
HOUSE BILL 1852

State of Washington 69th Legislature 2025 Regular Session

By Representatives Graham, Keaton, Volz, Marshall, and Eslick

Read first time 02/05/25. Referred to Committee on Housing.

1 AN ACT Relating to prohibiting local governments from
2 transferring real property to nongovernment entities without fair
3 consideration; amending RCW 39.33.015; adding a new section to
4 chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; and
5 adding a new section to chapter 36.01 RCW.

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

7 **Sec. 1.** RCW 39.33.015 and 2023 c 301 s 1 are each amended to
8 read as follows:

9 (1) Any state agency, municipality, or political subdivision,
10 with authority to dispose of surplus public property other than real
11 property, may transfer, lease, or otherwise dispose of such property
12 for a public benefit purpose, consistent with and subject to this
13 section. Any such transfer, lease, or other disposal may be made to a
14 public, private, or nongovernmental body on any mutually agreeable
15 terms and conditions, including a no cost transfer, subject to and
16 consistent with this section.

17 (2) Any state agency, municipality, or political subdivision with
18 authority to dispose of surplus public real property may lease or
19 sell such for a public benefit purpose, consistent with and subject
20 to this section. Any sale or lease may be made to a public, private,
21 or nongovernmental body on any mutually agreeable terms and

1 conditions, including a lease for a nominal amount. Consideration
2 must include appraisal costs, debt service, all closing costs, and
3 any other liabilities to the agency, municipality, or political
4 subdivision, and, in a sale, must be fair. However, the property may
5 not be so (~~(transferred,)~~) sold or leased(~~(, or disposed of if such~~
6 ~~transfer, lease, or disposal)~~) if doing so would violate any bond
7 covenant or encumber or impair any contract.

8 (~~(2)~~) (3) A deed, lease, or other instrument transferring or
9 conveying property pursuant to subsection (~~(1)~~) (2) of this section
10 must include:

11 (a) A covenant or other requirement that the property shall be
12 used for the designated public benefit purpose; and

13 (b) Remedies that apply if the recipient of the property fails to
14 use it for the designated public purpose or ceases to use it for such
15 purpose.

16 (~~(3)~~) (4) To implement the authority granted by this section,
17 the governing body or legislative authority of a municipality or
18 political subdivision must enact rules to regulate the disposition of
19 property for public benefit purposes. Any transfer, lease, or other
20 disposition of property authorized under this section must be
21 consistent with existing locally adopted comprehensive plans as
22 described in RCW 36.70A.070.

23 (~~(4)~~) (5) This section is deemed to provide a discretionary
24 alternative method for the doing of the things authorized herein, and
25 shall not be construed as imposing any additional condition upon the
26 exercise of any other powers vested in any state agency,
27 municipality, or political subdivision.

28 (~~(5)~~) (6) No transfer, lease, or other disposition of property
29 for public benefit purposes made pursuant to any other provision of
30 law prior to June 7, 2018, may be construed to be invalid solely
31 because the parties thereto did not comply with the procedures of
32 this section.

33 (~~(6)~~) (7) The (~~(transfer at no cost,)~~) lease(~~(, or other~~
34 ~~disposal)~~) of surplus real property for a nominal amount for public
35 benefit purposes is deemed a lawful purpose of any state agency,
36 municipality, or political subdivision, for which accounts are kept
37 on an enterprise fund or equivalent basis, regardless of the primary
38 purpose or function of such agency.

39 (~~(7)~~) (8) This section does not apply to the sale or transfer
40 of any state forestlands, any state lands or property granted to the

1 state by the federal government for the purposes of common schools or
2 education, or subject to a legal restriction that would be violated
3 by compliance with this section.

4 ~~((8))~~ (9) For purposes of this section:

5 (a) "Affordable housing" means:

6 (i) For rental housing, 30 percent of the household's monthly
7 income for rent and utilities, other than telephone; or

8 (ii) For permanently affordable homeownership, 38 percent of the
9 household's monthly income for mortgage principal, interest, property
10 taxes, homeowner's insurance, homeowner's association fees, and land
11 lease fees, as applicable. In addition, total household debt is no
12 more than 45 percent of the monthly household income;

13 (b) "Public benefit" means affordable housing, which can be
14 rental housing or permanently affordable homeownership for low-income
15 and very low-income households as defined in RCW 43.63A.510, and
16 related facilities that support the goals of affordable housing
17 development in providing economic and social stability for low-income
18 persons; and

19 (c) "Surplus public property" means excess real property that is
20 not required for the needs of or the discharge of the
21 responsibilities of the state agency, municipality, or political
22 subdivision.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21
24 RCW to read as follows:

25 A city may not transfer or sell real property owned by the city
26 to a nongovernmental entity or individual without receiving fair
27 market value or other equivalent compensation.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 35A.21
29 RCW to read as follows:

30 A code city may not transfer or sell real property owned by the
31 code city to a nongovernmental entity or individual without receiving
32 fair market value or other equivalent compensation.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.01
34 RCW to read as follows:

1 A county may not transfer or sell real property owned by the
2 county to a nongovernmental entity or individual without receiving
3 fair market value or other equivalent compensation.

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