

# HOUSE BILL REPORT

## HB 1473

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### As Reported by House Committee On: Transportation

**Title:** An act relating to providing a right of first repurchase for surplus transportation property.

**Brief Description:** Providing a right of first repurchase for surplus transportation property.

**Sponsors:** Representatives Young, Walsh, Shea, Orcutt, Irwin, Barkis and Eslick.

#### **Brief History:**

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

Transportation: 2/21/19, 2/27/19 [DP].

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

- Provides a right of repurchase, subject to certain restrictions, to property owners whose properties were originally acquired through condemnation by the Washington State Department of Transportation and are later declared surplus properties.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 29 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Chapman, Dent, Doglio, Dufault, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Ortiz-Self, Paul, Pellicciotti, Ramos, Riccelli, Shea and Van Werven.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Entenman.

**Staff:** Jennifer Harris (786-7143).

#### **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.*

When the Washington State Department of Transportation (WSDOT) determines that land it owns is no longer required for transportation purposes, and if it would be in the public interest to do so, the WSDOT may sell or exchange the property in full or part consideration for land or building improvements or for construction of highway improvements at fair market value to any person through the solicitation of written bids through public advertising as prescribed by state law. This sale must be made through a public auction, with appropriate notice given, or through the solicitation of written bids.

The WSDOT may also sell the property for fair market value to:

1. another state agency;
2. the city or county in which the property is located;
3. any other municipal corporation;
4. regional transit authorities;
5. the former owner from whom the state acquired the property;
6. the tenant of residential property;
7. an abutting private landowner, if no other abutting private landowner requests the right to repurchase;
8. any other owner of real property acquired for transportation purposes;
9. certain nonprofit organizations dedicated to providing affordable housing; or
10. a federally recognized Indian tribe within whose reservation boundary the property is located.

Sales to purchasers may, at the WSDOT's option, be for cash, by real estate contract, or by exchange of land or highway improvement. Proceeds received from a sale of the WSDOT-owned property that is no longer needed for highway or transportation purposes are deposited into the Motor Vehicle Fund. The WSDOT may not enter into equal value exchanges or property acquisitions for building improvements without first consulting with the Office of Financial Management and the Joint Transportation Committee.

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### **Summary of Bill:**

A former property owner whose property or interest in a property was originally acquired through condemnation by the WSDOT within the previous 10 years has a right of repurchase if the WSDOT determines that the property is no longer necessary for a transportation purpose. A former property owner is defined as the person or entity from whom the WSDOT acquired title.

The WSDOT is required to mail notice at least 90 days prior to the planned sale of property to the former owner's last known address or forwarding address, which must be the correct address in order for the right of repurchase to be retained. If the former owner notifies the WSDOT, within 30 days of the date of the notice, of the former owner's intent to repurchase the property, the WSDOT must sell the property to the former owner at fair market value without listing the property for sale. If the former owner does not provide timely notice of intent to repurchase or if the sale to the former owner is not completed within six months of the notice provided by the former owner, the right of repurchase is extinguished.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 2019.

**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) The WSDOT has to use eminent domain to acquire land for major projects. Sometimes owners are forced to sell to the WSDOT in these circumstances, but then the WSDOT's priorities change. It is appropriate to give property owners the right of first repurchase in these cases. This bill has gotten very close to passing the Legislature before, and has passed out of the House Transportation Committee unanimously in the past.

(Opposed) None.

**Persons Testifying:** Representative Young, prime sponsor.

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