
SUBSTITUTE SENATE BILL 5886

State of Washington 63rd Legislature 2014 Regular Session

By Senate Transportation (originally sponsored by Senators King and Eide)

READ FIRST TIME 01/30/14.

1 AN ACT Relating to department of transportation surplus property;
2 amending RCW 47.12.283, 43.17.400, and 47.12.063; reenacting and
3 amending RCW 43.84.092 and 43.84.092; adding a new section to chapter
4 47.12 RCW; providing a contingent effective date; and providing a
5 contingent expiration date.

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

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

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

15 (2) Whenever the department determines to sell real property under
16 its jurisdiction at public auction, the department shall first give
17 notice thereof by ~~((publication on the same day of the week for two~~
18 ~~consecutive weeks, with the first publication at least two weeks prior~~
19 ~~to the date of the auction, in a legal newspaper of general circulation~~

1 in the area where the property to be sold is located. The notice shall
2 be placed in both the legal notices section and the real estate
3 classified section of the newspaper)) the most appropriate method as
4 determined by the department. The notice shall contain a description
5 of the property, the time and place of the auction, and the terms of
6 the sale. The sale may be for cash or by real estate contract.

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

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

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

1 by registered or certified mail sent to the address stated in his or
2 her offer. The first offeror shall then have ten days, from the date
3 of mailing the notice of the increased offer, in which to file with the
4 designated state employee or real estate broker a higher offer than
5 that of the subsequent offeror. After the expiration of the ten day
6 period, the department shall approve in writing the highest and best
7 offer which the department then has on file.

8 (6)) All moneys received pursuant to this section, less any real
9 estate broker's commissions paid pursuant to RCW 47.12.320 or revenues
10 deposited into the transportation facilities account created in section
11 3 of this act, ((shall)) must be deposited in the motor vehicle fund.

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

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

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

18 (b) "State agencies" includes:

19 (i) The department of natural resources established in chapter
20 43.30 RCW;

21 (ii) The department of fish and wildlife established in chapter
22 43.300 RCW;

23 (iii) The department of transportation established in chapter 47.01
24 RCW;

25 (iv) The parks and recreation commission established in chapter
26 79A.05 RCW; and

27 (v) The department of ((general administration)) enterprise
28 services established in this chapter.

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

34 (3) The department of transportation, when proposing the
35 disposition of state-owned land, must provide written notice of the
36 proposed disposition to the legislative authorities of the counties,

1 cities, and towns in which the land is located at least thirty days
2 before entering into the disposition agreement.

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

5 NEW SECTION. Sec. 3. A new section is added to chapter 47.12 RCW
6 to read as follows:

7 (1) The transportation facilities account is created in the motor
8 vehicle fund. Except as otherwise provided in subsection (2) of this
9 section, all revenues received by the department from the sale of the
10 following surplus property previously managed by the facilities
11 division within the department must be deposited into the account: (a)
12 Safety rest areas, (b) pit sites, (c) capital improvements, (d) waste
13 sites, (e) quarry sites, and (f) maintenance facility sites. Moneys in
14 the account may be spent only after appropriation. Revenues and
15 interest from the account may be used only for surplus property
16 expenditures and the repair and replacement of department facilities.

17 (2) Proceeds from the sale of surplus property may be withheld from
18 being deposited into the account if they will be used to fund an active
19 highway project in the immediate area of where the surplus property is
20 located.

21 **Sec. 4.** RCW 47.12.063 and 2011 c 376 s 2 are each amended to read
22 as follows:

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

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

1 (3) The department may forego the processes prescribed by RCW
2 47.28.050 and 47.12.283 and sell the real property to any of the
3 following entities or persons at fair market value:

4 (a) Any other state agency;

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

6 (c) Any other municipal corporation;

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

8 (e) The former owner of the property from whom the state acquired
9 title;

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

13 (g) Any abutting private owner but only after each other abutting
14 private owner (if any), as shown in the records of the county assessor,
15 is notified in writing of the proposed sale. If more than one abutting
16 private owner requests in writing the right to purchase the property
17 within fifteen days after receiving notice of the proposed sale, the
18 property shall be sold at public auction in the manner provided in RCW
19 47.12.283;

