

# SENATE BILL REPORT

## SB 5809

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As Reported by Senate Committee On:  
Law & Justice, February 18, 2015

**Title:** An act relating to providing comprehensive information in writing to real property owners during negotiations for the acquisition of the property by government agencies.

**Brief Description:** Requiring the provision of comprehensive information in writing to real property owners during negotiations for the acquisition of the property by government agencies. [**Revised for 1st Substitute:** Concerning the disclosure of information during negotiations for the acquisition of real property by government agencies.]

**Sponsors:** Senator Benton.

**Brief History:**

**Committee Activity:** Law & Justice: 2/10/15, 2/17/15, 2/18/15 [DPS].

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### SENATE COMMITTEE ON LAW & JUSTICE

**Majority Report:** That Substitute Senate Bill No. 5809 be substituted therefor, and the substitute bill do pass.

Signed by Senators Padden, Chair; O'Ban, Vice Chair; Pedersen, Ranking Minority Member; Darneille, Kohl-Welles, Pearson and Roach.

**Staff:** Tim Ford (786-7423)

**Background:** Eminent domain is the sovereign power of the state to take private property for public use. No property may be taken without just compensation having been first made or paid to the court for the owner. Prior to a judicial proceeding to condemn private property, state and local agencies may negotiate to acquire the property by voluntary sale. Before initiating negotiation, the agency seeking to acquire the property should appraise the property and establish an amount that is just compensation in return for the property. The amount established as just compensation must not be lower than the agency's approved appraisal of the fair market value for the property. An appraisal is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of the value of a property as of a specific date. The appraisal is supported by the presentation and analysis of relevant market information. The acquiring agency should provide the property owner a written statement of the amount established as just compensation along with a summary for its basis.

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*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.*

**Summary of Bill (Recommended Substitute):** An agency acquiring private property must not rely on oral statements of value when establishing an amount to be paid as just compensation for the property. At the time the offer is made, the acquiring agency must disclose any documents relied on to establish the value.

**EFFECT OF CHANGES MADE BY LAW & JUSTICE COMMITTEE (Recommended Substitute):** An agency acquiring private property must not rely on oral statements of value when establishing an amount to be paid as just compensation for the property. At the time the offer is made, the acquiring agency must disclose any documents relied on to establish the value.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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 Original Bill:** PRO: This bill will bring transparency, honesty, and fairness to acquisition of private property by government. Government can seize private property for public uses and they are supposed to give the owner the proper value for the property. Private property owners don't know if they are receiving fair compensation where an agency does not provide the basis for the valuation. Verbal opinions should not be used as a basis for valuation of property. Agencies should provide written documentation until the settlement is final. This bill is needed to protect private property rights.

CON: It is hard to understand how this bill will work. Translating verbal assessments into a written document is fraught with peril if it is not standard from county to county. An agency should not disclose information on how to defend an appraisal that may end up in court.

**Persons Testifying:** PRO: Senator Benton, prime sponsor; Susan Brady, citizen.

CON: Carl Schroeder, Assn. of WA Cities.