

# SENATE BILL REPORT

## HB 1585

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As Reported by Senate Committee On:  
Transportation, April 7, 2015

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

**Committee Activity:** Transportation: 3/23/15, 4/01/15, 4/07/15 [DPA].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended.

Signed by Senators King, Chair; Fain, Vice Chair; Hobbs, Ranking Minority Member; Lias, Assistant Ranking Minority Member; Cleveland, Ericksen, Habib, Litzow, Miloscia, Pedersen, Rivers and Sheldon.

**Staff:** Clint McCarthy (786-7319)

**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, WSDOT may sell or exchange the property. This sale may occur pursuant to a public auction; however, WSDOT 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 organization dedicated to affordable housing, and (10) a federally recognized Indian tribe within whose reservation boundary the property is located.

If the property is sold at a public auction, 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. 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, WSDOT may then enter into negotiations

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

**Summary of Bill (Recommended Amendments):** A former property owner whose property or interest in a property was originally acquired through condemnation by judgment or decree within the previous ten years by WSDOT has a right of repurchase for that property at current market value if 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 WSDOT acquired title.

WSDOT must 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 WSDOT within 30 days of the date of the notice of the former owner's intent to repurchase the property, 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 complete within 90 days of the notice from the former owner, the right of repurchase is extinguished.

**EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Amendments):** Clarifies that real property could have been acquired from the previous owner through judgment or decree. The former owner has a right of repurchase at current market value. The duration of time that WSDOT and the previous owner of a property has to complete a repurchase transaction is reduced from six months to 90 days before the previous owner's right of repurchase is extinguished. The emergency clause is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on House Bill:** PRO: The purpose of the bill is to give the former owner of a property that was condemned or acquired by WSDOT the right of first repurchase. The right is limited by the fact that the right is only extended if the property was condemned in the last ten years.

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

**Persons Signed in to Testify But Not Testifying:** No one.