20 (h) To any other owner of real property required for transportation
21 purposes;

22 (i) In the case of property suitable for residential use, any
23 nonprofit organization dedicated to providing affordable housing to
24 very low-income, low-income, and moderate-income households as defined
25 in RCW 43.63A.510 and is eligible to receive assistance through the
26 Washington housing trust fund created in chapter 43.185 RCW; or

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

29 (4) When selling real property pursuant to RCW 47.12.283, the
30 department may withhold or withdraw the property from an auction when
31 requested by one of the entities or persons listed in subsection (3) of
32 this section and only after the receipt of a nonrefundable deposit
33 equal to ten percent of the fair market value of the real property or
34 five thousand dollars, whichever is less. This subsection does not
35 prohibit the department from exercising its discretion to withhold or
36 withdraw the real property from an auction if the department determines
37 that the property is no longer surplus or chooses to sell the property

1 through one of the other means listed in subsection (2) of this
2 section. If a transaction under this subsection is not completed
3 within sixty days, the real property must be put back up for sale.

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

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

14 (7) Unless otherwise provided, all moneys received pursuant to
15 (~~the provisions of~~) this section, less any real estate broker
16 commissions paid pursuant to RCW 47.12.320 (~~shall~~) or revenues
17 deposited into the transportation facilities account created in section
18 3 of this act, must be deposited in the motor vehicle fund.

19 **Sec. 5.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24 and 2013 2nd
20 sp.s. c 11 s 15 are each reenacted and amended to read as follows:

21 (1) All earnings of investments of surplus balances in the state
22 treasury shall be deposited to the treasury income account, which
23 account is hereby established in the state treasury.

24 (2) The treasury income account shall be utilized to pay or receive
25 funds associated with federal programs as required by the federal cash
26 management improvement act of 1990. The treasury income account is
27 subject in all respects to chapter 43.88 RCW, but no appropriation is
28 required for refunds or allocations of interest earnings required by
29 the cash management improvement act. Refunds of interest to the
30 federal treasury required under the cash management improvement act
31 fall under RCW 43.88.180 and shall not require appropriation. The
32 office of financial management shall determine the amounts due to or
33 from the federal government pursuant to the cash management improvement
34 act. The office of financial management may direct transfers of funds
35 between accounts as deemed necessary to implement the provisions of the
36 cash management improvement act, and this subsection. Refunds or

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

3 (3) Except for the provisions of RCW 43.84.160, the treasury income
4 account may be utilized for the payment of purchased banking services
5 on behalf of treasury funds including, but not limited to, depository,
6 safekeeping, and disbursement functions for the state treasury and
7 affected state agencies. The treasury income account is subject in all
8 respects to chapter 43.88 RCW, but no appropriation is required for
9 payments to financial institutions. Payments shall occur prior to
10 distribution of earnings set forth in subsection (4) of this section.

11 (4) Monthly, the state treasurer shall distribute the earnings
12 credited to the treasury income account. The state treasurer shall
13 credit the general fund with all the earnings credited to the treasury
14 income account except:

15 (a) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's and fund's
17 average daily balance for the period: The aeronautics account, the
18 aircraft search and rescue account, the Alaskan Way viaduct replacement
19 project account, the brownfield redevelopment trust fund account, the
20 budget stabilization account, the capital vessel replacement account,
21 the capitol building construction account, the Cedar River channel
22 construction and operation account, the Central Washington University
23 capital projects account, the charitable, educational, penal and
24 reformatory institutions account, the cleanup settlement account, the
25 Columbia river basin water supply development account, the Columbia
26 river basin taxable bond water supply development account, the Columbia
27 river basin water supply revenue recovery account, the common school
28 construction fund, the county arterial preservation account, the county
29 criminal justice assistance account, the deferred compensation
30 administrative account, the deferred compensation principal account,
31 the department of licensing services account, the department of
32 retirement systems expense account, the developmental disabilities
33 community trust account, the drinking water assistance account, the
34 drinking water assistance administrative account, the drinking water
35 assistance repayment account, the Eastern Washington University capital
36 projects account, the Interstate 405 express toll lanes operations
37 account, the education construction fund, the education legacy trust
38 account, the election account, the energy freedom account, the energy

