
SENATE BILL 5214

State of Washington

62nd Legislature

2011 Regular Session

By Senators Hobbs, Chase, Prentice, Regala, and Kline

Read first time 01/18/11. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to the use of surplus property for the development
2 of affordable housing; amending RCW 43.63A.510, 47.12.063, 47.12.063,
3 47.12.064, 43.20A.037, 72.09.055, 43.19.19201, 79A.05.170, 79A.05.175,
4 36.34.137, 35.21.687, 79.11.005, 79.22.060, 53.08.090, 54.16.180,
5 57.08.016, and 81.112.080; providing an effective date; and providing
6 an expiration date.

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

8 **Sec. 1.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read
9 as follows:

10 (1) The department shall work with (~~the departments of natural~~
11 ~~resources, transportation, social and health services, corrections, and~~
12 ~~general administration~~) state and local governmental entities to
13 identify and catalog surplus or underutilized(~~(, state-owned land and~~
14 ~~property)~~) real property owned by these governmental entities suitable
15 for the development of affordable housing for extremely low-income,
16 very low-income, low-income, or moderate-income households. The state
17 and local governmental entities subject to the requirements of this
18 section are the departments of natural resources, transportation,
19 social and health services, corrections, (~~and~~) general administration

1 ~~((shall))~~, public lands, the state parks and recreation commission,
2 counties, cities, towns, port districts, regional transit agencies,
3 water-sewer districts, and public utility districts. These
4 governmental entities must provide an inventory of surplus or
5 underutilized real property that is owned or administered by each
6 ~~((agency))~~ governmental entity and is available for lease or sale.
7 ~~((The inventories shall be provided to the department by November 1,~~
8 ~~1993, with inventory revisions provided each November 1 thereafter.))~~
9 Each inventory must contain descriptive information about each property
10 that includes, if known, the contact information for the property and
11 the location, approximate size, sale or lease price and terms, and
12 current zoning classification of the property. Each inventory must be
13 updated at least once a year, and printed and electronic copies of each
14 inventory must be provided upon request. Each annual inventory must
15 also include any surplus properties that have been sold for affordable
16 housing.

17 (2) ~~((Upon written request, the department shall provide a copy of~~
18 ~~the inventory of state-owned and publicly owned lands and buildings to~~
19 ~~parties interested in developing the sites for affordable housing.~~

20 ~~(3))~~ Surplus property for sale by the governmental entities
21 subject to the requirements of this section, and which is suitable for
22 the development of affordable housing, must be offered for at least the
23 first one hundred eighty days after its availability for sale
24 exclusively to eligible organizations, for the purpose of developing
25 affordable housing.

26 (3) Eligible organizations have the right to obtain these surplus
27 properties through purchase, lease, exchange, or donation, under
28 reasonable option and conveyance conditions, in return for a recorded
29 covenant to provide affordable housing for at least forty years or a
30 loan note in the name of the jurisdiction for single-family
31 homeownership programs. A governmental entity that sells real property
32 to an eligible entity under this section may do so at a price that is
33 less than fair market value, provided that the housing developed on the
34 property is occupied primarily by individuals or households who are
35 extremely low-income, very low-income, or low-income. Governmental
36 entities subject to this section have the sole authority to determine:
37 (a) Whether or not property is surplus; (b) whether or not the property

1 is suitable for the development of affordable housing; and (c) what
2 constitutes reasonable option and conveyance conditions for the
3 purchase, lease, exchange, or donation of the property.

4 (4) Each governmental entity subject to the requirements of this
5 section must develop the criteria and procedures necessary for
6 inventorying surplus property and offering it for sale, lease,
7 exchange, or donation for affordable housing. Each governmental entity
8 must (a) enter into a recorded covenant with the purchaser of the
9 surplus property or a loan note in the name of the jurisdiction, to
10 ensure that the property will meet the required income restrictions,
11 and (b) monitor compliance with the covenant or loan note.

12 (5) As used in this section:

13 (a) "Affordable housing" means residential housing that is rented
14 or owned by a person who qualifies as ((~~a~~)) an extremely low-income,
15 very low-income, low-income, or moderate-income household or who is
16 from a special needs population(, ~~and whose monthly housing costs,~~
17 ~~including utilities other than telephone, do not exceed thirty percent~~
18 ~~of the household's monthly income)).~~

19 (b) "Very low-income household" means a single person, family, or
20 unrelated persons living together whose income is at or below fifty
21 percent of the county area median income(~~(,~~ ~~adjusted for household~~
22 ~~size,~~)) for the county where the affordable housing is located,
23 adjusted for household size.

24 (c) "Low-income household" means a single person, family, or
25 unrelated persons living together whose income is more than fifty
26 percent but is at or below eighty percent of the county area median
27 income where the affordable housing is located, adjusted for household
28 size.

29 (d) "Moderate-income household" means a single person, family, or
30 unrelated persons living together whose income is more than eighty
31 percent but is at or below one hundred fifteen percent of the county
32 area median income where the affordable housing is located, adjusted
33 for household size.

34 (e) "Eligible organization" means any city, town, or county
35 government, local housing authority, public development authority,
36 community renewal agency, regional support network established under
37 chapter 71.24 RCW, nonprofit community or neighborhood-based
38 organization, federally recognized Indian tribe in the state of

1 Washington, or regional or statewide nonprofit housing assistance
2 organization, including such entities materially participating as a
3 general partner or managing members of a partnership, limited liability
4 company, or equivalent organization.

5 (f) "Extremely low-income household" means a single person, family,
6 or unrelated persons living together whose income is at or below thirty
7 percent of the county area median income where the affordable housing
8 is located, adjusted for household size.

9 (g) "Primarily" means fifty-one percent or more.

10 (h) "Real property" means land, buildings, or buildings and land.

