

# SENATE BILL REPORT

## SB 5395

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As Reported by Senate Committee On:  
Government Operations & Security, February 10, 2015

**Title:** An act relating to modifying exemptions relating to real estate appraisals.

**Brief Description:** Modifying exemptions relating to real estate appraisals.

**Sponsors:** Senators Roach, Liias, Benton and McCoy.

**Brief History:**

**Committee Activity:** Government Operations & Security: 2/03/15, 2/10/15 [DP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** Do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Habib and McCoy.

**Staff:** Samuel Brown (786-7470)

**Background:** The Public Records Act, enacted in 1972 as part of Initiative 276, requires that all state and local government agencies make all public records available for public inspection and copying unless certain statutory exemptions apply. The provisions requiring public records disclosure must be interpreted liberally while the exemptions are interpreted narrowly to effectuate the general policy favoring disclosure. The contents of real estate appraisals are exempt from public inspection and copying until all of the property subject to the appraisal has been sold. The exemption lasts for a maximum of three years.

The Open Public Meetings Act requires that all meetings of the governing body of a public agency be open to the public and all persons must be allowed to attend. A governing body may meet without the public in executive session for portions of a regular or special meeting. The permissible subjects for an executive session are limited to those enumerated in statute, and include the acquisition or sale of real estate when public knowledge would adversely affect the sale price.

**Summary of Bill:** Documents prepared by an agency for the purpose of considering the selection of a site or acquisition of real estate are exempt from public inspection and copying if public knowledge would cause a likelihood of increased price.

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Documents prepared by an agency for the purpose of considering the minimum price for which real estate will be offered for sale are exempt from public inspection and copying if public knowledge would cause a likelihood of decreased price.

In both cases, the exemption ends when all properties in the documents are purchased, sold, or leased, or the project or prospective project is abandoned.

**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: If information about government interest in a piece of property is released, the price for that property increases. This is a taxpayer protection issue. When cities have sensitive discussions on potential sale, it makes sense to have the same treatment in the Public Records Act (PRA) as in the Open Public Meetings Act. If a city is looking to purchase or sell property, the governing body can go into executive session and discuss pros and cons of the transaction, but there can be covenants, side agreements, easements, and a number of documents that would be subject to disclosure under the PRA prepared for the executive session. Any purchase or sale of the property would still have to be approved by the governing body in an open public meeting. This is about the negotiating position the city is going to take.

OTHER: We have concerns about the provision only requiring disclosure after property is disposed of, and would like to have as much disclosure as possible.

**Persons Testifying:** PRO: Senator Roach, prime sponsor; Doug Levy, cities of Everett, Fife, Issaquah, Kent, Lake Stevens, Puyallup, Renton, Redmond; Tom Brubaker, City Attorney, city of Kent.

OTHER: Rowland Thompson, Allied Daily Newspapers of WA.