

SHB 2722 - H AMD 1119

By Representative Dunshee **ADOPTED 02/13/2012**

1 Strike everything after the enacting clause and insert the
2 following:

3
4 "Sec. 1. RCW 43.82.010 and 2007 c 506 s 8 are each amended to
5 read as follows:

6 (1) The director of (~~general administration~~) enterprise
7 services, on behalf of the agency involved and after consultation with
8 the office of financial management, shall purchase, lease, lease
9 purchase, rent, or otherwise acquire all real estate, improved or
10 unimproved, as may be required by elected state officials,
11 institutions, departments, commissions, boards, and other state
12 agencies, or federal agencies where joint state and federal activities
13 are undertaken and may grant easements and transfer, exchange, sell,
14 lease, or sublease all or part of any surplus real estate for those
15 state agencies which do not otherwise have the specific authority to
16 dispose of real estate. This section does not transfer financial
17 liability for the acquired property to the department of (~~general~~
18 ~~administration~~) enterprise services.

19 (2) Except for real estate occupied by federal agencies, the
20 director shall determine the location, size, and design of any real
21 estate or improvements thereon acquired or held pursuant to subsection
22 (1) of this section. Facilities acquired or held pursuant to this
23 chapter, and any improvements thereon, shall conform to standards
24 adopted by the director and approved by the office of financial
25 management governing facility efficiency unless a specific exemption
26 from such standards is provided by the director of (~~general~~
27 ~~administration~~) enterprise services. The director of (~~general~~

1 ~~administration~~) enterprise services shall report to the office of
2 financial management and the appropriate committees of the legislature
3 annually on any exemptions granted pursuant to this subsection.

4 (3) The director of (~~general administration~~) enterprise services
5 may fix the terms and conditions of each lease entered into under this
6 chapter, except that no lease shall extend greater than twenty years
7 in duration. The director of (~~general administration~~) enterprise
8 services may enter into a long-term lease greater than ten years in
9 duration upon a determination by the director of the office of
10 financial management that the long-term lease provides a more
11 favorable rate than would otherwise be available, it appears to a
12 substantial certainty that the facility is necessary for use by the
13 state for the full length of the lease term, and the facility meets
14 the standards adopted pursuant to subsection (2) of this section. The
15 director of (~~general administration~~) enterprise services may enter
16 into a long- term lease greater than ten years in duration if an
17 analysis shows that the life-cycle cost of leasing the facility is
18 less than the life-cycle cost of purchasing or constructing a facility
19 in lieu of leasing the facility.

20 (4) Except as permitted under chapter 39.94 RCW, no lease for or
21 on behalf of any state agency may be used or referred to as collateral
22 or security for the payment of securities offered for sale through a
23 public offering. Except as permitted under chapter 39.94 RCW, no
24 lease for or on behalf of any state agency may be used or referred to
25 as collateral or security for the payment of securities offered for
26 sale through a private placement without the prior written approval of
27 the state treasurer. However, this limitation shall not prevent a
28 lessor from assigning or encumbering its interest in a lease as
29 security for the repayment of a promissory note provided that the
30 transaction would otherwise be an exempt transaction under RCW
31 21.20.320. The state treasurer shall adopt rules that establish the
32 criteria under which any such approval may be granted. In
33 establishing such criteria the state treasurer shall give primary
34 consideration to the protection of the state's credit rating and the

1 integrity of the state's debt management program. If it appears to
2 the state treasurer that any lease has been used or referred to in
3 violation of this subsection or rules adopted under this subsection,
4 then he or she may recommend that the governor cause such lease to be
5 terminated. The department of (~~general administration~~) enterprise
6 services shall promptly notify the state treasurer whenever it may
7 appear to the department that any lease has been used or referred to
8 in violation of this subsection or rules adopted under this
9 subsection.

10 (5) It is the policy of the state to encourage the colocation and
11 consolidation of state services into single or adjacent facilities,
12 whenever appropriate, to improve public service delivery, minimize
13 duplication of facilities, increase efficiency of operations, and
14 promote sound growth management planning.

15 (6) The director of (~~general administration~~) enterprise services
16 shall provide coordinated long-range planning services to identify and
17 evaluate opportunities for collocating and consolidating state
18 facilities. Upon the renewal of any lease, the inception of a new
19 lease, or the purchase of a facility, the director of (~~general~~
20 ~~administration~~) enterprise services shall determine whether an
21 opportunity exists for collocating the agency or agencies in a single
22 facility with other agencies located in the same geographic area. If
23 a colocation opportunity exists, the director of (~~general~~
24 ~~administration~~) enterprise services shall consult with the affected
25 state agencies and the office of financial management to evaluate the
26 impact colocation would have on the cost and delivery of agency
27 programs, including whether program delivery would be enhanced due to
28 the centralization of services. The director of (~~general~~
29 ~~administration~~) enterprise services, in consultation with the office
30 of financial management, shall develop procedures for implementing
31 colocation and consolidation of state facilities.

