

FINAL BILL REPORT

SSB 6337

C 63 L 16
Synopsis as Enacted

Brief Description: Disposing tax foreclosed property to cities for affordable housing purposes.

Sponsors: Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Darneille, Miloscia, McCoy, Hasegawa, Conway and Chase).

Senate Committee on Human Services, Mental Health & Housing
House Committee on Community Development, Housing & Tribal Affairs

Background: A local jurisdictions must follow state statute and any applicable local ordinance or code to dispose of property it owns. The same is true for property a legislative authority owns as a result of a tax foreclosure.

A legislative authority may dispose of tax-foreclosed property by private negotiation, without a call for bids, and for at least the principle amount of unpaid taxes in any of the following cases: (1) when the sale is to any governmental agency and for public purposes; (2) when the county legislative authority determines that it is not practical to build on the property due to the physical characteristics of the property or legal restrictions on construction activities on the property; (3) when the property has an assessed value of less than \$500 and the property is sold to an adjoining landowner; or (4) when no acceptable bids were received at the attempted public auction of the property, if the sale is made within 12 months from the date of the attempted public auction.

Summary: Prior to disposing of tax-foreclosed property, the county legislative authority gives notice to any city in which any tax foreclosed property is located within 60 days of acquiring the property. The notice must offer the city the opportunity to purchase the property for the original minimum bid under RCW 84.64.080 plus any direct costs incurred by the county in the sale, under the following conditions:

- the city must accept the offer within 30 days of receiving the notice, unless the county agrees to extend the offer;
- the city must provide that the property is suitable and will be used for affordable housing development; and
- the city must agree to transfer the property to a local housing authority or nonprofit entity eligible under chapter 43.185A RCW. The city must be reimbursed by the entity for the original minimum bid under RCW 84.64.080 plus any direct costs incurred by the city in the sale of the property to a local housing authority or eligible nonprofit.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

If a county legislative authority wants to purchase a tax foreclosed property for public purposes, the county is not required to offer the property first to a city.

Votes on Final Passage:

Senate	34	14	
House	61	36	(House amended)
Senate	37	11	(Senate concurred)

Effective: June 9, 2016