

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5820

Chapter 13, Laws of 2015

64th Legislature
2015 3rd Special Session

DEPARTMENT OF TRANSPORTATION--SURPLUS PROPERTY

EFFECTIVE DATE: 7/6/2015

Passed by the Senate June 28, 2015
Yeas 45 Nays 0

PAM ROACH

President of the Senate

Passed by the House June 30, 2015
Yeas 69 Nays 29

FRANK CHOPP

Speaker of the House of Representatives

Approved July 6, 2015 3:50 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5820** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Deputy Secretary

FILED

July 7, 2015

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5820

Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

By Senate Transportation (originally sponsored by Senators King and Benton)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to department of transportation surplus property;
2 amending RCW 47.12.283 and 47.12.063; and declaring an emergency.

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

4 **Sec. 1.** RCW 47.12.283 and 2010 c 8 s 10006 are each amended to
5 read as follows:

6 (1) Whenever the department of transportation determines that any
7 real property owned by the state of Washington and under the
8 jurisdiction of the department is no longer required for highway
9 purposes and that it is in the public interest to do so, the
10 department may, in its discretion, sell the property under RCW
11 47.12.063 or under subsections (2) through (6) of this section.

12 (2) Whenever the department determines to sell real property
13 under its jurisdiction at public auction, the department shall first
14 give notice thereof by (~~publication on the same day of the week for~~
15 ~~two consecutive weeks, with the first publication at least two weeks~~
16 ~~prior to the date of the auction, in a legal newspaper of general~~
17 ~~circulation in the area where the property to be sold is located. The~~
18 ~~notice shall be placed in both the legal notices section and the real~~
19 ~~estate classified section of the newspaper)) the most appropriate
20 method as determined by the department. The notice shall contain a
21 description of the property, the time and place of the auction, and~~

1 the terms of the sale. The sale may be for cash or by real estate
2 contract.

3 (3) The department shall sell the property at the public auction,
4 in accordance with the terms set forth in the notice, to the highest
5 and best bidder providing the bid is equal to or higher than the
6 appraised fair market value of the property.

7 (4) If no bids are received at the auction or if all bids are
8 rejected, the department may, in its discretion, enter into
9 negotiations for the sale of the property or may list the property
10 with a licensed real estate broker. No property shall be sold by
11 negotiations or through a broker for less than the property's
12 appraised fair market value. Any offer to purchase real property
13 pursuant to this subsection shall be in writing and may be rejected
14 at any time prior to written acceptance by the department.

15 ~~(5) ((Before the department shall approve any offer for the~~
16 ~~purchase of real property having an appraised value of more than ten~~
17 ~~thousand dollars, pursuant to subsection (4) of this section, the~~
18 ~~department shall first publish a notice of the proposed sale in a~~
19 ~~local newspaper of general circulation in the area where the property~~
20 ~~is located. The notice shall include a description of the property,~~
21 ~~the selling price, the terms of the sale, including the price and~~
22 ~~interest rate if sold by real estate contract, and the name and~~
23 ~~address of the department employee or the real estate broker handling~~
24 ~~the transaction. The notice shall further state that any person may,~~
25 ~~within ten days after the publication of the notice, deliver to the~~
26 ~~designated state employee or real estate broker a written offer to~~
27 ~~purchase the property for not less than ten percent more than the~~
28 ~~negotiated sale price, subject to the same terms and conditions. A~~
29 ~~subsequent offer shall not be considered unless it is accompanied by~~
30 ~~a deposit of twenty percent of the offer in the form of cash, money~~
31 ~~order, cashiers check, or certified check payable to the Washington~~
32 ~~state treasurer, to be forfeited to the state (for deposit in the~~
33 ~~motor vehicle fund) if the offeror fails to complete the sale if the~~
34 ~~offeror's offer is accepted. If a subsequent offer is received, the~~
35 ~~first offeror shall be informed by registered or certified mail sent~~
36 ~~to the address stated in his or her offer. The first offeror shall~~
37 ~~then have ten days, from the date of mailing the notice of the~~
38 ~~increased offer, in which to file with the designated state employee~~
39 ~~or real estate broker a higher offer than that of the subsequent~~
40 ~~offeror. After the expiration of the ten-day period, the department~~

1 ~~shall approve in writing the highest and best offer which the~~
2 ~~department then has on file.~~

3 (6)) All moneys received pursuant to this section, less any real
4 estate broker's commissions paid pursuant to RCW 47.12.320, shall be
5 deposited in the motor vehicle fund.