11 (6) Counties, cities, and towns may sell surplus property at a
12 discount for affordable housing, provided that the discounted sales
13 comply with the guidelines under RCW 36.70A.540 for affordable housing
14 incentive programs. Except for the requirement to inventory surplus
15 property under subsection (1) of this section, counties, cities, and
16 towns are not otherwise subject to the requirements of this section.

17 **Sec. 2.** RCW 47.12.063 and 2010 c 157 s 1 are each amended to read
18 as follows:

19 (1) It is the intent of the legislature to continue the
20 department's policy giving priority consideration to abutting property
21 owners in agricultural areas when disposing of property through its
22 surplus property program under this section. With respect to surplus
23 property in nonagricultural areas that is suitable for residential use,
24 the department shall give priority to selling, leasing, exchanging, or
25 donating the property to eligible organizations for the development of
26 affordable housing for extremely low-income, very low-income, low-
27 income, or moderate-income households, consistent with the requirements
28 of this section and RCW 43.63A.510.

29 (2) Whenever the department determines that any real property owned
30 by the state of Washington and under the jurisdiction of the department
31 is no longer required for transportation purposes and that it is in the
32 public interest to do so, the department may sell or lease the property
33 or exchange it in full or part consideration for land or improvements
34 or for construction of improvements ((at fair market value to)).
35 Except as authorized in (j) of this subsection, the department must
36 receive fair market value for any such sale, lease, or exchange. The

1 department may engage in the sale, lease, or exchange of its surplus
2 property with any of the following governmental entities or persons:

3 (a) Any other state agency;

4 (b) The city or county in which the property is situated;

5 (c) Any other municipal corporation;

6 (d) Regional transit authorities created under chapter 81.112 RCW;

7 (e) The former owner of the property from whom the state acquired
8 title;

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

12 (g) Any abutting private owner but only after each other abutting
13 private owner (if any), as shown in the records of the county assessor,
14 is notified in writing of the proposed sale. If more than one abutting
15 private owner requests in writing the right to purchase the property
16 within fifteen days after receiving notice of the proposed sale, the
17 property shall be sold at public auction in the manner provided in RCW
18 47.12.283;

19 (h) To any person through the solicitation of written bids through
20 public advertising in the manner prescribed by RCW 47.28.050;

21 (i) To any other owner of real property required for transportation
22 purposes;

23 (j) In the case of property suitable for residential use, any
24 ~~((nonprofit))~~ eligible organization ~~((dedicated to providing affordable~~
25 ~~housing to very low income, low income, and moderate income~~
26 ~~households))~~, as defined in RCW 43.63A.510 ~~((and is eligible to receive~~
27 ~~assistance through the Washington housing trust fund created in chapter~~
28 ~~43.185 RCW))~~, to provide affordable housing for extremely low-income,
29 very low-income, low-income, and moderate-income households as defined
30 in RCW 43.63A.510. The department may sell, lease, exchange, or donate
31 the property for less than fair market value under this subsection
32 (2)(j) if the affordable housing to be developed on the property is to
33 be occupied primarily by extremely low-income, very low-income, or low-
34 income households as provided in RCW 43.63A.510;

35 (k) A federally qualified community health center as defined in RCW
36 82.04.4311; or

37 (l) A federally recognized Indian tribe within whose reservation
38 boundary the property is located.

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

6 (4) Conveyances made pursuant to this section shall be by deed
7 executed by the secretary of transportation and shall be duly
8 acknowledged.

9 (5) Unless otherwise provided, all moneys received pursuant to the
10 provisions of this section less any real estate broker commissions paid
11 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

12 **Sec. 3.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read
13 as follows:

14 (1) It is the intent of the legislature to continue the
15 department's policy giving priority consideration to abutting property
16 owners in agricultural areas when disposing of property through its
17 surplus property program under this section. With respect to surplus
18 property in nonagricultural areas that is suitable for residential use,
19 the department shall give priority to selling, leasing, exchanging, or
20 donating the property to eligible organizations for the development of
21 affordable housing for extremely low-income, very low-income, low-
22 income, or moderate-income households, consistent with the requirements
23 of this section and RCW 43.63A.510.

24 (2) Whenever the department determines that any real property owned
25 by the state of Washington and under the jurisdiction of the department
26 is no longer required for transportation purposes and that it is in the
27 public interest to do so, the department may sell or lease the property
28 or exchange it in full or part consideration for land or improvements
29 or for construction of improvements (~~at fair market value to~~).
30 Except as authorized in (j) of this subsection, the department must
31 receive fair market value for any such sale, lease, or exchange. The
32 department may engage in the sale, lease, or exchange of its surplus
33 property with any of the following governmental entities or persons:

- 34 (a) Any other state agency;
35 (b) The city or county in which the property is situated;
36 (c) Any other municipal corporation;
37 (d) Regional transit authorities created under chapter 81.112 RCW;

1 (e) The former owner of the property from whom the state acquired
2 title;

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

6 (g) Any abutting private owner but only after each other abutting
7 private owner (if any), as shown in the records of the county assessor,
8 is notified in writing of the proposed sale. If more than one abutting
9 private owner requests in writing the right to purchase the property
10 within fifteen days after receiving notice of the proposed sale, the
11 property shall be sold at public auction in the manner provided in RCW
12 47.12.283;

13 (h) To any person through the solicitation of written bids through
14 public advertising in the manner prescribed by RCW 47.28.050;

15 (i) To any other owner of real property required for transportation
16 purposes;

17 (j) In the case of property suitable for residential use, any
18 ~~((nonprofit))~~ eligible organization ~~((dedicated to providing affordable~~
19 ~~housing to very low income, low income, and moderate income~~
20 ~~households))~~, as defined in RCW 43.63A.510 ~~((and is eligible to receive~~
21 ~~assistance through the Washington housing trust fund created in chapter~~
22 ~~43.185 RCW))~~, to provide affordable housing for extremely low-income,
23 very low-income, low-income, and moderate-income households as defined
24 in RCW 43.63A.510. The department may sell, lease, exchange, or donate
25 the property for less than fair market value under this subsection
26 (2)(j) if the affordable housing to be developed on the property is to
27 be occupied primarily by extremely low-income, very low-income, or low-
28 income households as provided in RCW 43.63A.510; or

29 (k) A federally recognized Indian tribe within whose reservation
30 boundary the property is located.

