

WAC 468-100-104 Acquisition of tenant-owned improvements. (1)

Acquisition of improvements: When acquiring any interest in real property, the agency shall offer to acquire at least an equal interest in all buildings, structures, or other improvements located upon the real property to be acquired or which the agency determines will be adversely affected by the use to which such real property will be put. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term.

(2) **Improvements considered to be real property:** Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located, shall be considered to be real property for purposes of WAC 468-100-101 through 468-100-106.

(3) **Appraisal and establishment of just compensation for tenant-owned realty improvements:** Just compensation for a tenant-owned realty improvement is the amount which the improvement contributes to the fair market value of the whole property or its salvage value, whichever is greater. (Salvage value is defined in WAC 468-100-002(23).)

(4) **Special conditions:** No payment shall be made to a tenant-owner to acquire any real property improvement or relocate any tenant-owned real estate fixture unless:

(a) The owner of the real property on which the improvement is located disclaims all interest in the tenant's realty improvement or fixture; and

(b) The tenant-owner, in consideration for the acquisition payment, assigns, transfers, and releases to the agency all of the tenant-owner's right, title, and interest in the realty improvement; and

(c) The payment does not result in the duplication of any compensation otherwise authorized by law.

(5) **Alternative compensation:** Nothing in WAC 468-100-101 through 468-100-106 shall be construed to deprive the tenant-owner of any right to reject payment under WAC 468-100-101 through 468-100-106 and to obtain payment for such property interests in accordance with other applicable law.

[Statutory Authority: Chapter 8.26 RCW. WSR 06-02-068, § 468-100-104, filed 1/3/06, effective 2/3/06; WSR 89-17-048 (Order 121), § 468-100-104, filed 8/14/89, effective 9/14/89.]