

SENATE BILL REPORT

SB 5658

As Reported by Senate Committee On:
Transportation, February 21, 2011

Title: An act relating to the sale or exchange of surplus real property by the department of transportation.

Brief Description: Concerning the sale or exchange of surplus real property by the department of transportation.

Sponsors: Senators King, Haugen and Shin.

Brief History:

Committee Activity: Transportation: 2/14/11, 2/21/11 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5658 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; White, Vice Chair; King, Ranking Minority Member; Fain, Assistant Ranking Minority Member; Delvin, Eide, Ericksen, Hill, Hobbs, Litzow, Nelson, Sheldon, Shin and Swecker.

Staff: Amanda Cecil (786-7429)

Background: The Washington State Department of Transportation (WSDOT) has the authority to identify property that is no longer needed for transportation purposes as surplus. Once property has been identified as surplus, WSDOT may dispose of the land for no less than fair market value through one of the following processes:

1. through a call for bids as part of the construction or maintenance of a highway;
2. at public auction to the highest bidder;
3. through a licensed real estate broker; or
4. direct sale to any of the following entities:
 - a. any other state agency;
 - b. a city, county or Indian tribe if the land is located within their boundaries;
 - c. any other municipal corporation;
 - d. Sound Transit;
 - e. the former owner;
 - f. a tenant that has resided there for six or more months;

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- g. an abutting property owner;
- h. to anyone for transportation purposes;
- i. nonprofit organizations for low-income housing; and
- j. a federally qualified community health center until June 30, 2012.

Summary of Bill (Recommended Substitute): WSDOT may only remove property from an auction for a person or organization listed in a. through i. above if the requestor can provide the lesser of 10 percent of the fair market value or \$5,000. If the requestor is unable to complete the sale within 60 days, the requestor loses the down payment and the property is put back up for sale.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Clarifies that WSDOT may, at their discretion, remove property from an auction if they determine that the property is no longer surplus or if they choose to sell the property through some other means.

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 on Original Bill: PRO: WSDOT spends the money to put property up for auction and then groups or individuals will have it pulled saying that they are going to pay for it. On a number of occasions the groups have not been able to come up with the funds and WSDOT is out the cost. This will help ensure that only serious parties that are able to buy land have it withheld from an auction.

Persons Testifying: PRO: Senator King, prime sponsor; Mike Palazzo, WSDOT.