32 (7) The director of (~~general administration~~) enterprise services
33 is authorized to purchase, lease, rent, or otherwise acquire improved
34 or unimproved real estate as owner or lessee and to lease or sublet

1 all or a part of such real estate to state or federal agencies. The
2 director of ((~~general administration~~)) enterprise services shall
3 charge each using agency its proportionate rental which shall include
4 an amount sufficient to pay all costs, including, but not limited to,
5 those for utilities, janitorial and accounting services, and
6 sufficient to provide for contingencies; which shall not exceed five
7 percent of the average annual rental, to meet unforeseen expenses
8 incident to management of the real estate.

9 (8) If the director of ((~~general administration~~)) enterprise
10 services determines that it is necessary or advisable to undertake any
11 work, construction, alteration, repair, or improvement on any real
12 estate acquired pursuant to subsection (1) or (7) of this section, the
13 director shall cause plans and specifications thereof and an estimate
14 of the cost of such work to be made and filed in his or her office and
15 the state agency benefiting thereby is hereby authorized to pay for
16 such work out of any available funds: PROVIDED, That the cost of
17 executing such work shall not exceed the sum of twenty-five thousand
18 dollars. Work, construction, alteration, repair, or improvement in
19 excess of twenty-five thousand dollars, other than that done by the
20 owner of the property if other than the state, shall be performed in
21 accordance with the public works law of this state.

22 (9) In order to obtain maximum utilization of space, the director
23 of ((~~general administration~~)) enterprise services shall make space
24 utilization studies, and shall establish standards for use of space by
25 state agencies. Such studies shall include the identification of
26 opportunities for colocation and consolidation of state agency office
27 and support facilities.

28 (10) The director of ((~~general administration~~)) enterprise
29 services may construct new buildings on, or improve existing
30 facilities, and furnish and equip, all real estate under his or her
31 management. Prior to the construction of new buildings or major
32 improvements to existing facilities or acquisition of facilities using
33 a lease purchase contract, the director of ((~~general administration~~))
34 enterprise services shall conduct an evaluation of the facility design

1 and budget using life-cycle cost analysis, value-engineering, and
2 other techniques to maximize the long-term effectiveness and
3 efficiency of the facility or improvement.

4 (11) All conveyances and contracts to purchase, lease, rent,
5 transfer, exchange, or sell real estate and to grant and accept
6 easements shall be approved as to form by the attorney general, signed
7 by the director of (~~general administration~~) enterprise services or
8 the director's designee, and recorded with the county auditor of the
9 county in which the property is located.

10 (12) The director of (~~general administration~~) enterprise
11 services may delegate any or all of the functions specified in this
12 section to any agency upon such terms and conditions as the director
13 deems advisable. By January 1st of each year, beginning January 1,
14 2008, the department shall submit an annual report to the office of
15 financial management and the appropriate committees of the legislature
16 on all delegated leases.

17 (13) This section does not apply to the acquisition of real estate
18 by:

19 (a) The state college and universities for research or
20 experimental purposes;

21 (b) The state liquor control board for liquor stores and
22 warehouses; and

23 (c) The department of natural resources, the department of fish
24 and wildlife, the department of transportation, and the state parks
25 and recreation commission for purposes other than the leasing of
26 offices, warehouses, and real estate for similar purposes.

27 (14) Notwithstanding any provision in this chapter to the
28 contrary, the department of (~~general administration~~) enterprise
29 services may negotiate ground leases for public lands on which
30 property is to be acquired under a financing contract pursuant to
31 chapter 39.94 RCW under terms approved by the state finance committee.

32 (15) The department of (~~general administration~~) enterprise
33 services shall report annually to the office of financial management
34 and the appropriate fiscal committees of the legislature on facility

1 leases executed for all state agencies for the preceding year, lease
2 terms, and annual lease costs. The report must include leases
3 executed under RCW 43.82.045 and subsection (12) of this section.

4 (16) The department of enterprise services shall report the status
5 of any surplus property that is actively being listed for sale
6 including the date the property was listed and listing price, and any
7 surplus property that has sold including the approximate value, sale
8 price, and fund into which the proceeds will be deposited to the
9 office of financial management and the appropriate fiscal committees
10 of the legislature by January 1st of odd-numbered years. At least nine
11 months prior to being actively listed for sale, the department shall
12 notify the fiscal committees of the legislature and the office of
13 financial management."

14

15 Correct the title.

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EFFECT: Removes requirement that the governor's capital budget include a list of surplus property. Removes the requirement that state agencies report surplus property to the Office of Financial Management. Requires the Department of Enterprise Services to report to the Legislature any property that will be actively listed for sale at least nine months prior to listing.

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