1 recovery act account, the essential rail assistance account, The
2 Evergreen State College capital projects account, the federal forest
3 revolving account, the ferry bond retirement fund, the freight mobility
4 investment account, the freight mobility multimodal account, the grade
5 crossing protective fund, the public health services account, the high
6 capacity transportation account, the state higher education
7 construction account, the higher education construction account, the
8 highway bond retirement fund, the highway infrastructure account, the
9 highway safety fund, the high occupancy toll lanes operations account,
10 the hospital safety net assessment fund, the industrial insurance
11 premium refund account, the judges' retirement account, the judicial
12 retirement administrative account, the judicial retirement principal
13 account, the local leasehold excise tax account, the local real estate
14 excise tax account, the local sales and use tax account, the marine
15 resources stewardship trust account, the medical aid account, the
16 mobile home park relocation fund, the motor vehicle fund, the
17 motorcycle safety education account, the multimodal transportation
18 account, the multiuse roadway safety account, the municipal criminal
19 justice assistance account, the natural resources deposit account, the
20 oyster reserve land account, the pension funding stabilization account,
21 the perpetual surveillance and maintenance account, the public
22 employees' retirement system plan 1 account, the public employees'
23 retirement system combined plan 2 and plan 3 account, the public
24 facilities construction loan revolving account beginning July 1, 2004,
25 the public health supplemental account, the public works assistance
26 account, the Puget Sound capital construction account, the Puget Sound
27 ferry operations account, the real estate appraiser commission account,
28 the recreational vehicle account, the regional mobility grant program
29 account, the resource management cost account, the rural arterial trust
30 account, the rural mobility grant program account, the rural Washington
31 loan fund, the site closure account, the skilled nursing facility
32 safety net trust fund, the small city pavement and sidewalk account,
33 the special category C account, the special wildlife account, the state
34 employees' insurance account, the state employees' insurance reserve
35 account, the state investment board expense account, the state
36 investment board commingled trust fund accounts, the state patrol
37 highway account, the state route number 520 civil penalties account,
38 the state route number 520 corridor account, the state wildlife

1 account, the supplemental pension account, the Tacoma Narrows toll
2 bridge account, the teachers' retirement system plan 1 account, the
3 teachers' retirement system combined plan 2 and plan 3 account, the
4 tobacco prevention and control account, the tobacco settlement account,
5 the toll facility bond retirement account, the transportation 2003
6 account (nickel account), the transportation equipment fund, the
7 transportation facilities account, the transportation fund, the
8 transportation improvement account, the transportation improvement
9 board bond retirement account, the transportation infrastructure
10 account, the transportation partnership account, the traumatic brain
11 injury account, the tuition recovery trust fund, the University of
12 Washington bond retirement fund, the University of Washington building
13 account, the volunteer firefighters' and reserve officers' relief and
14 pension principal fund, the volunteer firefighters' and reserve
15 officers' administrative fund, the Washington judicial retirement
16 system account, the Washington law enforcement officers' and
17 firefighters' system plan 1 retirement account, the Washington law
18 enforcement officers' and firefighters' system plan 2 retirement
19 account, the Washington public safety employees' plan 2 retirement
20 account, the Washington school employees' retirement system combined
21 plan 2 and 3 account, the Washington state economic development
22 commission account, the Washington state health insurance pool account,
23 the Washington state patrol retirement account, the Washington State
24 University building account, the Washington State University bond
25 retirement fund, the water pollution control revolving administration
26 account, the water pollution control revolving fund, the Western
27 Washington University capital projects account, the Yakima integrated
28 plan implementation account, the Yakima integrated plan implementation
29 revenue recovery account, and the Yakima integrated plan implementation
30 taxable bond account. Earnings derived from investing balances of the
31 agricultural permanent fund, the normal school permanent fund, the
32 permanent common school fund, the scientific permanent fund, the state
33 university permanent fund, and the state reclamation revolving account
34 shall be allocated to their respective beneficiary accounts.

