
HOUSE BILL 2558

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Fey, Jinkins, and Freeman

Read first time 01/21/14. Referred to Committee on Community Development, Housing & Tribal Affairs.

1 AN ACT Relating to disposing tax foreclosed property to cities for
2 affordable housing purposes; and amending RCW 36.35.150.

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

4 **Sec. 1.** RCW 36.35.150 and 2001 c 299 s 11 are each amended to read
5 as follows:

6 (1) The county legislative authority may dispose of tax foreclosed
7 property by private negotiation, without a call for bids, for not less
8 than the principal amount of the unpaid taxes in any of the following
9 cases:

10 ~~((1))~~ (a) When the sale is to any governmental agency and for
11 public purposes;

12 ~~((2))~~ (b) When the county legislative authority determines that
13 it is not practical to build on the property due to the physical
14 characteristics of the property or legal restrictions on construction
15 activities on the property;

16 ~~((3))~~ (c) When the property has an assessed value of less than
17 five hundred dollars and the property is sold to an adjoining
18 landowner; or

1 ~~((4))~~ (d) When no acceptable bids were received at the attempted
2 public auction of the property, if the sale is made within twelve
3 months from the date of the attempted public auction.

4 (2) The county legislative authority must give notice to any city
5 in which any tax foreclosed property is located within at least sixty
6 days of acquiring such property and the county may not dispose of the
7 property at public auction or by private negotiation before giving such
8 notice. The notice must offer the city the opportunity to purchase the
9 property for the principal amount of the unpaid taxes, under the
10 following conditions:

11 (a) The city must accept the offer within thirty days of receiving
12 notice, unless the county agrees to extend the offer;

13 (b) The city must provide that the property is suitable and will be
14 used for an affordable housing development as defined in RCW
15 36.130.010; and

16 (c) The city must agree to transfer the property to a local housing
17 authority, a nonprofit housing organization, or other entity eligible
18 to receive assistance from the affordable housing program under chapter
19 43.185A RCW.

20 (3) The county selling property to a city for affordable housing
21 purposes under subsection (2) of this section may negotiate with the
22 city to defer payment of all real property taxes levied on the property
23 for the period that the city owns the property. The tax obligations
24 deferred must become payable with interest upon the transfer or
25 conveyance of the property to a local housing authority, nonprofit
26 housing organization, or other eligible entity provided in subsection
27 (2) of this section. The county must collect the payment on the
28 deferred taxes directly from the housing entity receiving the property.

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