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**SUBSTITUTE HOUSE BILL 2049**

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**State of Washington                      64th Legislature                      2015 Regular Session**

**By** House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Santos, Appleton, and Pollet)

READ FIRST TIME 02/20/15.

1            AN ACT Relating to supporting the development of affordable  
2 housing in urban areas; amending RCW 43.63A.510, 28A.335.120,  
3 28A.335.130, 43.19.19201, 43.20A.035, 47.12.063, 47.12.064,  
4 53.08.090, 53.08.091, 72.09.055, 79.11.005, 79A.05.170, 79A.05.175,  
5 and 81.112.080; adding a new section to chapter 35.21 RCW; adding a  
6 new section to chapter 36.34 RCW; adding new sections to chapter  
7 43.185 RCW; adding a new section to chapter 28A.335 RCW; and  
8 repealing RCW 43.20A.037.

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

10           NEW SECTION.    **Sec. 1.**    A new section is added to chapter 35.21  
11 RCW to read as follows:

12           Every city that owns real property within an urban development  
13 area, as provided in RCW 43.63A.510, must provide an annual inventory  
14 to the department of commerce of all such property and must comply  
15 with the provisions of that section regarding the sale or transfer of  
16 such property.

17           NEW SECTION.    **Sec. 2.**    A new section is added to chapter 36.34  
18 RCW to read as follows:

19           Every county that owns real property within an urban development  
20 area, as provided in RCW 43.63A.510, must provide an annual inventory

1 to the department of commerce of all such property and must comply  
2 with the provisions of that section regarding the sale or transfer of  
3 such property.

4 **Sec. 3.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to  
5 read as follows:

6 (1) ~~((The department shall work with the departments of natural  
7 resources, transportation, social and health services, corrections,  
8 and general administration to identify and catalog under-utilized,  
9 state-owned land and property suitable for the development of  
10 affordable housing for very low income, low income or moderate income  
11 households. The departments of natural resources, transportation,  
12 social and health services, corrections, and general administration  
13 shall provide an inventory of real property that is owned or  
14 administered by each agency and is available for lease or sale. The  
15 inventories shall be provided to the department by November 1, 1993,  
16 with inventory revisions provided each November 1 thereafter.~~

17 ~~(2) Upon written request, the department shall provide a copy of  
18 the inventory of state-owned and publicly owned lands and buildings  
19 to parties interested in developing the sites for affordable housing.~~

20 ~~(3))~~ Each governmental entity, as defined in this section, must  
21 identify and catalog all of its publicly owned real property within  
22 any urban development area. The inventories must be provided to the  
23 department by November 1st each year.

24 (2)(a) Any governmental entity that sells real property at fair  
25 market value within an urban development area must remit an amount  
26 equal to twenty percent of the sale price to the state treasurer to  
27 be deposited in the account established for the housing trust fund,  
28 pursuant to RCW 43.185.030.

29 (b) The money deposited into the account must be allocated for  
30 purposes of providing funding to an eligible organization to finance  
31 in whole or in part any loans or grant projects that will provide  
32 affordable housing within the urban development area where the real  
33 property was sold.

34 (3)(a) The department must distribute the amount received from  
35 any sale as provided in subsection (2) of this section to a city  
36 where the property sold is located, if the city:

37 (i) Requests the distribution within ninety days of sale of the  
38 property; and

1 (ii) Has its own affordable housing program, housing trust fund,  
2 or local housing authority that will accept the funds for the purpose  
3 of developing, constructing, or rehabilitating affordable housing  
4 projects.

5 (b) If the city does not request the distribution within the  
6 first ninety-day period, the department must distribute the same  
7 amount to the county that includes the city where the property was  
8 sold, if the county:

9 (i) Requests the distribution within ninety days after the  
10 deadline for the city; and

11 (ii) Has its own affordable housing program, housing trust fund,  
12 or local housing authority that will accept the funds for the purpose  
13 of developing, constructing, or rehabilitating affordable housing  
14 projects.

15 (4)(a) The requirements in subsection (2) of this section do not  
16 apply to the sale of a parcel of real property if the governmental  
17 entity selling the property has transferred a different parcel  
18 located within an urban development area to the affordable housing  
19 land bank created in section 4 of this act.

