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**SUBSTITUTE SENATE BILL 5529**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Warnick, Rivers, Schoesler, Honeyford, Parlette, Becker, and King)

READ FIRST TIME 02/12/15.

1 AN ACT Relating to the Royal Slope railroad; amending RCW  
2 47.76.290; adding a new section to chapter 47.76 RCW; and declaring  
3 an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.76  
6 RCW to read as follows:

7 (1) The department must transfer, at no cost, to the Port of  
8 Royal Slope the Royal Slope railroad right-of-way, and any materials,  
9 equipment, and supplies purchased as a part of the Royal Slope  
10 rehabilitation project (L1000053).

11 (2) The Port of Royal Slope must maintain the Royal Slope  
12 railroad right-of-way and contract with an operator to provide  
13 service.

14 (3)(a) If the Port of Royal Slope is unable to secure an operator  
15 for any continuous five-year period, the right-of-way and any  
16 materials, equipment, and remaining supplies revert to the  
17 department.

18 (b) If ownership of the right-of-way reverts to the department  
19 under this subsection, the property must be in at least substantially  
20 the same condition as when the right-of-way was initially transferred  
21 under this section.

1 (4) Any operator agreement entered into under this section must  
2 not limit the state's ability to enter into a franchise agreement on  
3 the rail line. If the state enters into such a franchise agreement,  
4 the agreement must allow any person operating on that rail line  
5 pursuant to a valid contract to continue to operate under the terms  
6 of the contract.

7 **Sec. 2.** RCW 47.76.290 and 2011 c 161 s 2 are each amended to  
8 read as follows:

9 (1) If real property acquired by the department under this  
10 chapter that is essential for the operation of the rail service  
11 contemplated in RCW 47.76.280 is not sold or leased to a public or  
12 private entity authorized to operate rail service within six years of  
13 its acquisition by the department, the department may sell or lease  
14 the property at fair market value, except as provided in section 1 of  
15 this act, to any of the following governmental entities or persons:

- 16 (a) Any other state agency;
- 17 (b) The city or county in which the property is situated;
- 18 (c) Any other municipal corporation;
- 19 (d) The former owner, heir, or successor of the property from  
20 whom the property was acquired; or
- 21 (e) Any abutting private owner or owners.

22 (2)(a) Real property acquired by the department under this  
23 chapter that is not essential for the operation of the rail service  
24 contemplated in RCW 47.76.280 may be leased or sold at fair market  
25 value, at any time following acquisition, to any entity or person in  
26 the following priority order:

- 27 (i) The current tenant or lessee of the real property or real  
28 property abutting the property being sold;
- 29 (ii) An abutting private owner, but only after each other  
30 abutting private owner, if any, as shown in the records of the county  
31 assessor, is notified in writing of the proposed sale. If more than  
32 one abutting private owner requests in writing the right to purchase  
33 the real property within fifteen days after receiving notice of the  
34 proposed sale, the real property must be sold at public auction in  
35 the manner provided in RCW 47.76.320 (2) through (4);
- 36 (iii) Any other state agency;
- 37 (iv) The city or county in which the real property is situated;
- 38 (v) Any other municipal corporation; or

1 (vi) The former owner, heir, or successor of the real property  
2 from whom the real property was acquired.

3 (b) If the department intends to sell or lease property under  
4 this subsection to an entity or person that is not the entity or  
5 person with the highest priority status under this subsection, the  
6 department must give written notice to each entity or person with  
7 higher priority status under this subsection that is reasonably  
8 considered to have an interest in the property. The entity with the  
9 highest priority status, willing to enter into a sale or lease at  
10 fair market value, must be given right of first refusal to buy or  
11 lease the property.

12 (3) Notice of intention to sell under this section shall be given  
13 by publication in one or more newspapers of general circulation in  
14 the area in which the property is situated not less than thirty days  
15 prior to the intended date of sale.

16 (4) Sales to purchasers under this section may, at the  
17 department's option, be for cash or by real estate contract, except  
18 that any such property of the Palouse River and Coulee City rail  
19 lines that was purchased with bond proceeds in November 2004 may be  
20 sold only for cash at fair market value.

21 (5) Conveyances made under this section shall be by deed executed  
22 by the secretary of transportation and shall be duly acknowledged.

23 (6) All moneys received under this section shall be deposited in  
24 the essential rail assistance account created in RCW 47.76.250. Any  
25 moneys deposited under this subsection from sales or leases of  
26 property that are related, in any way, to the Palouse River and  
27 Coulee City rail lines must be used and, in the case of moneys  
28 received from sales, expended within two years of receipt, only for  
29 the refurbishment or improvement of the Palouse River and Coulee City  
30 rail lines.

31 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of  
33 the state government and its existing public institutions, and takes  
34 effect immediately.

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