31 (3) Sales to purchasers may at the department's option be for cash,
32 by real estate contract, or exchange of land or improvements.
33 Transactions involving the construction of improvements must be
34 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
35 and must comply with all other applicable laws and rules.

36 (4) Conveyances made pursuant to this section shall be by deed
37 executed by the secretary of transportation and shall be duly
38 acknowledged.

1 (5) Unless otherwise provided, all moneys received pursuant to the
2 provisions of this section less any real estate broker commissions paid
3 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

4 **Sec. 4.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to
5 read as follows:

6 ~~((1))~~ In accordance with RCW 43.63A.510, the department shall
7 identify and catalog real property that is no longer required for
8 department purposes and is suitable for the development of affordable
9 housing for extremely low-income, very low-income, low-income, and
10 moderate-income households as defined in RCW 43.63A.510. The inventory
11 ~~((shall))~~ must include the location, approximate size, sale or lease
12 price and terms, and current zoning classification of the property.
13 ~~((The department shall provide a copy of the inventory to the~~
14 ~~department of community, trade, and economic development by November 1,~~
15 ~~1993, and every November 1 thereafter.~~

16 ~~(2) By November 1 of each year, beginning in 1994, the department~~
17 ~~shall purge the inventory of real property of sites that are no longer~~
18 ~~available for the development of affordable housing. The department~~
19 ~~shall include an updated listing of real property that has become~~
20 ~~available since the last update. As used in this section, "real~~
21 ~~property" means buildings, land, or buildings and land.))~~ Each
22 inventory must be updated at least once a year, and printed and
23 electronic copies of each inventory must be provided upon request.
24 Each annual inventory must also include any surplus properties that
25 have been sold for affordable housing.

26 **Sec. 5.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to
27 read as follows:

28 (1) In accordance with RCW 43.63A.510, the department shall
29 identify and catalog real property that is no longer required for
30 department purposes and is suitable for the development of affordable
31 housing for extremely low-income, very low-income, and moderate-income
32 households as defined in RCW 43.63A.510. The inventory ~~((shall))~~ must
33 include the location, approximate size, sale or lease price and terms,
34 and current zoning classification of the property. ~~((The department~~
35 ~~shall provide a copy of the inventory to the department of community,~~

1 trade, and economic development by November 1, 1993, and every November
2 1 thereafter.

3 (2) ~~By November 1 of each year, beginning in 1994, the department~~
4 ~~shall purge the inventory of real property of sites that are no longer~~
5 ~~available for the development of affordable housing. The department~~
6 ~~shall include an updated listing of real property that has become~~
7 ~~available since the last update. As used in this section, "real~~
8 ~~property" means buildings, land, or buildings and land.)~~ Each
9 inventory must be updated at least once a year, and printed and
10 electronic copies of each inventory must be provided upon request.
11 Each annual inventory must also include any surplus properties that
12 have been sold for affordable housing.

13 (2) In selling, leasing, transferring, or otherwise disposing of
14 surplus or underutilized property, the department shall give priority
15 to selling the property to an eligible organization as defined in RCW
16 43.63A.510 for the development of affordable housing for extremely low-
17 income, very low-income, low-income, or moderate-income households,
18 consistent with RCW 43.63A.510. The department may sell, lease, or
19 exchange the property for less than fair market value if the affordable
20 housing to be developed on the property is to be occupied primarily by
21 extremely low-income, very low-income, or low-income households as
22 provided in RCW 43.63A.510.

23 **Sec. 6.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to
24 read as follows:

25 (1) In accordance with RCW 43.63A.510, the department shall
26 identify and catalog real property that is no longer required for
27 department purposes and is suitable for the development of affordable
28 housing for extremely low-income, very low-income, low-income, and
29 moderate-income households as defined in RCW 43.63A.510. The inventory
30 ((shall)) must include the location, approximate size, sale or lease
31 price and terms, and current zoning classification of the property.
32 ((The department shall provide a copy of the inventory to the
33 department of community, trade, and economic development by November 1,
34 1993, and every November 1 thereafter.

35 (2) ~~By November 1 of each year, beginning in 1994, the department~~
36 ~~shall purge the inventory of real property of sites that are no longer~~
37 ~~available for the development of affordable housing. The department~~

1 ~~shall include an updated listing of real property that has become~~
2 ~~available since the last update. As used in this section, "real~~
3 ~~property" means buildings, land, or buildings and land.))~~ Each
4 inventory must be updated at least once a year, and printed and
5 electronic copies of each inventory must be provided upon request.
6 Each annual inventory must also include any surplus properties that
7 have been sold for affordable housing.

8 (2) In selling, leasing, transferring, or otherwise disposing of
9 surplus or underutilized property, the department shall give priority
10 to selling the property to an eligible organization as defined in RCW
11 43.63A.510 for the development of affordable housing for extremely low-
12 income, very low-income, low-income, or moderate-income households,
13 consistent with RCW 43.63A.510. The department may sell, lease, or
14 exchange the property for less than fair market value if the affordable
15 housing to be developed on the property is to be occupied primarily by
16 extremely low-income, very low-income, or low-income households as
17 provided in RCW 43.63A.510.

