register, the agency must consult with the department
25 of archaeology and historic preservation and all work performed on
26 the property must comply with the federal department of interior
27 standards for rehabilitation of historic properties.

1

2 (3) No agency may lease land to a lessee with the knowledge or
3 expectation that a request of modification under this section will
4 occur during the term of the lease unless the knowledge or
5 expectation relates to activities proposed by a current or previous
6 lessee."

7

8

9

10

EFFECT: 1) Revises and/or restructures a number of provisions in the striking amendment; 2) Limits the application of the provisions of the bill to existing leases and allows modification of such leases, subject to specified conditions; 3) Allows lease modifications only if requested by the lessee; 4) Requires that the lease modification agreement specify the time frame during which improvements must be completed; 5) Requires that the value of the improvements should be a reasonable exchange for the negotiated rate reduction and any other consideration provided by the state agency; 6) Requires that if at the time of the execution of the lease modification agreement there is a pending application to officially list the property as a property of historic significance, then the agency must consult with the Department of Archaeology and Historic Preservation and all work performed on the property must comply with the federal Department of Interior standards for rehabilitation of historic properties; and 7) Prohibits an agency from leasing land to a lessee with the knowledge or expectation that a request of modification under this section will occur during the term of the lease unless the knowledge or expectation relates to activities proposed by a current or previous lessee.

--- END ---