

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1861

Chapter 161, Laws of 2011

(partial veto)

62nd Legislature
2011 Regular Session

STATE-OWNED RAILROAD PROPERTY--SALE OR LEASE

EFFECTIVE DATE: 07/22/11

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

FRANK CHOPP

Speaker of the House of Representatives

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

BRAD OWEN

President of the Senate

Approved April 22, 2011, 2:16 p.m., with
the exception of Section 4 which is
vetoed.

CHRISTINE GREGOIRE

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.

BARBARA BAKER

Chief Clerk

FILED

April 22, 2011

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1861

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, Liiias, 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.***

**Sec. 4 was vetoed. See message at end of chapter.*

Passed by the House April 14, 2011.

Passed by the Senate April 7, 2011.

Approved by the Governor April 22, 2011, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State April 22, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Section 4, Substitute House
Bill 1861 entitled:

"AN ACT Relating to the sale or lease of surplus state-owned
railroad properties."

The Department of Transportation does not intend to surplus property
within the next 90 days. With that understanding, the emergency
clause is unnecessary.

For this reason, I have vetoed Section 4 of Substitute House Bill 1861.

With the exception of Section 4, Substitute House Bill 1861 is
approved."