20 (b) To be eligible for this exemption:

21 (i) The real property transfer must be made within twelve months  
22 before or within twelve months after the sale of the real property  
23 subject to subsection (2) of this section;

24 (ii) The assessed value of the transferred property must be equal  
25 to at least fifteen percent of the sale price of the property subject  
26 to subsection (2) of this section; and

27 (iii) The department must accept the transfer based on a  
28 determination that the parcel is suitable for affordable housing  
29 development.

30 (c) Each real property transfer under this subsection (4) may be  
31 used only to exempt the sale of one real property parcel within the  
32 established time frame.

33 (5)(a) The requirements under subsection (2) of this section do  
34 not apply to the sale of a parcel of real property if the  
35 governmental entity selling the property has entered into a lease  
36 agreement with an eligible organization as defined in RCW 43.185.060  
37 to construct or develop affordable housing on public property located  
38 within an urban development area.

39 (b) To be eligible for the exemption under (a) of this  
40 subsection:

1 (i) The lease agreement must be entered into within twelve months  
2 before or within twelve months after the sale of the property under  
3 subsection (2) of this section;

4 (ii) The lease agreement must be at least for a forty-year  
5 period;

6 (iii) The assessed value of the lease must be at least fifteen  
7 percent of the sale price of the property subject to subsection (2)  
8 of this section; and

9 (iv) The department must determine that the lease agreement fits  
10 within the goals and objectives of the housing policy act under  
11 chapter 43.185B RCW.

12 (c) For purposes of this subsection (5) and subject to the  
13 conditions within this subsection (5), a lease agreement may also  
14 include any sale, transfer, exchange, lease, or other agreement for  
15 the air rights on publicly owned property.

16 (d) Each lease agreement under this subsection (5) may be used  
17 only to exempt the sale of one real property parcel within the  
18 established time frame.

19 (6)(a) The department must establish each urban development area  
20 within a city with a population over two hundred thousand, according  
21 to the most recent federal census data, based on:

22 (i) The geographic area of a single zip code or multiple  
23 contiguous zip codes in which the average assessed real property  
24 value increase of all taxable real property for the previous five-  
25 year period is greater than the average assessed real property value  
26 increase for the entire city over that same period;

27 (ii) The presence of any real property owned by a governmental  
28 entity within the area; and

29 (iii) The potential and need for affordable housing development  
30 within the area, as determined by the department.

31 (b) Any city with a population of two hundred thousand or fewer  
32 may designate an urban development area that meets the criteria of  
33 (a) of this subsection. The designation must be made by resolution of  
34 the governing body of the city. Upon authorization, the city must  
35 notify the department of the designation. The department may require  
36 the city to enter into an interlocal agreement or memorandum of  
37 understanding in order to administer this section within a city-  
38 designated urban development area.

39 (c) The department must consult, where appropriate, with the  
40 department of revenue, the housing finance commission, county

1 auditors, cities, port districts, school districts, and regional  
2 transit authorities to determine the location and boundaries of any  
3 urban development area.

4 (7) The department must publish the boundaries of each urban  
5 development area on its web site. The department must reestablish  
6 urban development areas every five years and provide notice to each  
7 applicable governmental entity at that time.

8 (8) This section does not apply to the sale or transfer of:

9 (a) Any state forest lands; or

10 (b) Any state lands or property granted to the state by the  
11 federal government for the purposes of common schools or education,  
12 or subject to a legal restriction that would be violated by  
13 compliance with this section.

14 (9) As used in this section:

15 (a) "Affordable housing" means residential housing that is rented  
16 or owned by a person who qualifies as a very low-income household,  
17 low-income household, or moderate-income household or who is from a  
18 special needs population, and whose monthly housing costs, including  
19 utilities other than telephone, do not exceed thirty percent of the  
20 household's monthly income.

21 ~~((b))~~ (i) "Very low-income household" means a single person,  
22 family, or unrelated persons living together whose income is at or  
23 below fifty percent of the median income, adjusted for household  
24 size, for the county where the affordable housing is located.

25 ~~((c))~~ (ii) "Low-income household" means a single person,  
26 family, or unrelated persons living together whose income is more  
27 than fifty percent but is at or below eighty percent of the median  
28 income where the affordable housing is located.

29 ~~((d))~~ (iii) "Moderate-income household" means a single person,  
30 family, or unrelated persons living together whose income is more  
31 than eighty percent but is at or below one hundred fifteen percent of  
32 the median income where the affordable housing is located.

