SENATE BILL REPORT SB 5142

As Reported by Senate Committee On: Law & Justice, January 30, 2025

Title: An act relating to providing owners of real estate taken through eminent domain by school districts, or sold under threat of eminent domain, the opportunity to purchase the real estate back when it is not put to intended public use.

Brief Description: Providing owners of real estate taken through eminent domain by school districts, or sold under threat of eminent domain, the opportunity to purchase the real estate back when it is not put to intended public use.

Sponsors: Senators Hasegawa, Chapman, Nobles, Schoesler and Wellman.

Brief History:

Committee Activity: Law & Justice: 1/23/25, 1/30/25 [DPS].

Brief Summary of First Substitute Bill

 Requires school districts that acquire real estate through a condemnation action or threat of a condemnation action to offer the previous owner an opportunity to purchase it back before selling, transferring, or putting it to any other use.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5142 be substituted therefor, and the substitute bill do pass.

Signed by Senators Dhingra, Chair; Trudeau, Vice Chair; Holy, Ranking Member; Fortunato, Lovick, Salomon, Torres and Wagoner.

Staff: Patrick Moore (786-7535)

Background: Eminent Domain by School Districts. By statute, school districts in the state

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may take privately-owned real estate through an action in superior court known as condemnation. School districts that take real estate through condemnation must pay the amount of money determined by a judge or jury to be the fair and full value of the property taken as compensation to the owner of that property.

Instead of bringing a condemnation action or reaching a final judgment in one, a school district may agree with an owner to purchase real property.

Summary of Bill (First Substitute): When a school district acquires real property through a condemnation action in court, or purchases real property after giving the owner written notice that the school district intends to bring such a condemnation action in court, it incurs several obligations.

If the property is acquired without a judgment in a condemnation action, the school district must provide the previous property owner a written statement identifying the use for which the property is being acquired. When acquired through condemnation or threat thereof, if the school district does not put that property to use as a site for a schoolhouse or as additional grounds for an existing schoolhouse site, the property cannot be sold, transferred, or used for a different purpose until after the school district offers the previous owner an opportunity to purchase the property back.

The written offer to sell the property back must be for the purchase price paid by the school district or, if acquired through a condemnation action, for the amount paid by the school district as compensation per the judgment.

Once a property is put to use as a schoolhouse site or additional grounds to a schoolhouse site, the obligation of the school district to offer to sell back to the previous owner ends. Property owners may waive their rights to receive the offer and purchase back by executing a written waiver.

EFFECT OF CHANGES MADE BY LAW & JUSTICE COMMITTEE (First Substitute):

- Adds parties entitled to notice and opportunity to purchse back the real estate.
- Adds notice and acceptance requirements to sell back acquired real estate.
- Adds circumstances in which a school district must offer to sell back acquired property.
- Adds a 15-year limitation on a school district's obligations to sell back acquired property.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: The committee recommended a different version of the bill than what was heard. PRO: Eminent domain has negatively impacted millions of people in America, a disproportionate number of whom are Black. This bill arises from the experience of the Houston family in Renton, where the school district used eminent domain and obtained their land. Eminent domain projects have significant social and economic costs, while there are other ways to promote economic growth such as streamlining permitting and zoning. The issues this bill addresses are an ongoing emergency in places such as Renton where there is a present effort through eminent domain to take land from several families and businesses who do not have the resources to challenge it.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Emily Weaver; Kenneth C Weaver; Jerry Evans; Shaylynn Houston; John Houston, The Houston Family Land Justice Project.

Persons Signed In To Testify But Not Testifying: PRO: Dr. Linda Smith, RKCA4J; Diane Dobson.