
SENATE BILL 5902

State of Washington

64th Legislature

2015 Regular Session

By Senator Benton

Read first time 02/09/15. Referred to Committee on Transportation.

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

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

4 **Sec. 1.** RCW 47.12.063 and 2011 c 376 s 2 are each amended to
5 read as follows:

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

10 (2) Whenever the department determines that any real property
11 owned by the state of Washington and under the jurisdiction of the
12 department is no longer required for transportation purposes (~~and~~
13 ~~that it is in the public interest to do so~~), the department (~~may~~)
14 shall, within five years of making the determination, sell the
15 property or exchange it in full or part consideration for land or
16 improvements or for construction of improvements at fair market value
17 to any person through the solicitation of written bids through public
18 advertising in the manner prescribed under RCW 47.28.050 or in the
19 manner prescribed 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
8 RCW;

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

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

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

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

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

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

31 (4) When selling real property pursuant to RCW 47.12.283, the
32 department may withhold or withdraw the property from an auction when
33 requested by one of the entities or persons listed in subsection (3)
34 of this section and only after the receipt of a nonrefundable deposit
35 equal to ten percent of the fair market value of the real property or
36 five thousand dollars, whichever is less. This subsection does not
37 prohibit the department from exercising its discretion to withhold or
38 withdraw the real property from an auction if the department
39 determines that the property is no longer surplus or chooses to sell
40 the property through one of the other means listed in subsection (2)

1 of this section. If a transaction under this subsection is not
2 completed within sixty days, the real property must be put back up
3 for sale.

4 (5) Sales to purchasers may at the department's option be for
5 cash, by real estate contract, or exchange of land or improvements.
6 Transactions involving the construction of improvements must be
7 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 (6) Conveyances made pursuant to this section shall be by deed
10 executed by the secretary of transportation and shall be duly
11 acknowledged.

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

16 **Sec. 2.** RCW 47.12.283 and 2010 c 8 s 10006 are each amended to
17 read as follows:

18 (1) Whenever the department of transportation determines that any
19 real property owned by the state of Washington and under the
20 jurisdiction of the department is no longer required for highway
21 purposes (~~and that it is in the public interest to do so~~), the
22 department (~~may, in its discretion~~) shall, within five years of
23 making the determination, sell the property under RCW 47.12.063 or
24 under subsections (2) through (6) of this section.

25 (2) Whenever the department determines to sell real property
26 under its jurisdiction at public auction, the department shall first
27 give notice thereof by publication on the same day of the week for
28 two consecutive weeks, with the first publication at least two weeks
29 prior to the date of the auction, in a legal newspaper of general
30 circulation in the area where the property to be sold is located. The
31 notice shall be placed in both the legal notices section and the real
32 estate classified section of the newspaper. The notice shall contain
33 a description of the property, the time and place of the auction, and
34 the terms of the sale. The sale may be for cash or by real estate
35 contract.

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

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

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

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

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