

HOUSE BILL REPORT

HB 1441

As Reported by House Committee On:
Transportation

Title: An act relating to providing a right of first repurchase for surplus transportation property.

Brief Description: Providing a right of first repurchase for surplus transportation property.

Sponsors: Representatives Shea, Clibborn, Rodne, Armstrong, Taylor, Crouse, Condotta, Kristiansen, Kretz, Short, McCune, Schmick, Hargrove, Klippert, Johnson, Angel, Rivers, Asay, Ryu, Rolfes, Ahern, Overstreet and Warnick.

Brief History:

Committee Activity:

Transportation: 2/3/11, 2/8/11 [DP].

Brief Summary of Bill

- Provides a right of repurchase, subject to certain restrictions, to property owners whose properties were originally acquired through condemnation by the Washington State Department of Transportation and are later declared surplus properties.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 24 members: Representatives Clibborn, Chair; Billig, Vice Chair; Armstrong, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Angel, Asay, Eddy, Finn, Jinkins, Johnson, Ladenburg, McCune, Moeller, Moscoso, Overstreet, Reykdal, Rivers, Rodne, Rolfes, Ryu, Shea, Takko, Upthegrove and Zeiger.

Minority Report: Do not pass. Signed by 2 members: Representatives Liias, Vice Chair; Fitzgibbon.

Staff: David Munnecke (786-7315).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington State Department of Transportation (WSDOT) often acquires land in anticipation of constructing highway or transportation projects. When these properties owned by the state are no longer needed for future transportation projects, state law specifies a process for the WSDOT to dispose of this surplus property.

If the WSDOT determines that any real property is no longer needed for transportation purposes, the WSDOT can sell the property or exchange it for other land at fair market value to the following entities or persons: (1) any other state agency; (2) the city or county where the property is situated; (3) any other municipal corporation; (4) regional transit authorities under chapter 81.112 RCW; (5) the former owner of the property from whom the state acquired title; (6) if the property is used as a residence, to the tenant of the property, so long as the tenant has lived there at least six months and paid rent on time; (7) any abutting property owner, unless there is more than one interested abutting property owner, in which case an auction procedure applies; (8) any other person, through written solicitation of bids; (9) any other owner of real property, where that property is required for transportation purposes; (10) if it is residential property, any nonprofit organization dedicated to affordable housing, as further specified in state law; (11) a federally qualified community health center (until June 30, 2012); or (12) a federally recognized Indian tribe within whose reservation boundaries the property is located.

State law does not specify which of these entities or persons has priority to acquire the WSDOT's surplus property, and also grants the WSDOT the authority to sell real property through an auction so long as it provides two weeks public notice. The proceeds from the sale of surplus properties under either procedure must be deposited into the Motor Vehicle Fund.

Pursuant to legislative direction in the 2007-09 Omnibus Transportation Appropriations Act, the WSDOT has evaluated its inventory of properties and determined that over 200 properties are surplus and should be made available for sale.

Summary of Bill:

A former property owner, whose property or interest in a property was originally acquired through condemnation within the previous 10 years by the WSDOT, has a right of repurchase for that property if the WSDOT determines that the property is no longer necessary for a transportation purpose and should be sold as a surplus property. A former property owner is defined as the person or entity from whom the WSDOT acquired title.

The WSDOT is required to mail notice at least 90 days prior to the planned sale of a surplus property to the former owner's last known address or forwarding address, which must be the correct address in order for the right of repurchase to survive. If the former owner notifies the WSDOT within 30 days of the date of the notice of the former owner's intent to repurchase the property, the WSDOT must sell the property to the former owner at fair market value without listing the property for sale to other owners. If the former owner does not provide timely notice of intent to repurchase, or if the sale to the former owner is not

completed within six months of the notice from the former owner, the right of repurchase is extinguished.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011, except for section 2, which, because of an expiring provision in section 1, takes effect June 30, 2012.

Staff Summary of Public Testimony:

(In support) The WSDOT currently owns 243 properties that were acquired under threat of eminent domain. This bill would only effect the properties that were actually acquired through eminent domain. This is the same bill that was passed out of the House of Representatives in the last session, but did not pass out of the Senate.

When these types of properties are sold at auction, the price obtained often does not exceed the fair market value of the property.

(Opposed) None.

Persons Testifying: Representative Shea, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.