

HOUSE BILL REPORT

SB 5049

As Passed House - Amended:
April 5, 2017

Title: An act relating to relocation assistance following real property acquisition.

Brief Description: Concerning relocation assistance following real property acquisition.

Sponsors: Senator King.

Brief History:

Committee Activity:

Judiciary: 3/9/17, 3/16/17 [DPA].

Floor Activity:

Passed House - Amended: 4/5/17, 97-0.

**Brief Summary of Bill
(As Amended by House)**

- Removes the ability of local public agencies and certain other persons to opt out of complying with the relocation assistance laws.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass as amended. Signed by 12 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Muri, Assistant Ranking Minority Member; Frame, Goodman, Graves, Haler, Hansen, Kirby, Klippert, Orwall and Shea.

Staff: Audrey Frey (786-7289).

Background:

The federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, enacted in 1970, establishes certain procedures and minimum levels of relocation assistance that must be provided to persons who are displaced from their homes, businesses, or farms as a result of government acquisition of real property for public works projects. The state relocation assistance laws, enacted in 1971, generally mirror the federal laws.

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 order for state and local government agencies to use federal funds on a public works project, they must comply with the federal statutory requirements for providing relocation assistance to displaced persons. In cases where no federal funds are involved: (1) local public agencies may elect not to comply with the relocation assistance payment requirements; and (2) any person who has the authority to acquire property by eminent domain under state law may elect not to comply with the relocation assistance acquisition procedures.

Summary of Amended Bill:

The provision allowing local public agencies to opt out of complying with the relocation assistance payment requirements when a public works project does not involve federal funds is removed, except with respect to programs and projects initiated on or before December 31, 2017.

The provision allowing persons with the authority to acquire property by eminent domain to opt out of complying with the relocation assistance acquisition procedures when a public works project does not involve federal funds is removed.

Intent language is added stating that the purpose of the relocation assistance laws is to require the state, local public agencies, and other persons who have the authority to acquire property by eminent domain to comply with these laws in order to assure the fair and equitable treatment of all persons and property owners impacted by public projects.

State and local public agencies that provide a grant, loan, or matching funds for a program or project that displaces persons eligible for relocation assistance may not limit, restrict, or otherwise prohibit grant, loan, or matching fund money from being used for any required relocation assistance payments.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: 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 relatively simple, and it deals with a matter of fairness and treating everyone equally. It removes the ability of certain entities, usually a city or a county, to opt out of relocation assistance. This is a matter of fairness because there are times where two projects are side by side or across the street from each other, and one project has federal money involved but the other one does not. In that situation, people that are displaced by projects that involve federal funding get relocation assistance, but people that are displaced by projects where no federal funds are involved do not get relocation assistance. It does not happen very often, but it happens.

This bill says that if a city or county is going to make people move, whether under condemnation or something else, that the city or county needs to be fair with those people and pay for their relocation costs, whether or not federal funds are involved. It would apply to businesses, individuals, and people who are living in an apartment if the apartment complex gets torn down because the government wants to put something in; those people also get relocation assistance, not just the owner of the apartment complex. It is a fair and equitable thing to do.

Many people find it surprising to learn that when cities and counties do not have federal funds involved, they have the ability to opt out and not provide relocation assistance to businesses, tenants, or other displaced persons. This is a rare occurrence, but an extremely unfair occurrence. The majority of all takings by the government are by strip takes—where the government takes a small strip of land to widen a road, put in a curb, gutter, and sidewalk—or easements, which do not displace people.

The law as amended would provide clarity, and it would also provide fairness, so that regardless of the source of funds, each and every displaced person is treated the same. Right now, it is the source of funds that dictates how persons are treated, and that's not right. There was a situation where individuals who had their property taken on one side of the highway for a project that involved federal funds were compensated, but neighbors who had their property taken because of a related project that did not involve federal funds received no compensation. This hurts small businesses, especially ones like small little restaurants that have a great deal of cost in moving equipment. If the project involves federal funds, displaced businesses are automatically entitled to \$40,000 if they go out of business. Most of the time the moves are small, but it can be rather expensive to move, and it can put other people out of business, hurting themselves and hurting employees.

It creates confusion and disappointment for people when the right of way agents—the people that have to go out and actually acquire property for projects—go out and negotiate differently based on source of funding, and people see that their neighbor received funds necessary to allow them to move, but they are not getting anything.

(Opposed) None.

(Other) In some of the cases where state funding is provided for projects, these grants restrict reimbursement for relocation assistance. There should be an amendment to the bill stating that for those state grants that provide funding for projects, the state cannot restrict the relocation assistance as a reimbursable expense.

For a small group of cities that already have projects in the queue that are already budgeted and already funded, the concern is that this bill could derail these projects. There should be an amendment so that the bill will only affect projects after the effective date of this legislation.

Persons Testifying: (In support) Senator King, prime sponsor; and Kinnon Williams.

(Other) Gary Rowe, Washington State Association of Counties; and Jane Wall, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.