

SENATE BILL REPORT

SB 5033

As Passed Senate, February 22, 2011

Title: An act relating to the sale of water-sewer district real property.

Brief Description: Concerning the sale of water-sewer district real property.

Sponsors: Senators Pridemore, Swecker, Chase and Nelson.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/13/11, 1/17/11 [DP].

Passed Senate: 2/22/11, 46-0.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Chase, Nelson and Roach.

Staff: Karen Epps (786-7424)

Background: Water-sewer districts provide water and sewer services to incorporated and unincorporated areas. Districts are established through a petition, public hearing, and voter approval process and are each managed by a board of three or five elected commissioners who serve staggered six-year terms.

District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and to develop and operate systems of sewers and drainage. In addition, a district has broad authority to create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from such wastewater. A district is prohibited from engaging in the private sale of real property if the appraised value exceeds \$2,500.

The sale of real property by a district is subject to the following requirements:

- subject to specified exceptions, the sale price must be at least 90 percent of the property's appraised value;

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- the district must obtain a written appraisal not more than six months prior to the date of sale;
- the appraisal must be made by three disinterested, licensed real estate brokers or professionally designated real estate appraisers;
- the appraisal must be signed, filed, and made available to the public in accordance with specified requirements; and
- notice of a district's intention to sell the property must state the appraised value.

Summary of Bill: A district may engage in the private sale of real property provided the estimated value is \$5,000 or less. In conducting such a sale, a district's board of commissioners is authorized to determine the estimated value based upon the advice of brokers and appraisers, as the board deems appropriate. Formal written appraisals are not required.

The sale price must be determined through a formal property valuation process if the estimated value of the sale property exceeds \$5,000. This process must include either a written broker price opinion from three real estate brokers or an appraisal by one professionally designated real estate appraiser.

Appropriation: None

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Washington Association of Sewer and Water Districts supports this legislation which would allow districts to sell surplus real property valued at less than \$5,000 through an expedited process. Current law requires three formal appraisals and is cost prohibitive. This bill would allow districts to liquidate small parcels, usually 10' wide strips between adjoining property owners, using one written estimate of value.

Persons Testifying: PRO: Joe Daniels, Washington Association of Sewer and Water Districts.