6 **Sec. 2.** RCW 47.12.063 and 2011 c 376 s 2 are each amended to
7 read as follows:

8 (1) It is the intent of the legislature to continue the
9 department's policy giving priority consideration to abutting
10 property owners in agricultural areas when disposing of property
11 through its surplus property program under this section.

12 (2) Whenever the department determines that any real property
13 owned by the state of Washington and under the jurisdiction of the
14 department is no longer required for transportation purposes and that
15 it is in the public interest to do so, the department may sell the
16 property or exchange it in full or part consideration for land or
17 building improvements or for construction of highway improvements at
18 fair market value to any person through the solicitation of written
19 bids through public advertising in the manner prescribed under RCW
20 47.28.050 or in the manner prescribed under RCW 47.12.283.

21 (3) The department may forego the processes prescribed by RCW
22 47.28.050 and 47.12.283 and sell the real property to any of the
23 following entities or persons at fair market value:

- 24 (a) Any other state agency;
25 (b) The city or county in which the property is situated;
26 (c) Any other municipal corporation;
27 (d) Regional transit authorities created under chapter 81.112
28 RCW;

29 (e) The former owner of the property from whom the state acquired
30 title;

31 (f) In the case of residentially improved property, a tenant of
32 the department who has resided thereon for not less than six months
33 and who is not delinquent in paying rent to the state;

34 (g) Any abutting private owner but only after each other abutting
35 private owner (if any), as shown in the records of the county
36 assessor, is notified in writing of the proposed sale. If more than
37 one abutting private owner requests in writing the right to purchase
38 the property within fifteen days after receiving notice of the

1 proposed sale, the property shall be sold at public auction in the
2 manner provided in RCW 47.12.283;

3 (h) To any other owner of real property required for
4 transportation purposes;

5 (i) In the case of property suitable for residential use, any
6 nonprofit organization dedicated to providing affordable housing to
7 very low-income, low-income, and moderate-income households as
8 defined in RCW 43.63A.510 and is eligible to receive assistance
9 through the Washington housing trust fund created in chapter 43.185
10 RCW; or

11 (j) A federally recognized Indian tribe within whose reservation
12 boundary the property is located.

13 (4) When selling real property pursuant to RCW 47.12.283, the
14 department may withhold or withdraw the property from an auction when
15 requested by one of the entities or persons listed in subsection (3)
16 of this section and only after the receipt of a nonrefundable deposit
17 equal to ten percent of the fair market value of the real property or
18 five thousand dollars, whichever is less. This subsection does not
19 prohibit the department from exercising its discretion to withhold or
20 withdraw the real property from an auction if the department
21 determines that the property is no longer surplus or chooses to sell
22 the property through one of the other means listed in subsection (2)
23 of this section. If a transaction under this subsection is not
24 completed within sixty days, the real property must be put back up
25 for sale.

26 (5) Sales to purchasers may, at the department's option, be for
27 cash, by real estate contract, or exchange of land or highway
28 improvements. Transactions involving the construction of improvements
29 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as
30 applicable, and must comply with all other applicable laws and rules.

31 (6) Conveyances made pursuant to this section shall be by deed
32 executed by the secretary of transportation and shall be duly
33 acknowledged.

34 (7) Unless otherwise provided, all moneys received pursuant to
35 the provisions of this section less any real estate broker
36 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
37 motor vehicle fund.

38 (8) The department may not enter into equal value exchanges or
39 property acquisitions for building improvements without first

1 consulting with the office of financial management and the joint
2 transportation committee.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect immediately.

Passed by the Senate June 28, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.