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**SUBSTITUTE SENATE BILL 5820**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Transportation (originally sponsored by Senators King and Benton)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to department of transportation surplus property;  
2 and amending RCW 47.12.283, 43.17.400, and 47.12.063.

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

4 **Sec. 1.** RCW 47.12.283 and 2010 c 8 s 10006 are each amended to  
5 read as follows:

6 (1) Whenever the department of transportation determines that any  
7 real property owned by the state of Washington and under the  
8 jurisdiction of the department is no longer required for highway  
9 purposes and that it is in the public interest to do so, the  
10 department may, in its discretion, sell the property under RCW  
11 47.12.063 or under subsections (2) through (6) of this section.

12 (2) Whenever the department determines to sell real property  
13 under its jurisdiction at public auction, the department shall first  
14 give notice thereof by (~~publication on the same day of the week for~~  
15 ~~two consecutive weeks, with the first publication at least two weeks~~  
16 ~~prior to the date of the auction, in a legal newspaper of general~~  
17 ~~circulation in the area where the property to be sold is located. The~~  
18 ~~notice shall be placed in both the legal notices section and the real~~  
19 ~~estate classified section of the newspaper)) the most appropriate  
20 method as determined by the department. The notice shall contain a  
21 description of the property, the time and place of the auction, and~~

1 the terms of the sale. The sale may be for cash or by real estate  
2 contract.

3 (3) The department shall sell the property at the public auction,  
4 in accordance with the terms set forth in the notice, to the highest  
5 and best bidder providing the bid is equal to or higher than the  
6 appraised fair market value of the property.

7 (4) If no bids are received at the auction or if all bids are  
8 rejected, the department may, in its discretion, enter into  
9 negotiations for the sale of the property or may list the property  
10 with a licensed real estate broker. No property shall be sold by  
11 negotiations or through a broker for less than the property's  
12 appraised fair market value. Any offer to purchase real property  
13 pursuant to this subsection shall be in writing and may be rejected  
14 at any time prior to written acceptance by the department.

15 ~~(5) ((Before the department shall approve any offer for the~~  
16 ~~purchase of real property having an appraised value of more than ten~~  
17 ~~thousand dollars, pursuant to subsection (4) of this section, the~~  
18 ~~department shall first publish a notice of the proposed sale in a~~  
19 ~~local newspaper of general circulation in the area where the property~~  
20 ~~is located. The notice shall include a description of the property,~~  
21 ~~the selling price, the terms of the sale, including the price and~~  
22 ~~interest rate if sold by real estate contract, and the name and~~  
23 ~~address of the department employee or the real estate broker handling~~  
24 ~~the transaction. The notice shall further state that any person may,~~  
25 ~~within ten days after the publication of the notice, deliver to the~~  
26 ~~designated state employee or real estate broker a written offer to~~  
27 ~~purchase the property for not less than ten percent more than the~~  
28 ~~negotiated sale price, subject to the same terms and conditions. A~~  
29 ~~subsequent offer shall not be considered unless it is accompanied by~~  
30 ~~a deposit of twenty percent of the offer in the form of cash, money~~  
31 ~~order, cashiers check, or certified check payable to the Washington~~  
32 ~~state treasurer, to be forfeited to the state (for deposit in the~~  
33 ~~motor vehicle fund) if the offeror fails to complete the sale if the~~  
34 ~~offeror's offer is accepted. If a subsequent offer is received, the~~  
35 ~~first offeror shall be informed by registered or certified mail sent~~  
36 ~~to the address stated in his or her offer. The first offeror shall~~  
37 ~~then have ten days, from the date of mailing the notice of the~~  
38 ~~increased offer, in which to file with the designated state employee~~  
39 ~~or real estate broker a higher offer than that of the subsequent~~  
40 ~~offeror. After the expiration of the ten-day period, the department~~

1 shall approve in writing the highest and best offer which the  
2 department then has on file.

3 (~~6~~)) All moneys received pursuant to this section, less any real  
4 estate broker's commissions paid pursuant to RCW 47.12.320, shall be  
5 deposited in the motor vehicle fund.

6 **Sec. 2.** RCW 43.17.400 and 2007 c 62 s 2 are each amended to read  
7 as follows:

8 (1) The definitions in this subsection apply throughout this  
9 section unless the context clearly requires otherwise.

10 (a) "Disposition" means sales, exchanges, or other actions  
11 resulting in a transfer of land ownership.

