

SENATE BILL REPORT

SB 6265

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 3, 2020

Title: An act relating to the lease or rental of surplus property of school districts.

Brief Description: Concerning the lease or rental of surplus property of school districts.

Sponsors: Senators McCoy, Hasegawa, Lovelett, Wilson, C. and Das.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/24/20, 2/03/20 [DP].

Brief Summary of Bill

- Allows school districts to lease or rent surplus real property without including a provision in the agreement that allows the district to recapture the property for school purposes when the property is leased or rented for affordable housing purposes.
- Applies this provision to any lease or rental agreement entered into on or after January 1, 2018.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hawkins, Ranking Member; Hunt, McCoy, Mullet, Padden, Pedersen, Salomon and Wagoner.

Staff: Ailey Kato (786-7434)

Background: Surplus School District Property. Current state law authorizes every school district board of directors to permit the rental, lease, or occasional use of any surplus real property owned or lawfully held by the district to any person, corporation, or government entity for profit or nonprofit, commercial or noncommercial purposes. Leasing, renting, or use of such property must be for a lawful purpose and must not interfere with the district's educational program and related activities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The lease or rental agreement must include provisions which permit the recapture of the leased or rented property if such property is needed for school purposes, except in one circumstance. The recapture requirement does not apply when land use, due to proximity to an international airport, has been so permanently altered as to preclude the possible use of the property for a school, and the school property has been so heavily impacted by surrounding land uses a school would no longer be appropriate in that area.

Surplus Public Property for Affordable Housing. Any state agency, municipality, or political subdivision, with authority to dispose of surplus public property, may transfer, lease, or dispose of such property for public benefit purposes when certain requirements are met. Public benefit means affordable housing for low-income and very low-income households, and related facilities that support the goals of affordable housing.

Summary of Bill: The requirement that a school district lease or rental agreement include recapture provisions does not apply when the property is leased or rented for affordable housing purposes and meets statutory requirements for surplus public property.

This provision is remedial and curative in nature, and applies retroactively to any lease or rental agreement entered into on or after January 1, 2018.

Appropriation: None.

Fiscal Note: Requested on January 14, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill has a retroactive clause and takes effect on January 1, 2018.

Staff Summary of Public Testimony: PRO: In 2018, the Legislature passed a bill that made clear that public entities may sell, donate, or lease land for the purpose of affordable housing. Some school districts would like to use their surplus property for affordable housing to help improve outcomes for students experiencing homelessness. The most common type of financing for affordable housing is based on tax credits. For this type of financing, it is problematic for investors to have a recapture provision in a lease. This bill allows school districts to decide whether they would like to include a recapture provision.

Persons Testifying: PRO: Fred Safstrom, CEO, Housing Hope.

Persons Signed In To Testify But Not Testifying: No one.