18 **Sec. 7.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
19 read as follows:

20 (1) In accordance with RCW 43.63A.510, the department of general
21 administration shall identify and catalog real property that is no
22 longer required for department purposes and is suitable for the
23 development of affordable housing for extremely low-income, very low-
24 income, low-income, and moderate-income households as defined in RCW
25 43.63A.510. The inventory ((shall)) must include the location,
26 approximate size, sale or lease price and terms, and current zoning
27 classification of the property. ((The department of general
28 administration shall provide a copy of the inventory to the department
29 of community, trade, and economic development by November 1, 1993, and
30 every November 1 thereafter.

31 (2) ~~By November 1 of each year, beginning in 1994, the department~~
32 ~~of general administration shall purge the inventory of real property of~~
33 ~~sites that are no longer available for the development of affordable~~
34 ~~housing. The department shall include an updated listing of real~~
35 ~~property that has become available since the last update. As used in~~
36 ~~this section, "real property" means buildings, land, or buildings and~~
37 ~~land.))~~ Each inventory must be updated at least once a year, and

1 printed and electronic copies of each inventory must be provided upon
2 request. Each annual inventory must also include any surplus
3 properties that have been sold for affordable housing.

4 (2) In selling, leasing, transferring, or otherwise disposing of
5 surplus or underutilized property, the department shall give priority
6 to selling the property to an eligible organization as defined in RCW
7 43.63A.510 for the development of affordable housing for extremely low-
8 income, very low-income, low-income, or moderate-income households,
9 consistent with RCW 43.63A.510. The department may sell, lease, or
10 exchange the property for less than fair market value if the affordable
11 housing to be developed on the property is to be occupied primarily by
12 extremely low-income, very low-income, or low-income households as
13 provided in RCW 43.63A.510.

14 **Sec. 8.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended
15 to read as follows:

16 (1) In selling, leasing, transferring, or otherwise disposing of
17 surplus or underutilized real property, the commission shall give
18 priority to selling the property to an eligible organization as defined
19 in RCW 43.63A.510 for the development of affordable housing for
20 extremely low-income, very low-income, low-income, or moderate-income
21 households, consistent with RCW 43.63A.510. The commission may sell,
22 lease, or exchange the property for less than fair market value if the
23 affordable housing to be developed on the property is to be occupied
24 primarily by extremely low-income, very low-income, or low-income
25 households as provided in RCW 43.63A.510.

26 (2) Except for those lands subject to RCW 43.63A.510, any lands
27 owned by the ((state parks and recreation)) commission, which are
28 determined to be surplus to the needs of the state for development for
29 state park purposes and which the commission proposes to deed to a
30 local government or other entity, shall be accompanied by a clause
31 requiring that if the land is not used for outdoor recreation purposes,
32 ownership of the land shall revert to the ((state parks and
33 recreation)) commission.

34 ((2) The state parks and recreation commission,)) (a) In cases
35 where land subject to such a reversionary clause is proposed for use or
36 disposal for purposes other than recreation, the commission shall
37 require that, if the land is surplus to the needs of the commission for

1 park purposes at the time the commission becomes aware of its proposed
2 use for nonrecreation purposes, the holder of the land or property
3 shall reimburse the commission for the release of the reversionary
4 interest in the land. The reimbursement shall be in the amount of the
5 fair market value of the reversionary interest as determined by a
6 qualified appraiser agreeable to the commission. Appraisal costs shall
7 be borne by the local entity which holds title to the land.

8 ~~((+3+))~~ (b) Any funds generated under a reimbursement under this
9 section shall be deposited in the parkland acquisition account which is
10 hereby created in the state treasury. Moneys in this account are to be
11 used solely for the purchase or acquisition of property for use as
12 state park property by the commission, as directed by the legislature;
13 all such funds shall be subject to legislative appropriation.

14 (3) In accordance with RCW 43.63A.510, the commission shall
15 identify and catalog real property that is no longer required for
16 commission purposes and is suitable for the development of affordable
17 housing for extremely low-income, very low-income, low-income, and
18 moderate-income households as defined in RCW 43.63A.510. The inventory
19 must include the location, approximate size, sale or lease price and
20 terms, and current zoning classification of the property. Each
21 inventory must be updated at least once a year, and printed and
22 electronic copies of each inventory must be provided upon request.
23 Each annual inventory must also include any surplus properties that
24 have been sold for affordable housing.

25 **Sec. 9.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to read
26 as follows:

27 Except for those lands subject to RCW 43.63A.510 and 79A.05.170(1),
28 whenever the commission finds that any land under its control cannot
29 advantageously be used for park purposes, it is authorized to dispose
30 of such land by the method provided in this section or by the method
31 provided in RCW 79A.05.170. If such lands are school or other grant
32 lands, control thereof shall be relinquished by resolution of the
33 commission to the proper state officials. If such lands were acquired
34 under restrictive conveyances by which the state may hold them only so
35 long as they are used for park purposes, they may be returned to the
36 donor or grantors by the commission. All other such lands may be
37 either sold by the commission to the highest bidder or exchanged for

1 other lands of equal value by the commission, and all conveyance
2 documents shall be executed by the governor. All such exchanges shall
3 be accompanied by a transfer fee, to be set by the commission and paid
4 by the other party to the transfer; such fee shall be paid into the
5 parkland acquisition account established under RCW 79A.05.170. The
6 commission may accept sealed bids, electronic bids, or oral bids at
7 auction. Bids on all sales shall be solicited at least twenty days in
8 advance of the sale date by an advertisement appearing at least once a
9 week for two consecutive weeks in a newspaper of general circulation in
10 the county in which the land to be sold is located. If the commission
11 feels that no bid received adequately reflects the fair value of the
12 land to be sold, it may reject all bids, and may call for new bids.
13 All proceeds derived from the sale of such park property shall be paid
14 into the park land acquisition account. All land considered for
15 exchange shall be evaluated by the commission to determine its
16 adaptability to park usage. The equal value of all lands exchanged
17 shall first be determined by the appraisals to the satisfaction of the
18 commission. No sale or exchange of state park lands shall be made
19 without the unanimous consent of the commission.

