
Transportation Committee

ESSB 5886

Brief Description: Concerning the sale of certain department of transportation surplus property.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators King and Eide).

Brief Summary of Engrossed Substitute Bill

- Changes requirements relating to notice the Washington State Department of Transportation (WSDOT) must provide regarding auctions of unused state-owned real property.
- Prohibits the WSDOT from entering into exchanges for land or improvements in full or part consideration for unused state-owned real property.
- Creates a new account in the Motor Vehicle Fund, into which revenues from the sale of unused state-owned real property must be deposited, and from which expenditures are limited to surplus property expenses and the repair and replacement of the WSDOT facilities.

Hearing Date: 2/19/14

Staff: Andrew Russell (786-7143).

Background:

The Washington State Department of Transportation (WSDOT) may dispose of surplus state-owned land under the WSDOT's jurisdiction when it is in the public interest to do so. The WSDOT may dispose of such property through a public auction, or a sale to certain entities for fair market value. Alternatively, the WSDOT may choose to dispose of surplus state-owned real property through an exchange, in full or part consideration, for land, improvements, or construction of improvements.

Prior to conducting a public auction, the WSDOT must publish notice of the auction in a trade paper or legal newspaper once a week for at least two consecutive weeks. This notice must

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include certain information, such as the time and place of the auction and a description of the property. Additionally, at least 60 days before any disposition, the WSDOT must provide notice of the action to the legislative authority of the county and city in which the land is located. Certain sales, including those to state agencies, municipal corporations, regional transit authorities, former owners, and abutting property owners are not subject to public notice requirements. Additionally, exchanges with federal, state, or local governmental entities are not subject to such requirements.

In order for the WSDOT to approve the transfer or conveyance of real property with an appraised value of \$10,000 or more, the WSDOT must first publish a notice of the proposed sale in a local newspaper in the area where the property is located. This notice must provide certain information about the transaction and inform the public that the WSDOT will accept subsequent, higher offers on the property. A subsequent offer must be received within 10 days, be at least 10 percent higher than the sale price, and accompanied by a deposit of 20 percent of the total offer price. If a subsequent offer is received, the first offeror must be given 10 days in which to file a higher offer. After the expiration of the 10-day period, the WSDOT must approve in writing the highest and best offer.

Finally, moneys received in a transfer or conveyance of the WSDOT property is directed to the Motor Vehicle Fund.

Summary of Bill:

The requirement for the WSDOT to advertise auctions of surplus land in a legal newspaper for two consecutive weeks prior to such auctions is removed. Instead, the WSDOT must provide notice in a manner it determines to be the most appropriate method. Additionally, the WSDOT need not provide public notice of pending transactions and need not provide an opportunity for others to make subsequent offers on the property. The required notice to legislative authorities of counties, cities, and towns is reduced from 60 days to 30 days. Finally, the WSDOT is prohibited from entering exchanges of land or improvements in full or part consideration for the WSDOT's unused land.

The bill also creates the Transportation Facilities Account (Account) in the Motor Vehicle Fund, into which must be deposited revenues from the sale of certain properties previously managed by the Facilities Division. These properties are safety rest areas, pit sites, capital improvements, waste sites, quarry sites, and maintenance facility sites. Proceeds may be withheld from being deposited in this Account, however, if these proceeds are used to reimburse to the office of real estate services or to fund an active highway project in the immediate area of where the surplus property is located. Finally, moneys in the Account may be spent only after appropriation and only for surplus property expenditures and the repair and replacement of the WSDOT facilities.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.