33 (b) "Eligible organization" has the same meaning as in RCW  
34 43.185.060.

35 (c) "Governmental entity" means the departments of natural  
36 resources, transportation, social and health services, corrections,  
37 and enterprise services, as well as the state parks and recreation  
38 commission, counties, cities, towns, port districts, school  
39 districts, and regional transit authorities.

1        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 43.185  
2    RCW to read as follows:

3        The affordable housing land bank is created within the department  
4    and managed in accordance with the purposes, goals, and objectives of  
5    the housing policy act under chapter 43.185B RCW. The land bank may  
6    receive any publicly owned real property, including property  
7    transferred pursuant to RCW 43.63A.510. The department may use the  
8    property in the affordable housing land bank only for purposes  
9    authorized in section 5 of this act, and subject to any restrictions  
10   of that section.

11       NEW SECTION.    **Sec. 5.**    A new section is added to chapter 43.185  
12    RCW to read as follows:

13        (1) Any real property in the affordable housing land bank may be  
14    leased to any eligible organization for the purposes of the  
15    construction or operation of any housing project or development that  
16    dedicates at least eighty percent of its units to provide affordable  
17    housing. Any lease agreement may last up to forty years, and may  
18    provide for the transfer of any improvements to the property to an  
19    eligible organization at the end of the lease agreement.

20        (2) As used in this section:

21        (a) "Affordable housing" has the same meaning as in RCW  
22    43.63A.510.

23        (b) "Eligible organization" has the same meaning as in RCW  
24    43.185.060.

25       NEW SECTION.    **Sec. 6.**    A new section is added to chapter 28A.335  
26    RCW to read as follows:

27        Each school district that owns any real property owned within an  
28    urban development area must provide an annual inventory to the  
29    department of commerce, as provided in RCW 43.63A.510, and must  
30    comply with the provisions of that section regarding the sale or  
31    transfer of real property.

32        **Sec. 7.**    RCW 28A.335.120 and 2006 c 263 s 913 are each amended to  
33    read as follows:

34        (1) Except as provided in RCW 43.63A.510, the board of directors  
35    of any school district of this state may:

1 (a) Sell for cash, at public or private sale, and convey by deed  
2 all interest of the district in or to any of the real property of the  
3 district which is no longer required for school purposes; and

4 (b) Purchase real property for the purpose of locating thereon  
5 and affixing thereto any house or houses and appurtenant buildings  
6 removed from school sites owned by the district and sell for cash, at  
7 public or private sale, and convey by deed all interest of the  
8 district in or to such acquired and improved real property.

9 (2) When the board of directors of any school district proposes a  
10 sale of school district real property pursuant to this section and  
11 the value of the property exceeds seventy thousand dollars, the board  
12 shall publish a notice of its intention to sell the property. The  
13 notice shall be published at least once each week during two  
14 consecutive weeks in a legal newspaper with a general circulation in  
15 the area in which the school district is located. The notice shall  
16 describe the property to be sold and designate the place where and  
17 the day and hour when a hearing will be held. The board shall hold a  
18 public hearing upon the proposal to dispose of the school district  
19 property at the place and the day and hour fixed in the notice and  
20 admit evidence offered for and against the propriety and advisability  
21 of the proposed sale.

22 (3) The board of directors of any school district desiring to  
23 sell surplus real property shall publish a notice in a newspaper of  
24 general circulation in the school district. School districts shall  
25 not sell the property for at least forty-five days following the  
26 publication of the newspaper notice.

27 (4) Private schools shall have the same rights as any other  
28 person or entity to submit bids for the purchase of surplus real  
29 property and to have such bids considered along with all other bids.

30 (5) Any sale of school district real property authorized pursuant  
31 to this section shall be preceded by a market value appraisal by a  
32 professionally designated real estate appraiser as defined in RCW  
33 74.46.020 or a general real estate appraiser certified under chapter  
34 18.140 RCW selected by the board of directors and no sale shall take  
35 place if the sale price would be less than ninety percent of the  
36 appraisal made by the real estate appraiser: PROVIDED, That if the  
37 property has been on the market for one year or more the property may  
38 be reappraised and sold for not less than seventy-five percent of the  
39 reappraised value with the unanimous consent of the board.

