

# HOUSE BILL REPORT

## HB 1585

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### As Amended by the Senate

**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 Young, Shea, Scott, G. Hunt, Taylor and Santos.

#### Brief History:

##### Committee Activity:

Transportation: 2/16/15, 2/24/15 [DP].

##### Floor Activity:

Passed House: 3/11/15, 98-0.

Senate Amended.

Passed Senate: 4/13/15, 48-0.

#### 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.

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#### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 23 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Bergquist, Harmsworth, Hayes, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Pike, Riccelli, Rodne, Sells, Shea, Takko, Tarleton, Wilson, Young and Zeiger.

**Staff:** Andrew Russell (786-7143).

#### Background:

When the Washington State Department of Transportation (WSDOT) determines that land it owns is no longer required for transportation purposes, and if it would be in the public interest to do so, the WSDOT may sell or exchange the property. This sale may occur

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pursuant to a public auction. The WSDOT, however, may instead sell the property for fair market value to: (1) another state agency; (2) the city or county in which the property is located; (3) any other municipal corporation; (4) regional transit authorities; (5) the former owner from whom the state acquired the property; (6) the tenant of residential property; (7) an abutting private land owner, under certain circumstances; (8) to any other owner of real property acquired for transportation purposes; (9) certain nonprofit organizations dedicated to affordable housing; or (10) a federally recognized Indian tribe within whose reservation boundary the property is located.

If the property is sold at a public auction, the WSDOT must give notice of the auction by publication at least two weeks prior to the auction in a legal newspaper of general circulation in the area where the property to be sold is located. The WSDOT must then sell the property to the highest bidder so long as the bid is greater than or equal to the appraised fair market value of the property. If no qualifying bids are received, the WSDOT may then enter into negotiations for the sale with a licensed real estate broker.

Proceeds received from a sale of the WSDOT-owned property that is no longer needed for highway or transportation purposes are deposited into the Motor Vehicle Fund.

### **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. 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 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.

### **EFFECT OF SENATE AMENDMENT(S):**

#### The Senate amendment:

- clarifies that real property could have been acquired from the previous owner through condemnation by judgment or decree;
- clarifies that the right of repurchase is for the current market value;
- reduces time that the WSDOT and the previous owner have to complete a repurchase transaction from six months to ninety days before the previous owner's right of repurchase is extinguished; and
- removes the emergency clause.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2015.

**Staff Summary of Public Testimony:**

(In support) This is pretty simple, giving the right of first repurchase if the property was claimed by eminent domain. There is ample language to ensure that it is not onerous on the WSDOT to find the previous owner.

(Opposed) None.

**Persons Testifying:** Representative Young, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.