12 (b) "State agencies" includes:

13 (i) The department of natural resources established in chapter  
14 43.30 RCW;

15 (ii) The department of fish and wildlife established in chapter  
16 43.300 RCW;

17 (iii) The department of transportation established in chapter  
18 47.01 RCW;

19 (iv) The parks and recreation commission established in chapter  
20 79A.05 RCW; and

21 (v) The department of (~~general administration~~) enterprise  
22 services established in this chapter.

23 (2) Except as provided in subsection (3) of this section, state  
24 agencies proposing disposition of state-owned land must provide  
25 written notice of the proposed disposition to the legislative  
26 authorities of the counties, cities, and towns in which the land is  
27 located at least sixty days before entering into the disposition  
28 agreement.

29 (3) The department of transportation, when proposing the  
30 disposition of state-owned land, must provide written notice of the  
31 proposed disposition to the legislative authorities of the counties,  
32 cities, and towns in which the land is located at least thirty days  
33 before entering into the disposition agreement.

34 (4) The requirements of this section are in addition and  
35 supplemental to other requirements of the laws of this state.

36 **Sec. 3.** RCW 47.12.063 and 2011 c 376 s 2 are each amended to  
37 read as follows:

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

5 (2) Whenever the department determines that any real property  
6 owned by the state of Washington and under the jurisdiction of the  
7 department is no longer required for transportation purposes and that  
8 it is in the public interest to do so, the department may sell the  
9 property (~~or exchange it in full or part consideration for land or~~  
10 ~~improvements or for construction of improvements~~) at fair market  
11 value to any person through the solicitation of written bids through  
12 public advertising in the manner prescribed under RCW 47.28.050 or in  
13 the manner prescribed under RCW 47.12.283.

14 (3) The department may forego the processes prescribed by RCW  
15 47.28.050 and 47.12.283 and sell the real property to any of the  
16 following entities or persons at fair market value:

17 (a) Any other state agency;

18 (b) The city or county in which the property is situated;

19 (c) Any other municipal corporation;

20 (d) Regional transit authorities created under chapter 81.112  
21 RCW;

22 (e) The former owner of the property from whom the state acquired  
23 title;

24 (f) In the case of residentially improved property, a tenant of  
25 the department who has resided thereon for not less than six months  
26 and who is not delinquent in paying rent to the state;

27 (g) Any abutting private owner but only after each other abutting  
28 private owner (if any), as shown in the records of the county  
29 assessor, is notified in writing of the proposed sale. If more than  
30 one abutting private owner requests in writing the right to purchase  
31 the property within fifteen days after receiving notice of the  
32 proposed sale, the property shall be sold at public auction in the  
33 manner provided in RCW 47.12.283;

34 (h) To any other owner of real property required for  
35 transportation purposes;

36 (i) In the case of property suitable for residential use, any  
37 nonprofit organization dedicated to providing affordable housing to  
38 very low-income, low-income, and moderate-income households as  
39 defined in RCW 43.63A.510 and is eligible to receive assistance

1 through the Washington housing trust fund created in chapter 43.185  
2 RCW; or

3 (j) A federally recognized Indian tribe within whose reservation  
4 boundary the property is located.

5 (4) When selling real property pursuant to RCW 47.12.283, the  
6 department may withhold or withdraw the property from an auction when  
7 requested by one of the entities or persons listed in subsection (3)  
8 of this section and only after the receipt of a nonrefundable deposit  
9 equal to ten percent of the fair market value of the real property or  
10 five thousand dollars, whichever is less. This subsection does not  
11 prohibit the department from exercising its discretion to withhold or  
12 withdraw the real property from an auction if the department  
13 determines that the property is no longer surplus or chooses to sell  
14 the property through one of the other means listed in subsection (2)  
15 of this section. If a transaction under this subsection is not  
16 completed within sixty days, the real property must be put back up  
17 for sale.

18 (5) Sales to purchasers may, at the department's option, be for  
19 cash((~~7~~)) or by real estate contract(~~(~~7~~ or exchange of land or~~  
20 ~~improvements. Transactions involving the construction of improvements~~  
21 ~~must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as~~  
22 ~~applicable, and must comply with all other applicable laws and~~  
23 ~~rules)). The department may not enter into equal value land exchange  
24 transactions.~~

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

28 (7) Unless otherwise provided, all moneys received pursuant to  
29 the provisions of this section less any real estate broker  
30 commissions paid pursuant to RCW 47.12.320 shall be deposited in the  
31 motor vehicle fund.

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