1 (6) If in the judgment of the board of directors of any district  
2 the sale of real property of the district not needed for school  
3 purposes would be facilitated and greater value realized through use  
4 of the services of licensed real estate brokers, a contract for such  
5 services may be negotiated and concluded: PROVIDED, That the use of a  
6 licensed real estate broker will not eliminate the obligation of the  
7 board of directors to provide the notice described in this section:  
8 PROVIDED FURTHER, That the fee or commissions charged for any broker  
9 services shall not exceed seven percent of the resulting sale value  
10 for a single parcel: PROVIDED FURTHER, That any professionally  
11 designated real estate appraiser as defined in RCW 74.46.020 or a  
12 general real estate appraiser certified under chapter 18.140 RCW  
13 selected by the board to appraise the market value of a parcel of  
14 property to be sold may not be a party to any contract with the  
15 school district to sell such parcel of property for a period of three  
16 years after the appraisal.

17 (7) If in the judgment of the board of directors of any district  
18 the sale of real property of the district not needed for school  
19 purposes would be facilitated and greater value realized through sale  
20 on contract terms, a real estate sales contract may be executed  
21 between the district and buyer.

22 **Sec. 8.** RCW 28A.335.130 and 2004 c 6 s 2 are each amended to  
23 read as follows:

24 Except as provided in RCW 28A.335.240(1) and 43.63A.510, the  
25 proceeds from any sale of school district real property by a board of  
26 directors shall be deposited to the debt service fund and/or the  
27 capital projects fund, except for amounts required to be expended for  
28 the costs associated with the sale of such property, which moneys may  
29 be deposited into the fund from which the expenditure was incurred.

30 **Sec. 9.** RCW 43.19.19201 and 2011 1st sp.s. c 43 s 218 are each  
31 amended to read as follows:

32 ~~((1) The department shall identify and catalog real property  
33 that is no longer required for department purposes and is suitable  
34 for the development of affordable housing for very low income, low-  
35 income, and moderate income households as defined in RCW 43.63A.510.  
36 The inventory shall include the location, approximate size, and  
37 current zoning classification of the property. The department shall~~

1 ~~provide a copy of the inventory to the department of commerce by~~  
2 ~~November 1, 1993, and every November 1 thereafter.~~

3 ~~(2) By November 1 of each year, beginning in 1994, the department~~  
4 ~~shall purge the inventory of real property of sites that are no~~  
5 ~~longer available for the development of affordable housing. The~~  
6 ~~department shall include an updated listing of real property that has~~  
7 ~~become available since the last update. As used in this section,~~  
8 ~~"real property" means buildings, land, or buildings and land.))~~ The  
9 department must provide an annual inventory to the department of  
10 commerce of all real property owned within an urban development area,  
11 as provided in RCW 43.63A.510, and must comply with the provisions of  
12 that section regarding the sale or transfer of real property.

13 **Sec. 10.** RCW 43.20A.035 and 1991 c 204 s 2 are each amended to  
14 read as follows:

15 The department shall conduct an inventory of real properties as  
16 provided in RCW ~~((79.01.006))~~ 43.63A.510 and 79.02.400. The  
17 department must comply with the provisions of RCW 43.63A.510  
18 regarding the sale or transfer of real property within an urban  
19 development area.

20 **Sec. 11.** RCW 47.12.063 and 2011 c 376 s 2 are each amended to  
21 read as follows:

22 (1) It is the intent of the legislature to continue the  
23 department's policy giving priority consideration to abutting  
24 property owners in agricultural areas when disposing of property  
25 through its surplus property program under this section.

26 (2) Whenever the department determines that any real property  
27 owned by the state of Washington and under the jurisdiction of the  
28 department is no longer required for transportation purposes and that  
29 it is in the public interest to do so, the department may sell the  
30 property or exchange it in full or part consideration for land or  
31 improvements or for construction of improvements at fair market value  
32 to any person through the solicitation of written bids through public  
33 advertising in the manner prescribed under RCW 47.28.050 or in the  
34 manner prescribed under RCW 47.12.283.

