

Judiciary Committee

HB 1795

Title: *An act relating to moving and relocation expenses.*

Brief Description: *Modifying relocation assistance provisions.*

Sponsors: *Representatives Veloria, Schoesler, Cooper, Mielke, McIntire, G. Chandler, Armstrong and Santos.*

Brief Summary of Bill

- *Removes a \$10,000 upper limit on the amount an agency is to pay to a displaced farm, nonprofit organization, or small business for expenses of reestablishing at a new location following a condemnation of property by that agency.*
- *Provides that rules regarding the amount of such payments must be adopted before December 1 of any year, and that those rules cannot take effect until the end of the regular legislative session of the following year.*

Hearing Date: *2/15/01*

Staff: *Bill Perry (786-7123).*

Background:

Under its power of eminent domain, government may "condemn" real property and acquire the property for public use. The majority of condemnations are related to road and highway construction. The owner of condemned property is entitled to compensation for the loss of the property.

In addition to having the right to compensation for the value of condemned real property, in certain instances a property owner may have a right to compensation for expenses incurred as a result of the condemnation. The Legislature has enacted a "relocation assistance" law that provides for compensation to persons or businesses that are "displaced" as the result of condemnation.

One of these relocation assistance provisions requires a "displacing agency" to pay actual reasonable expenses necessary to reestablish a business at a new location. A "displacing agency" is any state or local government, or any private entity using state or federal money, whose project causes displacement. The compensation is to be set in accordance with criteria set by the "lead agency," which is the Washington State Department of Transportation (DOT). Compensation may not exceed \$10,000. This reestablishment payment applies to the following businesses:

- Farms;*
- Nonprofit organizations; and*
- Small businesses.*

A local government "displacing agency" may choose not to be covered by these provisions if no federal money is involved in the agency's project.

A displaced business may choose to accept a fixed sum of between \$1,000 and \$20,000 in lieu of this reestablishment payment and the other payments to which the business may be entitled under the relocation assistance law. (These other payments are for moving, for the loss of tangible personal property that is not relocated, and for searching for a new location for the business.)

Summary of Bill:

The \$10,000 limit is removed from the required payment of relocation expenses for reestablishing a farm, nonprofit organization, or small business after a property condemnation.

A displacing agency is required to provide "by rule" for the payment of reestablishment expenses. The rule is to be in accordance with DOT criteria.

These rules must be adopted before December 1 of any year and do not take effect until after the end of the regular session of the Legislature the following year.

Appropriation: None.

Fiscal Note: Requested on February 12, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.