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ENGROSSED SUBSTITUTE HOUSE BILL 2647

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State of Washington

64th Legislature

2016 Regular Session

By House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Jenkins, Ryu, Fey, Santos, and Frame)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to disposing tax foreclosed property to cities  
2 for 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  
5 read as follows:

6 (1) The county legislative authority may dispose of tax  
7 foreclosed property by private negotiation, without a call for bids,  
8 for not less than the principal amount of the unpaid taxes in any of  
9 the following cases: ~~((+1))~~ (a) When the sale is to any governmental  
10 agency and for public purposes; ~~((+2))~~ (b) when the county  
11 legislative authority determines that it is not practical to build on  
12 the property due to the physical characteristics of the property or  
13 legal restrictions on construction activities on the property;  
14 ~~((+3))~~ (c) when the property has an assessed value of less than five  
15 hundred dollars and the property is sold to an adjoining landowner;  
16 or ~~((+4))~~ (d) when no acceptable bids were received at the attempted  
17 public auction of the property, if the sale is made within twelve  
18 months from the date of the attempted public auction.

19 (2) Except when a public agency purchases the tax-foreclosed  
20 property for public purposes, the county legislative authority must  
21 give notice to any city in which any tax foreclosed property is

1 located within at least sixty days of acquiring such property, and  
2 the county may not dispose of the property at public auction or by  
3 private negotiation before giving such notice. The notice must offer  
4 the city the opportunity to purchase the property for the original  
5 minimum bid under RCW 84.64.080. If the city chooses to purchase the  
6 property, the following conditions apply:

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

9 (b) The city must provide that the property is suitable and will  
10 be used for an affordable housing development as defined in RCW  
11 36.130.010; and

12 (c) The city must agree to transfer the property to a local  
13 housing authority or other nonprofit entity eligible to receive  
14 assistance from the affordable housing program under chapter 43.185A  
15 RCW. The city must be reimbursed for the amount it paid to purchase  
16 the property from the housing authority or other nonprofit entity.

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