35 (3) The department may forego the processes prescribed by RCW  
36 47.28.050 and 47.12.283 and sell the real property to any of the  
37 following entities or persons at fair market value:

38 (a) Any other state agency;

1 (b) The city or county in which the property is situated;  
2 (c) Any other municipal corporation;  
3 (d) Regional transit authorities created under chapter 81.112  
4 RCW;  
5 (e) The former owner of the property from whom the state acquired  
6 title;  
7 (f) In the case of residentially improved property, a tenant of  
8 the department who has resided thereon for not less than six months  
9 and who is not delinquent in paying rent to the state;  
10 (g) Any abutting private owner but only after each other abutting  
11 private owner (if any), as shown in the records of the county  
12 assessor, is notified in writing of the proposed sale. If more than  
13 one abutting private owner requests in writing the right to purchase  
14 the property within fifteen days after receiving notice of the  
15 proposed sale, the property shall be sold at public auction in the  
16 manner provided in RCW 47.12.283;  
17 (h) To any other owner of real property required for  
18 transportation purposes;  
19 (i) In the case of property suitable for residential use, any  
20 nonprofit organization dedicated to providing affordable housing to  
21 very low-income, low-income, and moderate-income households as  
22 defined in RCW 43.63A.510 and is eligible to receive assistance  
23 through the Washington housing trust fund created in chapter 43.185  
24 RCW; or  
25 (j) A federally recognized Indian tribe within whose reservation  
26 boundary the property is located.  
27 (4) When selling real property pursuant to RCW 47.12.283, the  
28 department may withhold or withdraw the property from an auction when  
29 requested by one of the entities or persons listed in subsection (3)  
30 of this section and only after the receipt of a nonrefundable deposit  
31 equal to ten percent of the fair market value of the real property or  
32 five thousand dollars, whichever is less. This subsection does not  
33 prohibit the department from exercising its discretion to withhold or  
34 withdraw the real property from an auction if the department  
35 determines that the property is no longer surplus or chooses to sell  
36 the property through one of the other means listed in subsection (2)  
37 of this section. If a transaction under this subsection is not  
38 completed within sixty days, the real property must be put back up  
39 for sale.

1 (5) Sales to purchasers may at the department's option be for  
2 cash, by real estate contract, or exchange of land or improvements.  
3 Transactions involving the construction of improvements must be  
4 conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as  
5 applicable, and must comply with all other applicable laws and rules.

6 (6) Conveyances made pursuant to this section shall be by deed  
7 executed by the secretary of transportation and shall be duly  
8 acknowledged.

9 (7) Unless otherwise provided, all moneys received pursuant to  
10 the provisions of this section less any real estate broker  
11 commissions paid pursuant to RCW 47.12.320 shall be deposited in the  
12 motor vehicle fund. The sale or transfer of any real property  
13 pursuant to this section that is located within an urban development  
14 area, as provided in RCW 43.63A.510, is subject to the provisions of  
15 that section.

16 **Sec. 12.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to  
17 read as follows:

18 ~~((1) The department shall identify and catalog real property  
19 that is no longer required for department purposes and is suitable  
20 for the development of affordable housing for very low income, low-  
21 income, and moderate income households as defined in RCW 43.63A.510.  
22 The inventory shall include the location, approximate size, and  
23 current zoning classification of the property. The department shall  
24 provide a copy of the inventory to the department of community,  
25 trade, and economic development by November 1, 1993, and every  
26 November 1 thereafter.~~

27 ~~(2) By November 1 of each year, beginning in 1994, the department  
28 shall purge the inventory of real property of sites that are no  
29 longer available for the development of affordable housing. The  
30 department shall include an updated listing of real property that has  
31 become available since the last update. As used in this section,  
32 "real property" means buildings, land, or buildings and land.)) The  
33 department must provide an annual inventory to the department of  
34 commerce of all real property owned within an urban development area,  
35 as provided in RCW 43.63A.510, and must comply with the provisions of  
36 that section regarding the sale or transfer of real property.~~

37 **Sec. 13.** RCW 53.08.090 and 1994 c 26 s 1 are each amended to  
38 read as follows:

1       (1) Each port commission must provide an annual inventory to the  
2 department of commerce of all real property owned within an urban  
3 development area, as provided in RCW 43.63A.510, and must comply with  
4 the provisions of that section regarding the sale or transfer of real  
5 property.

