
Local Government & Housing Committee

HB 2409

Brief Description: Concerning the sale of water-sewer district real property.

Sponsors: Representatives Simpson and Angel.

Brief Summary of Bill

- Authorizes a water-sewer district to engage in the private sale of real property provided the estimated value is five thousand dollars or less.
- Authorizes a water-sewer district's board of commissioners to determine the estimated value of sale property based upon the advice of brokers and appraisers, as the board deems appropriate, provided the estimated value of the property does not exceed five thousand dollars.

Hearing Date: 1/11/10

Staff: Thamas Osborn (786-7129)

Background:

Water districts are units of local government initially authorized in 1913 to provide potable water facilities, sanitary sewers, drainage facilities, and street lighting. Sewer districts are units of local government initially authorized in 1941 to provide sanitary sewers, drainage facilities, and potable water facilities. Legislation enacted in 1996 and effective July 1, 1997, consolidated water district laws with sewer district laws and made a number of technical changes to these laws. Among other changes, the term "sewer system," which had been defined to include both sanitary sewers and drainage systems, was altered to apply only to sanitary sewer systems, and separate provisions were added for drainage systems.

Water-sewer district (district) powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and to develop and operate systems of sewers and drainage. In addition, a district has broad authority to

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create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from such wastewater.

Before implementing plans for the development of facilities or incurring any indebtedness, a district must adopt a general comprehensive plan for the types of services it proposes to provide. Such general comprehensive plans must be consistent with specified requirements.

Sale of Water-Sewer District Property

A district is prohibited from engaging in the private sale of real property if the appraised value exceeds \$2,500.

The sale of real property by a district is subject to the following requirements:

- subject to specified exceptions, the sale price must be at least 90 percent of the property's appraised value;
- the district must obtain a written appraisal not more than six months prior to the date of sale;
- the appraisal must be made by three disinterested, licensed real estate brokers or professionally designated real estate appraisers;
- the appraisal must be signed, filed, and made available to the public in accordance with specified requirements; and
- notice of a district's intention to sell the property must state the appraised value.

Summary of Bill:

A district may engage in the private sale of real property provided the estimated value is 5,000 dollars or less. In conducting such a sale, a district's board of commissioners is authorized to determine the estimated value based upon the advice of brokers and appraisers, as the board deems appropriate. Formal written appraisals are not required.

If the estimated value exceed of the sale property exceeds 5,000 dollars, then the sale price must be determined through the formal appraisal process. This process must include a written appraisal by either three real estate brokers or by one professionally designated real estate appraiser.

Appropriation: None.

Fiscal Note: Requested on January 8, 2010.

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