

FINAL BILL REPORT

SHB 1861

PARTIAL VETO C 161 L 11 Synopsis as Enacted

Brief Description: Concerning the sale or lease of surplus state-owned railroad properties.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Armstrong, Clibborn, Hargrove, Liias, Billig and Schmick).

House Committee on Transportation
Senate Committee on Transportation

Background:

Washington owns the former Palouse River and Coulee City Railroad (PCC), which consists of three branches. The Washington State Department of Transportation (WSDOT) purchased the rights of way and rail in the P&L Branch and PV Hooper Branch of the PCC in November 2004. The purchase of the CW Branch and the remaining rights in the other two branches was completed in May 2007. The WSDOT contracts with private railroads to operate each of the branches. The PCC operates the PV Hooper Branch, the Eastern Washington Gateway Railroad operates the CW Branch, and the Washington and Idaho Railway operates the P & L Branch. The WSDOT oversees the facilities and regulatory portions of the operating leases. The PCC Rail Authority, which is an intergovernmental entity formed by Grant, Lincoln, Spokane, and Whitman counties, oversees the business and economic development portions of the operating leases.

Real property acquired by the WSDOT as part of the state freight rail program may be sold or leased immediately after purchase to a county rail district, a county, a port district, or any other public or private entity authorized to operate rail service. If none of these entities purchase or lease such property within six years of its acquisition, the WSDOT may sell or lease the property at fair market value to any of the following entities: (1) any other state agency; (2) the city or county in which the property is located; (3) any other municipal corporation; (4) the former owner, heir, or successor of the property from whom the property was acquired; or (5) an abutting property owner. There is no priority established in statute for sales to the designated entities, and the proceeds of any sale or lease must be deposited into the Essential Rail Assistance Account.

Summary:

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 WSDOT is allowed to sell or lease at fair market value any property that is not essential for the operation of rail service to the following prioritized list of persons or entities: (1) the current tenant or lessee of the property or property abutting the property being sold or leased; (2) an abutting private owner; (3) any other state agency; (4) the city or county in which the property is located; (5) any other municipal corporation; or (6) the former owner, heir, or successor of the property from whom the property was acquired. The sale or lease of such property may occur immediately after acquisition.

If the WSDOT intends to sell or lease property that is not essential for the operation of rail service to a person or entity that does not have the highest priority status on the list, the WSDOT is required to notify each entity or person of higher priority that is reasonably considered to have an interest in the property and provide a right of first refusal to entities or persons higher on the prioritized list.

Any property of the PCC that was purchased with bond proceeds may be sold only for cash. Any moneys received from sales or leases of property related to the PCC must be used only for the refurbishment or improvement of the PCC, and must be expended within two years of receipt. Any revenue received from operating leases or other business operations of the PCC must be used only for the refurbishment or improvement of the PCC.

Votes on Final Passage:

House	97	1	
Senate	48	0	(Senate amended)
House	96	1	(House concurred)

Effective: July 22, 2011

Partial Veto Summary: The Governor vetoed the emergency clause in section 4 of the bill. The bill thus takes effect 90 days after adjournment of session.