6       (2) A port commission may, by resolution, authorize the managing  
7 official of a port district to sell and convey port district property  
8 of ten thousand dollars or less in value. The authority shall be in  
9 force for not more than one calendar year from the date of resolution  
10 and may be renewed from year to year. Prior to any such sale or  
11 conveyance the managing official shall itemize and list the property  
12 to be sold and make written certification to the commission that the  
13 listed property is no longer needed for district purposes. Any large  
14 block of the property having a value in excess of ten thousand  
15 dollars shall not be broken down into components of ten thousand  
16 dollars or less value and sold in the smaller components unless the  
17 smaller components be sold by public competitive bid. Subject to the  
18 provisions of RCW 43.63A.510 regarding real property within an urban  
19 development area, a port district may sell and convey any of its real  
20 or personal property valued at more than ten thousand dollars when  
21 the port commission has, by resolution, declared the property to be  
22 no longer needed for district purposes, but no property which is a  
23 part of the comprehensive plan of improvement or modification thereof  
24 shall be disposed of until the comprehensive plan has been modified  
25 to find the property surplus to port needs. The comprehensive plan  
26 shall be modified only after public notice and hearing provided by  
27 RCW 53.20.010.

28       Nothing in this section shall be deemed to repeal or modify  
29 procedures for property sales within industrial development districts  
30 as set forth in chapter 53.25 RCW.

31       ~~((2) The ten thousand dollar figures in subsection (1) of this~~  
32 ~~section shall be adjusted annually based upon the governmental price~~  
33 ~~index established by the department of revenue under RCW 82.14.200.))~~

34       **Sec. 14.** RCW 53.08.091 and 2010 c 8 s 16001 are each amended to  
35 read as follows:

36       Except in cases where the full purchase price is paid at the time  
37 of the purchase, every sale of real property or personal property  
38 under authority of RCW 53.08.090 or 53.25.110 shall be subject to the  
39 following terms and conditions:

1 (1) The purchaser shall enter into a contract with the district  
2 in which the purchaser shall covenant that he or she will make the  
3 payments of principal and interest when due, and that he or she will  
4 pay all taxes and assessments on such property. Upon failure to make  
5 payments of principal, interest, assessments, or taxes when due all  
6 rights of the purchaser under said contract may, at the election of  
7 the district, after notice to said purchaser, be declared to be  
8 forfeited. When the rights of the purchaser are declared forfeited,  
9 the district shall be released from all obligation to convey land  
10 covered by the contract, and in the case of personal property, the  
11 district shall have all rights granted to a secured party under  
12 chapter 62A.9A RCW;

13 (2) The district may, as it deems advisable, extend the time for  
14 payment of principal and interest due or to become due;

15 (3) The district shall notify the purchaser in each instance when  
16 payment is overdue, and that the purchaser is liable to forfeiture if  
17 payment is not made within thirty days from the time the same became  
18 due, unless the time be extended by the district;

19 (4) Not less than four percent of the total purchase price shall  
20 be paid on the date of execution of the contract for sale and not  
21 less than four percent shall be paid annually thereafter until the  
22 full purchase price has been paid, but any purchaser may make full  
23 payment at any time. All unpaid deferred payments shall draw interest  
24 at a rate not less than six percent per annum.

25 Nothing in this section shall be deemed to supersede other  
26 provisions of law more specifically governing sales of port district  
27 property, including RCW 43.63A.510 regarding the sale or transfer of  
28 real property within an urban development area. It is the purpose of  
29 this section to provide additional authority and procedures for sale  
30 of port district property no longer needed for port purposes.

31 **Sec. 15.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to  
32 read as follows:

33 ~~((1) The department shall identify and catalog real property~~  
34 ~~that is no longer required for department purposes and is suitable~~  
35 ~~for the development of affordable housing for very low income, low-~~  
36 ~~income, and moderate income households as defined in RCW 43.63A.510.~~  
37 ~~The inventory shall include the location, approximate size, and~~  
38 ~~current zoning classification of the property. The department shall~~  
39 ~~provide a copy of the inventory to the department of community,~~

1 trade, and economic development by November 1, 1993, and every  
2 November 1 thereafter.

3 (2) By November 1 of each year, beginning in 1994, the department  
4 shall purge the inventory of real property of sites that are no  
5 longer available for the development of affordable housing. The  
6 department shall include an updated listing of real property that has  
7 become available since the last update. As used in this section,  
8 "real property" means buildings, land, or buildings and land.) The  
9 department must provide an annual inventory to the department of  
10 commerce of all real property owned within an urban development area,  
11 as provided in RCW 43.63A.510, and must comply with the provisions of  
12 that section regarding the sale or transfer of real property.

