

HOUSE BILL REPORT

HB 1481

As Reported by House Committee On:
Judiciary

Title: An act relating to moving and relocation expenses.

Brief Description: Modifying relocation assistance provisions.

Sponsors: Representatives Sullivan, Ericksen and Veloria; by request of Department of Transportation.

Brief History:

Committee Activity:

Judiciary: 2/13/03, 2/25/03 [DP].

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.
- Requires that such displacement amounts are to be consistent with federal rules.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 9 members: Representatives Lantz, Chair; Moeller, Vice Chair; Carrell, Ranking Minority Member; McMahan, Assistant Ranking Minority Member; Campbell, Flannigan, Kirby, Lovick and Newhouse.

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. Compensation may not exceed \$10,000. That amount was set by the Legislature in 1988. 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 on relocation assistance is removed. Relocation payments are to be consistent with federal rules.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The bill creates a fairer system that is more up-to-date and consistent with federal law. The dollar amount in the current law was set many years ago. The funds for relocation are part of the federal dollars that pay for projects.

Testimony Against: None.

Testified: Representative Sullivan, prime sponsor; and Gerry Gallinger, Department of Transportation.