20 **Sec. 10.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read
21 as follows:

22 (1) In accordance with RCW 43.63A.510, every county shall identify
23 and catalog real property owned by the county that is no longer
24 required for its purposes and is suitable for the development of
25 affordable housing for extremely low-income, very low-income, low-
26 income, and moderate-income households as defined in RCW 43.63A.510.
27 The inventory ((shall)) must include the location, approximate size,
28 sale or lease price and terms, and current zoning classification of the
29 property. ((Every county shall provide a copy of the inventory to the
30 department of community development by November 1, 1993, with inventory
31 revisions each November 1 thereafter.

32 ~~(2) By November 1 of each year, beginning in 1994, every county~~
33 ~~shall purge the inventory of real property of sites that are no longer~~
34 ~~available for the development of affordable housing. The inventory~~
35 ~~revision shall include an updated listing of real property that has~~
36 ~~become available since the last update. As used in this section, "real~~
37 ~~property" means buildings, land, or buildings and land.)) Each~~

1 inventory must be updated at least once a year, and printed and
2 electronic copies of each inventory must be provided upon request.
3 Each annual inventory must also include any surplus properties that
4 have been sold for affordable housing. Except for the requirement in
5 RCW 43.63A.510(1) to inventory surplus property, counties are not
6 otherwise subject to the requirements of RCW 43.63A.510.

7 (2) Counties may sell surplus property at a discount for affordable
8 housing, provided that the discounted sales comply with the guidelines
9 under RCW 36.70A.540 for affordable housing incentive programs.

10 **Sec. 11.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to
11 read as follows:

12 (1) In accordance with RCW 43.63A.510, every city and town,
13 including every code city operating under Title 35A RCW, shall identify
14 and catalog real property owned by the city or town that is no longer
15 required for its purposes and is suitable for the development of
16 affordable housing for extremely low-income, very low-income, low-
17 income, and moderate-income households as defined in RCW 43.63A.510.
18 The inventory ((shall)) must include the location, approximate size,
19 sale or lease price and terms, and current zoning classification of the
20 property. ((Every city and town shall provide a copy of the inventory
21 to the department of community, trade, and economic development by
22 November 1, 1993, with inventory revisions each November 1 thereafter.

23 ~~(2) By November 1 of each year, beginning in 1994, every city and~~
24 ~~town, including every code city operating under Title 35A RCW, shall~~
25 ~~purge the inventory of real property of sites that are no longer~~
26 ~~available for the development of affordable housing. The inventory~~
27 ~~revision shall also contain a list of real property that has become~~
28 ~~available since the last update. As used in this section, "real~~
29 ~~property" means buildings, land, or buildings and land.)) Each~~
30 inventory must be updated at least once a year, and printed and
31 electronic copies of each inventory must be provided upon request.
32 Each annual inventory must also include any surplus properties that
33 have been sold for affordable housing.

34 (2) Cities and towns may sell surplus property at a discount for
35 affordable housing, provided that the discounted sales comply with the
36 guidelines under RCW 36.70A.540 for affordable housing incentive
37 programs.

1 **Sec. 12.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to
2 read as follows:

3 (1) Subject to RCW 43.63A.510, the department is authorized to sell
4 any real property not designated or acquired as state forest lands, but
5 acquired by the state, either in the name of the forest board, the
6 forestry board, or the division of forestry, for administrative sites,
7 lien foreclosures, or other purposes whenever it shall determine that
8 the lands are no longer or not necessary for public use.

9 (2) In selling, leasing, transferring, or otherwise disposing of
10 surplus or underutilized real property, the department shall give
11 priority to selling the property to an eligible organization as defined
12 in RCW 43.63A.510 for the development of affordable housing for
13 extremely low-income, very low-income, low-income, or moderate-income
14 households, consistent with RCW 43.63A.510. The department may sell,
15 lease, or exchange the property for less than fair market value if the
16 affordable housing to be developed on the property is to be occupied
17 primarily by extremely low-income, very low-income, or low-income
18 households as provided in RCW 43.63A.510.

19 (3) Except as otherwise provided under RCW 43.63A.510, the sale may
20 be made after public notice to the highest bidder for such a price as
21 approved by the governor, but not less than the fair market value of
22 the real property, plus the value of improvements thereon. Any
23 instruments necessary to convey title must be executed by the governor
24 in a form approved by the attorney general.

25 ~~((+3))~~ (4) All amounts received from the sale must be credited to
26 the fund of the department of government that is responsible for the
27 acquisition and maintenance of the property sold.

28 (5) In accordance with RCW 43.63A.510, the department shall
29 identify and catalog real property owned by the state that is no longer
30 required for its purposes and is suitable for the development of
31 affordable housing for extremely low-income, very low-income, low-
32 income, and moderate-income households as defined in RCW 43.63A.510.
33 The inventory must include the location, approximate size, sale or
34 lease price and terms, and current zoning classification of the
35 property. Each inventory must be updated at least once a year, and
36 printed and electronic copies of each inventory must be provided upon
37 request. Each annual inventory must also include any surplus
38 properties that have been sold for affordable housing.

1 **Sec. 13.** RCW 79.22.060 and 2009 c 354 s 7 are each amended to read
2 as follows:

3 (1) With the approval of the board and subject to RCW 43.63A.510,
4 the department may directly transfer or dispose of state forest lands
5 without public auction, if the lands:

6 (a) Consist of ten contiguous acres or less;

7 (b) Have a value of twenty-five thousand dollars or less; or

8 (c) Are located in a county with a population of twenty-five
9 thousand or less and are encumbered with timber harvest deferrals,
10 associated with wildlife species listed under the federal endangered
11 species act, greater than thirty years in length.