13 **Sec. 16.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to  
14 read as follows:

15 (1) The department must provide an annual inventory to the  
16 department of commerce of all real property owned within an urban  
17 development area, as provided in RCW 43.63A.510, and must comply with  
18 the provisions of that section regarding the sale or transfer of real  
19 property.

20 (2) Except as provided in RCW 43.63A.510, the department is  
21 authorized to sell any real property not designated or acquired as  
22 state forest lands, but acquired by the state, either in the name of  
23 the forest board, the forestry board, or the division of forestry,  
24 for administrative sites, lien foreclosures, or other purposes  
25 whenever it shall determine that the lands are no longer or not  
26 necessary for public use.

27 ((+2)) (3) Except as provided in RCW 43.63A.510, the sale may be  
28 made after public notice to the highest bidder for such a price as  
29 approved by the governor, but not less than the fair market value of  
30 the real property, plus the value of improvements thereon. Any  
31 instruments necessary to convey title must be executed by the  
32 governor in a form approved by the attorney general.

33 ((+3)) (4) Except as provided in RCW 43.63A.510, all amounts  
34 received from the sale must be credited to the fund of the department  
35 of government that is responsible for the acquisition and maintenance  
36 of the property sold.

37 **Sec. 17.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each  
38 amended to read as follows:

1       (1) The commission must provide an annual inventory to the  
2 department of commerce of all real property owned within an urban  
3 development area, as provided in RCW 43.63A.510, and must comply with  
4 the provisions of that section regarding the sale or transfer of real  
5 property.

6       (2) Except as provided in RCW 43.63A.510, any lands owned by the  
7 ((state parks and recreation)) commission, which are determined to be  
8 surplus to the needs of the state for development for state park  
9 purposes and which the commission proposes to deed to a local  
10 government or other entity, shall be accompanied by a clause  
11 requiring that if the land is not used for outdoor recreation  
12 purposes, ownership of the land shall revert to the ((state parks and  
13 recreation)) commission.

14       ~~((2))~~ (3) Except as provided in RCW 43.63A.510, the ((state  
15 parks and recreation)) commission, in cases where land subject to  
16 such a reversionary clause is proposed for use or disposal for  
17 purposes other than recreation, shall require that, if the land is  
18 surplus to the needs of the commission for park purposes at the time  
19 the commission becomes aware of its proposed use for nonrecreation  
20 purposes, the holder of the land or property shall reimburse the  
21 commission for the release of the reversionary interest in the land.  
22 The reimbursement shall be in the amount of the fair market value of  
23 the reversionary interest as determined by a qualified appraiser  
24 agreeable to the commission. Appraisal costs shall be borne by the  
25 local entity which holds title to the land.

26       ~~((3))~~ (4) Except as provided in RCW 43.63A.510, any funds  
27 generated under a reimbursement under this section shall be deposited  
28 in the parkland acquisition account which is hereby created in the  
29 state treasury. Moneys in this account are to be used solely for the  
30 purchase or acquisition of property for use as state park property by  
31 the commission, as directed by the legislature; all such funds shall  
32 be subject to legislative appropriation.

33       **Sec. 18.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to  
34 read as follows:

35       Except as provided in RCW 43.63A.510, whenever the commission  
36 finds that any land under its control cannot advantageously be used  
37 for park purposes, it is authorized to dispose of such land by the  
38 method provided in this section or by the method provided in RCW  
39 79A.05.170. If such lands are school or other grant lands, control

1 thereof shall be relinquished by resolution of the commission to the  
2 proper state officials. If such lands were acquired under restrictive  
3 conveyances by which the state may hold them only so long as they are  
4 used for park purposes, they may be returned to the donor or grantors  
5 by the commission. All other such lands may be either sold by the  
6 commission to the highest bidder or exchanged for other lands of  
7 equal value by the commission, and all conveyance documents shall be  
8 executed by the governor. All such exchanges shall be accompanied by  
9 a transfer fee, to be set by the commission and paid by the other  
10 party to the transfer; such fee shall be paid into the parkland  
11 acquisition account established under RCW 79A.05.170. The commission  
12 may accept sealed bids, electronic bids, or oral bids at auction.  
13 Bids on all sales shall be solicited at least twenty days in advance  
14 of the sale date by an advertisement appearing at least once a week  
15 for two consecutive weeks in a newspaper of general circulation in  
16 the county in which the land to be sold is located. If the commission  
17 feels that no bid received adequately reflects the fair value of the  
18 land to be sold, it may reject all bids, and may call for new bids.  
19 All proceeds derived from the sale of such park property shall be  
20 paid into the park land acquisition account. All land considered for  
21 exchange shall be evaluated by the commission to determine its  
22 adaptability to park usage. The equal value of all lands exchanged  
23 shall first be determined by the appraisals to the satisfaction of  
24 the commission. No sale or exchange of state park lands shall be made  
25 without the unanimous consent of the commission.

