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**ENGROSSED SUBSTITUTE HOUSE BILL 2647**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Jinkins, Ryu, Fey, Santos, and Frame)

AN ACT Relating to disposing tax foreclosed property to cities for affordable housing purposes; and amending RCW 36.35.150.

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

**Sec.**  RCW 36.35.150 and 2001 c 299 s 11 are each amended to read as follows:

(1) The county legislative authority may dispose of tax foreclosed property by private negotiation, without a call for bids, for not less than the principal amount of the unpaid taxes in any of the following cases: ((~~(1)~~)) (a) When the sale is to any governmental agency and for public purposes; ((~~(2)~~)) (b) when the county legislative authority determines that it is not practical to build on the property due to the physical characteristics of the property or legal restrictions on construction activities on the property; ((~~(3)~~)) (c) when the property has an assessed value of less than five hundred dollars and the property is sold to an adjoining landowner; or ((~~(4)~~)) (d) when no acceptable bids were received at the attempted public auction of the property, if the sale is made within twelve months from the date of the attempted public auction.

(2) Except when a public agency purchases the tax-foreclosed property for public purposes, the county legislative authority must give notice to any city in which any tax foreclosed property is located within at least sixty days of acquiring such property, and the county may not dispose of the property at public auction or by private negotiation before giving such notice. The notice must offer the city the opportunity to purchase the property for the original minimum bid under RCW 84.64.080. If the city chooses to purchase the property, the following conditions apply:

(a) The city must accept the offer within thirty days of receiving notice, unless the county agrees to extend the offer;

(b) The city must provide that the property is suitable and will be used for an affordable housing development as defined in RCW 36.130.010; and

(c) The city must agree to transfer the property to a local housing authority or other nonprofit entity eligible to receive assistance from the affordable housing program under chapter 43.185A RCW. The city must be reimbursed for the amount it paid to purchase the property from the housing authority or other nonprofit entity.

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