

SENATE BILL REPORT

ESB 5797

AS PASSED SENATE, MARCH 12, 1991

Brief Description: Requiring that compensation be paid when private property is diminished in value for a public purpose.

SPONSORS: Senators McCaslin, Thorsness, L. Smith, Matson, Amondson, Hayner, Newhouse, Oke, Anderson, Barr, Sellar, Johnson, Cantu and Patterson.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Madsen, Matson, and Sutherland.

Staff: Martin Lovinger (786-7443)

Hearing Dates: February 26, 1991

BACKGROUND:

Government actions and regulations intended to benefit the public often adversely affect private interests in real estate. It is felt that the diminution in value of privately owned real property for a public good should be compensated by the public. Under current law there is a limited cause of action for owners of real property, but it does not cover diminution in value, litigation expenses, unintentional procedural or ministerial errors, actions pursuant to regulations in effect on the date an application for a permit is filed, or where the action is a lawful decision on behalf of the health, safety, welfare or morals of residents in the area.

SUMMARY:

Owners of real property have a cause of action for all governmental acts that diminish the value of or damage their property. Litigation expenses are recoverable. There is a statute of limitations requiring the cause of action to be brought within 30 days after all administrative remedies have been exhausted or within one year of the governmental action that caused the diminution of value or damage to property if no administrative remedies are available.

Appropriation: none

Revenue: none

Fiscal Note: requested February 25, 1991

TESTIMONY FOR:

Government regulations often diminishes value of private property without requiring compensation. This bill solves most current problems by requiring the public to pay its fair share for private property value lost for the public good.

TESTIMONY AGAINST:

The bill increases burden on governmental regulatory agencies. The fiscal impact could be substantial.

TESTIFIED: Merrill English, WA Property Owners Coalition (pro); Ted Cowan, Property Rights Alliance (pro); Marlyta Deck, WA Cattlemen's Assn. (pro); Nick Adams, WA Assn. of Realtors (pro); Jim Zimmerman, Trout Lodge, WA Fish Growers Assn. (pro); Bill Roberts, WA State Farm Bureau (pro); Bob Mack, City of Tacoma (con)