26 **Sec. 19.** RCW 81.112.080 and 1992 c 101 s 8 are each amended to  
27 read as follows:

28 (1) An authority shall have the following powers in addition to  
29 the general powers granted by this chapter, and subject to the  
30 applicable provisions of RCW 43.63A.510:

31 ~~((1))~~ (a) To carry out the planning processes set forth in RCW  
32 81.104.100;

33 ~~((2))~~ (b) To acquire by purchase, condemnation, gift, or grant  
34 and to lease, construct, add to, improve, replace, repair, maintain,  
35 operate, and regulate the use of high capacity transportation  
36 facilities and properties within authority boundaries including  
37 surface, underground, or overhead railways, tramways, busways, buses,  
38 bus sets, entrained and linked buses, ferries, or other means of  
39 local transportation except taxis, and including escalators, moving

1 sidewalks, personal rapid transit systems or other people-moving  
2 systems, passenger terminal and parking facilities and properties,  
3 and such other facilities and properties as may be necessary for  
4 passenger, vehicular, and vessel access to and from such people-  
5 moving systems, terminal and parking facilities and properties,  
6 together with all lands, rights-of-way, property, equipment, and  
7 accessories necessary for such high capacity transportation systems.  
8 When developing specifications for high capacity transportation  
9 system operating equipment, an authority shall take into account  
10 efforts to establish or sustain a domestic manufacturing capacity for  
11 such equipment. The right of eminent domain shall be exercised by an  
12 authority in the same manner and by the same procedure as or may be  
13 provided by law for cities of the first class, except insofar as such  
14 laws may be inconsistent with the provisions of this chapter. Public  
15 transportation facilities and properties which are owned by any city,  
16 county, county transportation authority, public transportation  
17 benefit area, or metropolitan municipal corporation may be acquired  
18 or used by an authority only with the consent of the agency owning  
19 such facilities. Such agencies are hereby authorized to convey or  
20 lease such facilities to an authority or to contract for their joint  
21 use on such terms as may be fixed by agreement between the agency and  
22 the authority.

23 The facilities and properties of an authority whose vehicles will  
24 operate primarily within the rights-of-way of public streets, roads,  
25 or highways, may be acquired, developed, and operated without the  
26 corridor and design hearings that are required by RCW 35.58.273 for  
27 mass transit facilities operating on a separate right-of-way;

28 ~~((+3))~~ (c) To dispose of any real or personal property acquired  
29 in connection with any authority function and that is no longer  
30 required for the purposes of the authority, in the same manner as  
31 provided for cities of the first class, and subject to the provisions  
32 of RCW 43.63A.510 regarding the sale or transfer of real property in  
33 an urban development area. When an authority determines that a  
34 facility or any part thereof that has been acquired from any public  
35 agency without compensation is no longer required for authority  
36 purposes, but is required by the agency from which it was acquired,  
37 the authority shall by resolution transfer it to such agency;

38 ~~((+4))~~ (d) To fix rates, tolls, fares, and charges for the use  
39 of such facilities and to establish various routes and classes of

1 service. Fares or charges may be adjusted or eliminated for any  
2 distinguishable class of users.

3 (2) Each authority must provide an annual inventory to the  
4 department of commerce of all real property owned within an urban  
5 development area, as provided in RCW 43.63A.510, and must comply with  
6 the provisions of that section regarding the sale or transfer of real  
7 property.

8 NEW SECTION. **Sec. 20.** RCW 43.20A.037 (Affordable housing—  
9 Inventory of suitable housing) and 1995 c 399 s 65 & 1993 c 461 s 8  
10 are each repealed.

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