12 (2) Disposal under this section may only occur in the following
13 circumstances:

14 (a) Transfers in lieu of condemnation;

15 (b) Transfers to resolve trespass and property ownership disputes;

16 or

17 (c) In counties with a population of twenty-five thousand or less,
18 transfers to public agencies.

19 (3) Except as otherwise provided under RCW 43.63A.510 and
20 79.11.005(2), real property to be transferred or disposed of under this
21 section shall be transferred or disposed of only after appraisal and
22 for at least fair market value, and only if the transaction is in the
23 best interest of the state or affected trust. Valuable materials
24 attached to lands transferred to public agencies under subsection
25 (2)(c) of this section must be appraised at the fair market value
26 without consideration of management or regulatory encumbrances
27 associated with wildlife species listed under the federal endangered
28 species act.

29 (4) The proceeds from real property transferred or disposed of
30 under this section shall be deposited into the park land trust
31 revolving fund and be solely used to buy replacement land within the
32 same county as the property transferred or disposed. In counties with
33 a population of twenty-five thousand or less, the portion of the
34 proceeds associated with valuable materials on the transferred land
35 must be distributed as provided in RCW 79.64.110.

36 (5) In selling, leasing, transferring, or otherwise disposing of
37 surplus or underutilized property, the department shall give priority
38 to selling the property to an eligible organization for the development

1 of affordable housing for extremely low-income, very low-income, low-
2 income, or moderate-income households, consistent with RCW 43.63A.510.
3 The department may sell, lease, or exchange the property for less than
4 fair market value if the affordable housing to be developed on the
5 property is to be occupied primarily by extremely low-income, very low-
6 income, or low-income households as provided in RCW 43.63A.510.

7 (6) In accordance with RCW 43.63A.510, the department shall
8 identify and catalog real property that is no longer required for
9 department purposes and is suitable for the development of affordable
10 housing for extremely low-income, very low-income, low-income, and
11 moderate-income households as defined in RCW 43.63A.510. The inventory
12 must include the location, approximate size, sale or lease price and
13 terms, and current zoning classification of the property. Each
14 inventory must be updated at least once a year, and printed and
15 electronic copies of each inventory must be provided upon request.
16 Each annual inventory must also include any surplus properties that
17 have been sold for affordable housing.

18 **Sec. 14.** RCW 53.08.090 and 1994 c 26 s 1 are each amended to read
19 as follows:

20 (1) A port commission may, by resolution, authorize the managing
21 official of a port district to sell (~~and convey~~), lease, transfer, or
22 otherwise dispose of port district property of ten thousand dollars or
23 less in value. The authority shall be in force for not more than one
24 calendar year from the date of resolution and may be renewed from year
25 to year. Prior to any such sale (~~or conveyance~~), lease, transfer, or
26 disposition, the managing official shall itemize and list the property
27 to be sold, leased, transferred, or disposed of and make written
28 certification to the commission that the listed property is no longer
29 needed for district purposes. Any large block of the property having
30 a value in excess of ten thousand dollars shall not be broken down into
31 components of ten thousand dollars or less value and sold in the
32 smaller components unless the smaller components be sold by public
33 competitive bid. A port district may sell and convey any of its real
34 or personal property valued at more than ten thousand dollars when the
35 port commission has, by resolution, declared the property to be no
36 longer needed for district purposes, but no property which is a part of
37 the comprehensive plan of improvement or modification thereof shall be

1 disposed of until the comprehensive plan has been modified to find the
2 property surplus to port needs. The comprehensive plan shall be
3 modified only after public notice and hearing provided by RCW
4 53.20.010. All sales, transfers, or exchanges of port district
5 property under this section are subject to RCW 43.63A.510.

6 Nothing in this section shall be deemed to repeal or modify
7 procedures for property sales within industrial development districts
8 as set forth in chapter 53.25 RCW.

9 (2) The ten thousand dollar figures in subsection (1) of this
10 section shall be adjusted annually based upon the governmental price
11 index established by the department of revenue under RCW 82.14.200.

12 (3) In selling, leasing, transferring, or otherwise disposing of
13 surplus or underutilized property, a port district shall give priority
14 to selling the property to an eligible organization for the development
15 of affordable housing for extremely low-income, very low-income, low-
16 income, or moderate-income households, consistent with RCW 43.63A.510.
17 A port district may sell, lease, or exchange the property for less than
18 fair market value if the affordable housing to be developed on the
19 property is to be occupied primarily by extremely low-income, very low-
20 income, or low-income households as provided in RCW 43.63A.510.

21 (4) A port district shall identify and catalog real property that
22 is no longer required for district purposes and is suitable for the
23 development of affordable housing for extremely low-income, very low-
24 income, low-income, and moderate-income households as defined in RCW
25 43.63A.510. The inventory must include the location, approximate size,
26 sale or lease price and terms, and current zoning classification of the
27 property. Each inventory must be updated at least once a year, and
28 printed and electronic copies of each inventory must be provided upon
29 request. Each annual inventory must also include any surplus
30 properties that have been sold for affordable housing.

31 **Sec. 15.** RCW 54.16.180 and 2008 c 198 s 5 are each amended to read
32 as follows:

33 (1) Subject to RCW 43.63A.510, a district may sell and convey,
34 lease, or otherwise dispose of all or any part of its works, plants,
35 systems, utilities and properties, after proceedings and approval by
36 the voters of the district, as provided for the lease or disposition of
37 like properties and facilities owned by cities and towns. The

1 affirmative vote of three-fifths of the voters voting at an election on
2 the question of approval of a proposed sale((7)) shall be necessary to
3 authorize such a sale.

