

# HOUSE BILL REPORT

## HB 1615

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### As Passed Legislature

**Title:** An act relating to relocation assistance for persons displaced by agency property acquisitions.

**Brief Description:** Concerning relocation assistance for persons displaced by agency property acquisitions.

**Sponsors:** Representatives Kloba, Clibborn, Rodne, Doglio, Stanford and Jinkins; by request of Department of Transportation.

#### **Brief History:**

##### **Committee Activity:**

Judiciary: 1/31/17, 2/9/17 [DP].

##### **Floor Activity:**

Passed House: 2/16/17, 91-6.

Passed Senate: 3/31/17, 46-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Modifies certain statutory relocation assistance payment thresholds and length of occupancy requirements to meet the minimum federal standards.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass. Signed by 11 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Muri, Assistant Ranking Minority Member; Frame, Goodman, Graves, Hansen, Kirby, Klippert and Orwall.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Haler and Shea.

**Staff:** Audrey Frey (786-7289).

#### **Background:**

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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.*

In 1970 the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act was enacted, establishing minimum relocation assistance standards for federally funded projects that require the acquisition of real property or displace persons from their homes, businesses, or farms. In 1971 a state version of the relocation assistance act was enacted.

In order to use federal funds on a public works project, state and local government agencies must comply with the federal statutory requirements for providing relocation assistance to displaced persons.

Unlike just compensation, which is a constitutionally mandated award, an award of relocation assistance is a legislatively crafted benefit controlled entirely by statute. Relocation assistance payments supplement traditional eminent domain compensation by addressing moving costs and other similar costs incurred by a person who is displaced from real property.

In 2012 Congress adopted the federal Moving Ahead for Progress in the 21st Century Act (MAP-21), which made certain revisions to the federal relocation assistance law. The revisions took effect in 2014 and include increases to the replacement housing payment limits for homeowners and tenants, as well as increases to the payment limits for certain other non-residential displaced persons. The homeowner length of occupancy requirement, or the minimum number of days that a person must have owned and occupied a dwelling in order to receive a homeowner replacement housing payment, was changed from 180 days to 90 days.

The payment thresholds and length of occupancy requirements in state law generally mirror the pre-MAP-21 federal standards, with the exception of the business reestablishment payment, as illustrated in the table below:

Payment Type	Current State Limit	Pre-MAP-21 Limit/Current Federal Limit
Business Reestablishment Payment	\$50,000	\$10,000/\$25,000
Fixed Payment in Lieu of Moving Expenses	\$20,000	\$20,000/\$40,000
Homeowner Replacement Housing Payment	\$22,500	\$22,500/\$31,000
Homeowner Length of Occupancy Requirement *	180 days	180 days/90 days
Tenant Replacement Housing Payment	\$5,250	\$5,250/\$7,200

\*The minimum number of days that a person must have owned and occupied a dwelling in order to receive a homeowner replacement housing payment.

Under both state and federal law, "displaced person" includes, in part, any person who moves from real property, or moves his or her personal property from real property: (1) as a direct result of written notice of intent to acquire, or the acquisition of, real property in whole or in part for a program or project undertaken by a displacing agency; or (2) as a direct result of

rehabilitation, demolition, or other displacing activity, where the displacing agency determines that there is permanent displacement of a residential tenant, business, or farm.

Under state law, a "displacing agency" includes a state agency, local public agency, or any person carrying out a program or project, with federal or state financial assistance, that causes a person to be displaced.

**Summary of Bill:**

The payment thresholds and length of occupancy requirements in the state relocation assistance law are adjusted to meet the minimum federal standards.

References to fixed dollar amounts are replaced with language referring to the dollar amount allowed under the relevant provision of the federal law "as it existed on the effective date of this section, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section."

In effect, the payment thresholds and length of occupancy requirements are increased as follows:

Payment Type	Current State Limit	New State Limit
Business Reestablishment Payment	\$50,000	\$50,000*, or the federal limit, whichever is greater
Fixed Payment in Lieu of Moving Expenses	\$20,000	\$40,000*
Homeowner Replacement Housing Payment	\$22,500	\$31,000*
Homeowner Length of Occupancy Requirement**	180 days	90 days
Tenant Replacement Housing Payment	\$5,250	\$7,200*

\*These limits may change if the federal limits change and the displacing agency issues a rule or regulation adopting the change.

\*\*The minimum number of days that a person must have owned and occupied a dwelling in order to receive a homeowner replacement housing payment.

Language relating to a replacement housing payment for displaced homeowners who owned and occupied a dwelling for at least 90 days but less than 180 days is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill is going to eliminate the confusion and potential challenges for the Washington State Department of Transportation (WSDOT) in following relocation assistance requirements. It aligns the Washington law with the federal requirements. Before the recent federal update to the law, the state and federal relocation assistance payment requirements generally matched. Now they are out of sync, and this bill brings them back into alignment.

Under the 2012 Moving Ahead for Progress in the 21st Century Act, known as MAP-21, revisions were made to the federal relocation assistance program to increase payment thresholds and reduce the length of occupancy requirements for resident owner-occupants. Prior to MAP-21, federal and state relocation assistance requirements generally matched. This bill would amend existing state law to align with MAP-21. The bill affects every project with federal funds that causes a displacement. The WSDOT follows federal requirements even on state-funded projects because federal funds may be added to that project at any time. If the federal requirements are not followed, federal funds may not be used on a project, and federal funds must be paid back if already used.

(Opposed) None.

**Persons Testifying:** Representative Kloba, prime sponsor; and Travis Snell, Washington State Department of Transportation.

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