35 (b) Any state agency that has independent authority over accounts
36 or funds not statutorily required to be held in the state treasury that
37 deposits funds into a fund or account in the state treasury pursuant to

1 an agreement with the office of the state treasurer shall receive its
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period.

4 (5) In conformance with Article II, section 37 of the state
5 Constitution, no treasury accounts or funds shall be allocated earnings
6 without the specific affirmative directive of this section.

7 **Sec. 6.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25 and 2013 2nd
8 sp.s. c 11 s 16 are each reenacted and amended to read as follows:

9 (1) All earnings of investments of surplus balances in the state
10 treasury shall be deposited to the treasury income account, which
11 account is hereby established in the state treasury.

12 (2) The treasury income account shall be utilized to pay or receive
13 funds associated with federal programs as required by the federal cash
14 management improvement act of 1990. The treasury income account is
15 subject in all respects to chapter 43.88 RCW, but no appropriation is
16 required for refunds or allocations of interest earnings required by
17 the cash management improvement act. Refunds of interest to the
18 federal treasury required under the cash management improvement act
19 fall under RCW 43.88.180 and shall not require appropriation. The
20 office of financial management shall determine the amounts due to or
21 from the federal government pursuant to the cash management improvement
22 act. The office of financial management may direct transfers of funds
23 between accounts as deemed necessary to implement the provisions of the
24 cash management improvement act, and this subsection. Refunds or
25 allocations shall occur prior to the distributions of earnings set
26 forth in subsection (4) of this section.

27 (3) Except for the provisions of RCW 43.84.160, the treasury income
28 account may be utilized for the payment of purchased banking services
29 on behalf of treasury funds including, but not limited to, depository,
30 safekeeping, and disbursement functions for the state treasury and
31 affected state agencies. The treasury income account is subject in all
32 respects to chapter 43.88 RCW, but no appropriation is required for
33 payments to financial institutions. Payments shall occur prior to
34 distribution of earnings set forth in subsection (4) of this section.

35 (4) Monthly, the state treasurer shall distribute the earnings
36 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury
2 income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The aeronautics account, the
6 aircraft search and rescue account, the Alaskan Way viaduct replacement
7 project account, the brownfield redevelopment trust fund account, the
8 budget stabilization account, the capital vessel replacement account,
9 the capitol building construction account, the Cedar River channel
10 construction and operation account, the Central Washington University
11 capital projects account, the charitable, educational, penal and
12 reformatory institutions account, the cleanup settlement account, the
13 Columbia river basin water supply development account, the Columbia
14 river basin taxable bond water supply development account, the Columbia
15 river basin water supply revenue recovery account, the Columbia river
16 crossing project account, the common school construction fund, the
17 county arterial preservation account, the county criminal justice
18 assistance account, the deferred compensation administrative account,
19 the deferred compensation principal account, the department of
20 licensing services account, the department of retirement systems
21 expense account, the developmental disabilities community trust
22 account, the drinking water assistance account, the drinking water
23 assistance administrative account, the drinking water assistance
24 repayment account, the Eastern Washington University capital projects
25 account, the Interstate 405 express toll lanes operations account, the
26 education construction fund, the education legacy trust account, the
27 election account, the energy freedom account, the energy recovery act
28 account, the essential rail assistance account, The Evergreen State
29 College capital projects account, the federal forest revolving account,
30 the ferry bond retirement fund, the freight mobility investment
31 account, the freight mobility multimodal account, the grade crossing
32 protective fund, the public health services account, the high capacity
33 transportation account, the state higher education construction
34 account, the higher education construction account, the highway bond
35 retirement fund, the highway infrastructure account, the highway safety
36 fund, the high occupancy toll lanes operations account, the hospital
37 safety net assessment fund, the industrial insurance premium refund
38 account, the judges' retirement account, the judicial retirement