4 (2) Subject to RCW 43.63A.510, a district may, without the approval
5 of the voters, sell, convey, lease, or otherwise dispose of all or any
6 part of the property owned by it that is located:

7 (a) Outside its boundaries, to another public utility district,
8 city, town or other municipal corporation; or

9 (b) Within or without its boundaries, which has become
10 unserviceable, inadequate, obsolete, worn out or unfit to be used in
11 the operations of the system and which is no longer necessary, material
12 to, and useful in such operations, to any person or public body.

13 (3) In selling, leasing, transferring, or otherwise disposing of
14 surplus or underutilized property, a district shall give priority to
15 selling the property to an eligible organization for the development of
16 affordable housing for extremely low-income, very low-income, low-
17 income, or moderate-income households, consistent with RCW 43.63A.510.
18 A district may sell, lease, or exchange the property for less than fair
19 market value if the affordable housing to be developed on the property
20 is to be occupied primarily by extremely low-income, very low-income,
21 or low-income households as provided in RCW 43.63A.510.

22 (4) A district shall identify and catalog real property that is no
23 longer required for district purposes and is suitable for the
24 development of affordable housing for extremely low-income, very low-
25 income, low-income, and moderate-income households as defined in RCW
26 43.63A.510. The inventory must include the location, approximate size,
27 sale or lease price and terms, and current zoning classification of the
28 property. Each inventory must be updated at least once a year, and
29 printed and electronic copies of each inventory must be provided upon
30 request. Each annual inventory must also include any surplus
31 properties that have been sold for affordable housing.

32 (5) A district may sell, convey, lease or otherwise dispose of
33 items of equipment or materials to any other district, to any
34 cooperative, mutual, consumer-owned or investor-owned utility, to any
35 federal, state, or local government agency, to any contractor employed
36 by the district or any other district, utility, or agency, or any
37 customer of the district or of any other district or utility, from the
38 district's stores without voter approval or resolution of the

1 district's board, if such items of equipment or materials cannot
2 practicably be obtained on a timely basis from any other source, and
3 the amount received by the district in consideration for any such sale,
4 conveyance, lease, or other disposal of such items of equipment or
5 materials is not less than the district's cost to purchase such items
6 or the reasonable market value of equipment or materials.

7 ~~((+4))~~ (6) A district located within a county with a population of
8 from one hundred twenty-five thousand to less than two hundred ten
9 thousand may sell and convey to a city of the first class, which owns
10 its own water system, all or any part of a water system owned by the
11 district where a portion of it is located within the boundaries of the
12 city, without approval of the voters, upon such terms and conditions as
13 the district shall determine.

14 ~~((+5))~~ (7) A district located in a county with a population of
15 from twelve thousand to less than eighteen thousand and bordered by the
16 Columbia river may, separately or in connection with the operation of
17 a water system, or as part of a plan for acquiring or constructing and
18 operating a water system, or in connection with the creation of another
19 or subsidiary local utility district, provide for the acquisition or
20 construction, additions or improvements to, or extensions of, and
21 operation of, a sewage system within the same service area as in the
22 judgment of the district commission is necessary or advisable to
23 eliminate or avoid any existing or potential danger to public health
24 due to lack of sewerage facilities or inadequacy of existing
25 facilities.

26 ~~((+6))~~ (8) Subject to RCW 43.63A.510, a district located within a
27 county with a population of from one hundred twenty-five thousand to
28 less than two hundred ten thousand bordering on Puget Sound may sell
29 and convey to any city or town with a population of less than ten
30 thousand all or any part of a water system owned by the district
31 without approval of the voters upon such terms and conditions as the
32 district shall determine.

33 ~~((+7))~~ (9) A district may sell and convey, lease, or otherwise
34 dispose of, to any person or entity without approval of the voters and
35 upon such terms and conditions as it determines, all or any part of an
36 electric generating project owned directly or indirectly by the
37 district, regardless of whether the project is completed, operable, or
38 operating, as long as:

1 (a) The project is or would be powered by an eligible renewable
2 resource as defined in RCW 19.285.030; and

3 (b) The district, or the separate legal entity in which the
4 district has an interest in the case of indirect ownership, has:

5 (i) The right to lease the project or to purchase all or any part
6 of the energy from the project during the period in which it does not
7 have a direct or indirect ownership interest in the project; and

8 (ii) An option to repurchase the project or part thereof sold,
9 conveyed, leased, or otherwise disposed of at or below fair market
10 value upon termination of the lease of the project or termination of
11 the right to purchase energy from the project.

12 ((+8)) (10) Districts are municipal corporations for the purposes
13 of this section. A commission shall be held to be the legislative
14 body, a president and secretary shall have the same powers and perform
15 the same duties as a mayor and city clerk, and the district resolutions
16 shall be held to be ordinances within the meaning of statutes governing
17 the sale, lease, or other disposal of public utilities owned by cities
18 and towns.

19 **Sec. 16.** RCW 57.08.016 and 1999 c 153 s 5 are each amended to read
20 as follows:

21 (1) There shall be no private sale of real property where the
22 appraised value exceeds the sum of two thousand five hundred dollars.
23 Subject to the provisions of subsection (2) of this section, no real
24 property of the district shall be sold for less than ninety percent of
25 the value thereof as established by a written appraisal made not more
26 than six months prior to the date of sale by three disinterested real
27 estate brokers licensed under the laws of the state or professionally
28 designated real estate appraisers as defined in RCW 74.46.020. The
29 appraisal shall be signed by the appraisers and filed with the
30 secretary of the board of commissioners of the district, who shall keep
31 it at the office of the district open to public inspection. Any notice
32 of intention to sell real property of the district shall recite the
33 appraised value thereof.

