

HOUSE BILL REPORT

SHB 2290

As Passed House:
February 13, 2018

Title: An act relating to simplifying the process for donating low-value surplus property owned by a city-owned utility.

Brief Description: Simplifying the process for donating low-value surplus property owned by a city-owned utility.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Wylie, Harris, Dolan and Stonier).

Brief History:

Committee Activity:

Local Government: 1/11/18, 1/25/18 [DPS].

Floor Activity:

Passed House: 2/13/18, 63-35.

Brief Summary of Substitute Bill

- Allows a city to dispose of its personal property or equipment that was originally acquired for public utility purposes and that is not required for providing continued public utility services without adopting a resolution or holding a public hearing if such property has an estimated value of \$50,000 or less.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

Minority Report: Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

Staff: Cassie Jones (786-7303).

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.

Background:

In general, a city may acquire real and personal property and convey or dispose of it for the benefit of the city.

Lease, Sale, or Conveyance of Public Utility Works, Plants, or Systems.

A city or town may construct, condemn and purchase, purchase, acquire, add to, alter, maintain, and operate works, plants, and facilities for the purpose of furnishing the city or town and its inhabitants, and any other persons, with gas, electricity, and other means of power, and facilities for lighting, including streetlights, as an integral utility service.

A city may lease or sell and convey any public utility works, plant, or system owned by it together with any or all equipment and appurtenances. If the legislative authority of the city deems it advisable to lease or sell the works, plant, or system, it must adopt a resolution stating whether it intends to lease or sell and include the general terms of the lease or sale. The resolution must direct the city clerk to publish the resolution in the official newspaper of the city once a week for at least four weeks. The clerk must publish with the resolution a notice calling for sealed bids to be filed with the clerk by a certain date. The legislative authority may reject any or all bids and accept any bid it deems best; two-thirds of all members of the legislative authority must vote in favor of a resolution declaring it advisable to accept a bid. The legislative authority must then enact an ordinance accepting the bid and executing the lease or sale. The ordinance does not take effect until it has been approved by a majority of voters of the city at an election. The ordinance, if approved, takes effect when the election result is proclaimed by the mayor. The mayor must proclaim the vote as soon as it is certified.

Lease, Sale, or Conveyance of Surplus Property Acquired for Public Utility Purposes.

If a city determines by resolution that any land, property, or equipment originally acquired for public utility purposes is surplus to the city's needs and is not required for providing continued public utility service, then the legislative authority may, by resolution, cause such lands, property, or equipment to be leased, sold, or conveyed. The legislative authority must hold a public hearing prior to the lease, sale, or conveyance. The resolution must state the fair market value or rent or consideration to be paid and other terms and conditions of the disposition that the legislative authority deems to be in the public interest. The procedures regarding the lease, sale, or conveyance of public utility works, plants, or systems, including requirements for public notice, bids, and election, do not apply to the lease, sale, or conveyance of surplus property acquired for public utility purposes that is not required for providing continued public utility services.

Summary of Substitute Bill:

A city may dispose of any personal property or equipment originally acquired for public utility purposes that is surplus to the city's needs and is not required for providing continued public utility services without adopting a resolution or holding a public hearing if such property has an estimated value of \$50,000 or less.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This is an efficiency-in-government bill. When rules for cities for disposing of surplus property were changed to include a \$50,000 threshold, city-owned utilities were not included. The public hearing process is cumbersome and expensive. Rules for auditing would remain in place so public dollars are used properly. This bill would make the rules uniform for cities and city-owned utilities.

(Opposed). None.

Persons Testifying: Representative Wylie, prime sponsor; and Mark Brown, City of Vancouver.

Persons Signed In To Testify But Not Testifying: None.