1 administrative account, the judicial retirement principal account, the
2 local leasehold excise tax account, the local real estate excise tax
3 account, the local sales and use tax account, the marine resources
4 stewardship trust account, the medical aid account, the mobile home
5 park relocation fund, the motor vehicle fund, the motorcycle safety
6 education account, the multimodal transportation account, the multiuse
7 roadway safety account, the municipal criminal justice assistance
8 account, the natural resources deposit account, the oyster reserve land
9 account, the pension funding stabilization account, the perpetual
10 surveillance and maintenance account, the public employees' retirement
11 system plan 1 account, the public employees' retirement system combined
12 plan 2 and plan 3 account, the public facilities construction loan
13 revolving account beginning July 1, 2004, the public health
14 supplemental account, the public works assistance account, the Puget
15 Sound capital construction account, the Puget Sound ferry operations
16 account, the real estate appraiser commission account, the recreational
17 vehicle account, the regional mobility grant program account, the
18 resource management cost account, the rural arterial trust account, the
19 rural mobility grant program account, the rural Washington loan fund,
20 the site closure account, the skilled nursing facility safety net trust
21 fund, the small city pavement and sidewalk account, the special
22 category C account, the special wildlife account, the state employees'
23 insurance account, the state employees' insurance reserve account, the
24 state investment board expense account, the state investment board
25 commingled trust fund accounts, the state patrol highway account, the
26 state route number 520 civil penalties account, the state route number
27 520 corridor account, the state wildlife account, the supplemental
28 pension account, the Tacoma Narrows toll bridge account, the teachers'
29 retirement system plan 1 account, the teachers' retirement system
30 combined plan 2 and plan 3 account, the tobacco prevention and control
31 account, the tobacco settlement account, the toll facility bond
32 retirement account, the transportation 2003 account (nickel account),
33 the transportation equipment fund, the transportation facilities
34 account, the transportation fund, the transportation improvement
35 account, the transportation improvement board bond retirement account,
36 the transportation infrastructure account, the transportation
37 partnership account, the traumatic brain injury account, the tuition
38 recovery trust fund, the University of Washington bond retirement fund,

1 the University of Washington building account, the volunteer
2 firefighters' and reserve officers' relief and pension principal fund,
3 the volunteer firefighters' and reserve officers' administrative fund,
4 the Washington judicial retirement system account, the Washington law
5 enforcement officers' and firefighters' system plan 1 retirement
6 account, the Washington law enforcement officers' and firefighters'
7 system plan 2 retirement account, the Washington public safety
8 employees' plan 2 retirement account, the Washington school employees'
9 retirement system combined plan 2 and 3 account, the Washington state
10 economic development commission account, the Washington state health
11 insurance pool account, the Washington state patrol retirement account,
12 the Washington State University building account, the Washington State
13 University bond retirement fund, the water pollution control revolving
14 administration account, the water pollution control revolving fund, the
15 Western Washington University capital projects account, the Yakima
16 integrated plan implementation account, the Yakima integrated plan
17 implementation revenue recovery account, and the Yakima integrated plan
18 implementation taxable bond account. Earnings derived from investing
19 balances of the agricultural permanent fund, the normal school
20 permanent fund, the permanent common school fund, the scientific
21 permanent fund, the state university permanent fund, and the state
22 reclamation revolving account shall be allocated to their respective
23 beneficiary accounts.

24 (b) Any state agency that has independent authority over accounts
25 or funds not statutorily required to be held in the state treasury that
26 deposits funds into a fund or account in the state treasury pursuant to
27 an agreement with the office of the state treasurer shall receive its
28 proportionate share of earnings based upon each account's or fund's
29 average daily balance for the period.

30 (5) In conformance with Article II, section 37 of the state
31 Constitution, no treasury accounts or funds shall be allocated earnings
32 without the specific affirmative directive of this section.

33 NEW SECTION. **Sec. 7.** Section 5 of this act expires on the date
34 the requirements set out in section 7, chapter 36, Laws of 2012 are
35 met.

1 NEW SECTION. **Sec. 8.** Section 6 of this act takes effect on the
2 date the requirements set out in section 7, chapter 36, Laws of 2012
3 are met.

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