34 (2) Subject to RCW 43.63A.510, if no purchasers can be obtained for
35 the property at ninety percent or more of its appraised value after one
36 hundred twenty days of offering the property for sale, the board of
37 commissioners of the district may adopt a resolution stating that the

1 district has been unable to sell the property at the ninety percent
2 amount. The district then may sell the property at the highest price
3 it can obtain at public auction. A notice of intention to sell at
4 public auction shall be published once a week for two consecutive weeks
5 in a newspaper of general circulation in the district. The notice
6 shall describe the property, state the time and place at which it will
7 be offered for sale and the terms of sale, and shall call for bids, fix
8 the conditions thereof, and reserve the right to reject any and all
9 bids for good cause.

10 (3) In selling, leasing, transferring, or otherwise disposing of
11 surplus or underutilized property, a district shall give priority to
12 selling the property to an eligible organization for the development of
13 affordable housing for extremely low-income, very low-income, low-
14 income, or moderate-income households, consistent with RCW 43.63A.510.
15 A district may sell, lease, or exchange the property for less than fair
16 market value if the affordable housing to be developed on the property
17 is to be occupied primarily by extremely low-income, very low-income,
18 or low-income households as provided in RCW 43.63A.510.

19 (4) A district shall identify and catalog real property that is no
20 longer required for district purposes and is suitable for the
21 development of affordable housing for extremely low-income, very low-
22 income, low-income, and moderate-income households as defined in RCW
23 43.63A.510. The inventory must include the location, approximate size,
24 sale or lease price and terms, and current zoning classification of the
25 property. Each inventory must be updated at least once a year, and
26 printed and electronic copies of each inventory must be provided upon
27 request. Each annual inventory must also include any surplus
28 properties that have been sold for affordable housing.

29 **Sec. 17.** RCW 81.112.080 and 1992 c 101 s 8 are each amended to
30 read as follows:

31 An authority shall have the following powers in addition to the
32 general powers granted by this chapter:

33 (1) To carry out the planning processes set forth in RCW
34 81.104.100;

35 (2) To acquire by purchase, condemnation, gift, or grant and to
36 lease, construct, add to, improve, replace, repair, maintain, operate,
37 and regulate the use of high capacity transportation facilities and

1 properties within authority boundaries including surface, underground,
2 or overhead railways, tramways, busways, buses, bus sets, entrained and
3 linked buses, ferries, or other means of local transportation except
4 taxis, and including escalators, moving sidewalks, personal rapid
5 transit systems or other people-moving systems, passenger terminal and
6 parking facilities and properties, and such other facilities and
7 properties as may be necessary for passenger, vehicular, and vessel
8 access to and from such people-moving systems, terminal and parking
9 facilities and properties, together with all lands, rights-of-way,
10 property, equipment, and accessories necessary for such high capacity
11 transportation systems. When developing specifications for high
12 capacity transportation system operating equipment, an authority shall
13 take into account efforts to establish or sustain a domestic
14 manufacturing capacity for such equipment. The right of eminent domain
15 shall be exercised by an authority in the same manner and by the same
16 procedure as or may be provided by law for cities of the first class,
17 except insofar as such laws may be inconsistent with the provisions of
18 this chapter. Public transportation facilities and properties which
19 are owned by any city, county, county transportation authority, public
20 transportation benefit area, or metropolitan municipal corporation may
21 be acquired or used by an authority only with the consent of the agency
22 owning such facilities. Such agencies are hereby authorized to convey
23 or lease such facilities to an authority or to contract for their joint
24 use on such terms as may be fixed by agreement between the agency and
25 the authority.

26 The facilities and properties of an authority whose vehicles will
27 operate primarily within the rights-of-way of public streets, roads, or
28 highways, may be acquired, developed, and operated without the corridor
29 and design hearings that are required by RCW 35.58.273 for mass transit
30 facilities operating on a separate right-of-way;

31 (3) To dispose of any real or personal property acquired in
32 connection with any authority function and that is no longer required
33 for the purposes of the authority, in the same manner as provided for
34 cities of the first class. When an authority determines that a
35 facility or any part thereof that has been acquired from any public
36 agency without compensation is no longer required for authority
37 purposes, but is required by the agency from which it was acquired, the
38 authority shall by resolution transfer it to such agency;

1 (4) In selling, leasing, transferring, or otherwise disposing of
2 surplus or underutilized property, to give priority to selling the
3 property to an eligible organization for the development of affordable
4 housing for extremely low-income, very low-income, low-income, or
5 moderate-income households, consistent with RCW 43.63A.510. An
6 authority may sell, lease, or exchange the property for less than fair
7 market value if the affordable housing to be developed on the property
8 is to be occupied primarily by extremely low-income, very low-income,
9 or low-income households as provided in RCW 43.63A.510;

10 (5) To identify and catalog real property that is no longer
11 required for authority purposes and is suitable for the development of
12 affordable housing for extremely low-income, very low-income, low-
13 income, and moderate-income households as defined in RCW 43.63A.510.
14 The inventory must include the location, approximate size, sale or
15 lease price and terms, and current zoning classification of the
16 property. Each inventory must be updated at least once a year, and
17 printed and electronic copies of each inventory must be provided upon
18 request. Each annual inventory must also include any surplus
19 properties that have been sold for affordable housing;

20 (6) To fix rates, tolls, fares, and charges for the use of such
21 facilities and to establish various routes and classes of service.
22 Fares or charges may be adjusted or eliminated for any distinguishable
23 class of users.

24 NEW SECTION. Sec. 18. Section 2 of this act expires June 30,
25 2012.

26 NEW SECTION. Sec. 19. Section 3 of this act takes effect June 30,
27 2012.

--- END ---