

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1861**

62nd Legislature  
2011 Regular Session

Passed by the House April 14, 2011  
Yeas 96 Nays 1

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**Speaker of the House of Representatives**

Passed by the Senate April 7, 2011  
Yeas 48 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1861** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1861**

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AS AMENDED BY THE SENATE

Passed Legislature - 2011 Regular Session

**State of Washington                      62nd Legislature                      2011 Regular Session**

**By** House Transportation (originally sponsored by Representatives Armstrong, Clibborn, Hargrove, Lias, Billig, and Schmick)

READ FIRST TIME 02/25/11.

1            AN ACT Relating to the sale or lease of surplus state-owned  
2 railroad properties; amending RCW 47.76.280 and 47.76.290; adding a new  
3 section to chapter 46.68 RCW; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 47.76.280 and 1995 c 380 s 8 are each amended to read  
6 as follows:

7            (1) The department may sell or lease property acquired under this  
8 chapter to a county rail district established under chapter 36.60 RCW,  
9 a county, a port district, or any other public or private entity  
10 authorized to operate rail service. Any public or private entity that  
11 originally donated funds to the department under this chapter shall  
12 receive credit against the purchase price for the amount donated to the  
13 department, less management costs, in the event such public or private  
14 entity purchases the property from the department.

15            (2) If no county rail district, county, port district, or other  
16 public or private entity authorized to operate rail service purchases  
17 or leases the property within six years after its acquisition by the  
18 department, the department may sell or lease such property in the

1 manner provided in RCW 47.76.290. Failing this, the department may  
2 sell or convey all such property in the manner provided in RCW  
3 47.76.300 or 47.76.320.

4 (3) Property acquired by the department under this chapter that is  
5 not essential for the operation of the rail service contemplated in  
6 subsections (1) and (2) of this section may be sold or leased at any  
7 time following acquisition in the manner provided in RCW 47.76.290.

8 **Sec. 2.** RCW 47.76.290 and 1993 c 224 s 8 are each amended to read  
9 as follows:

10 (1) If real property acquired by the department under this chapter  
11 that is essential for the operation of the rail service contemplated in  
12 RCW 47.76.280 is not sold or leased to a public or private entity  
13 authorized to operate rail service within six years of its acquisition  
14 by the department, the department may sell or lease the property at  
15 fair market value to any of the following governmental entities or  
16 persons:

- 17 (a) Any other state agency;
- 18 (b) The city or county in which the property is situated;
- 19 (c) Any other municipal corporation;
- 20 (d) The former owner, heir, or successor of the property from whom
- 21 the property was acquired; or
- 22 (e) Any abutting private owner or owners.

23 (2)(a) Real property acquired by the department under this chapter  
24 that is not essential for the operation of the rail service  
25 contemplated in RCW 47.76.280 may be leased or sold at fair market  
26 value, at any time following acquisition, to any entity or person in  
27 the following priority order:

28 (i) The current tenant or lessee of the real property or real  
29 property abutting the property being sold;

30 (ii) An abutting private owner, but only after each other abutting  
31 private owner, if any, as shown in the records of the county assessor,  
32 is notified in writing of the proposed sale. If more than one abutting  
33 private owner requests in writing the right to purchase the real  
34 property within fifteen days after receiving notice of the proposed  
35 sale, the real property must be sold at public auction in the manner  
36 provided in RCW 47.76.320 (2) through (4);

37 (iii) Any other state agency;

1        (iv) The city or county in which the real property is situated;  
2        (v) Any other municipal corporation; or  
3        (vi) The former owner, heir, or successor of the real property from  
4 whom the real property was acquired.

5        (b) If the department intends to sell or lease property under this  
6 subsection to an entity or person that is not the entity or person with  
7 the highest priority status under this subsection, the department must  
8 give written notice to each entity or person with higher priority  
9 status under this subsection that is reasonably considered to have an  
10 interest in the property. The entity with the highest priority status,  
11 willing to enter into a sale or lease at fair market value, must be  
12 given right of first refusal to buy or lease the property.

13        (3) Notice of intention to sell under this section shall be given  
14 by publication in one or more newspapers of general circulation in the  
15 area in which the property is situated not less than thirty days prior  
16 to the intended date of sale.

17        ~~((+3))~~ (4) Sales to purchasers under this section may, at the  
18 department's option, be for cash or by real estate contract, except  
19 that any such property of the Palouse River and Coulee City rail lines  
20 that was purchased with bond proceeds in November 2004 may be sold only  
21 for cash at fair market value.

22        ~~((+4))~~ (5) Conveyances made under this section shall be by deed  
23 executed by the secretary of transportation and shall be duly  
24 acknowledged.

25        ~~((+5))~~ (6) All moneys received under this section shall be  
26 deposited in the essential rail (~~banking account of the general fund~~)  
27 assistance account created in RCW 47.76.250. Any moneys deposited  
28 under this subsection from sales or leases of property that are  
29 related, in any way, to the Palouse River and Coulee City rail lines  
30 must be used and, in the case of moneys received from sales, expended  
31 within two years of receipt, only for the refurbishment or improvement  
32 of the Palouse River and Coulee City rail lines.

33        NEW SECTION. Sec. 3. A new section is added to chapter 46.68 RCW  
34 to read as follows:

35        All revenue received by the department of transportation from  
36 operating leases or other business operations on the Palouse River and  
37 Coulee City rail lines must be deposited in the essential rail

1 assistance account created in RCW 47.76.250 and used only for the  
2 refurbishment or improvement of the Palouse River and Coulee City rail  
3 lines.

4 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
5 preservation of the public peace, health, or safety, or support of the  
6 state government and its existing public institutions, and takes effect  
7 immediately.

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