NEW SECTION. Sec. 11. Rules and regulations establishing fire and life safety requirements, not inconsistent with the provisions of this act, shall continue to be promulgated and enforced by the state fire marshal's office.

NEW SECTION. Sec. 12. If any section or any portion of any section of this 1971 amendatory act is found to be unconstitutional, the finding shall be to the individual section or portion of section specifically found to be unconstitutional and the balance of the act shall remain in full force and effect.

NEW SECTION. Sec. 13. The following acts or parts of acts are each repealed:

(1) Section 43.22.060, chapter 8, Laws of 1965 and RCW 43.22.060;
(2) Section 43.22.070, chapter 8, Laws of 1965 and RCW 43.22.070;
(3) Section 43.22.080, chapter 8, Laws of 1965 and RCW 43.22.080;
(4) Section 43.22.090, chapter 8, Laws of 1965 and RCW 43.22.090;
(5) Section 43.22.100, chapter 8, Laws of 1965 and RCW 43.22.100;
(6) Section 43.22.110, chapter 8, Laws of 1965 and RCW 43.22.110; and
(7) Sections 1 through 6, chapter 169, Laws of 1915, sections 1 through 11, chapter 29, Laws of 1909, sections 1 and 2, chapter 48, Laws of 1905 and RCW 70.62.010 through 70.62.130.

Passed the Senate April 29, 1971.
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CHAPTER 240
[Substitute Senate Bill No. 770]
REAL PROPERTY ACQUISITION--RELOCATION ASSISTANCE FOR DISPLACED PERSONS


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

NEW SECTION. Section 1. The purposes of this act are:

(1) To establish a uniform policy for the fair and equitable treatment of persons displaced as a result of public works programs of the state and local governments in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole; and

(2) To encourage and expedite the acquisition of real property for public works programs by agreements with owners, to reduce litigation and relieve congestion in the courts, to assure consistent treatment for owners affected by state and local programs, and to promote public confidence in state and local land acquisition practices.

NEW SECTION. Sec. 2. As used in this act--

(1) The term "state" means any department, commission, agency, or instrumentality of the state of Washington.

(2) The term "local public body" as used in this act applies to any county, city or town, or other municipal corporation or political subdivision of the state or any instrumentality of any of the foregoing but only with respect to any program or project the cost of which is financed in whole or in part by a federal agency. Notwithstanding the limitations of this subsection, the governing
body of any county, city or town, or other municipal corporation or political subdivision of the state or any instrumentality of any of the foregoing may elect to comply with all the provisions of this act in connection with programs and projects not receiving federal assistance.

(3) The term "person" means any individual, partnership, corporation, or association.

(4) The term "displaced person" means any person who, on or after the effective date of this act, moves from real property lawfully occupied by him, or moves his personal property from real property on which it was lawfully located, as a result of the acquisition of such real property, in whole or in part, or as the result of the written order of the acquiring agency to vacate real property, for a program or project undertaken by the state, or a local public body. Solely for the purposes of subsections (1) and (2) of section 4 and section 7 of this act, the term "displaced person" includes any person who, on or after the effective date of this act, moves from real property or moves his personal property from real property, as a result of the acquisition of, or the written order of the acquiring agency to vacate other real property, on which such person conducts a business or farm operation, for a program or project undertaken by the state or a local public body.

(5) The term "business" means any lawful activity, excepting a farm operation, conducted primarily--
(a) for the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or other personal property;
(b) for the sale of services to the public;
(c) by a nonprofit organization; or
(d) solely for the purposes of subsection (1) of section 4 of this act, for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by means of an outdoor advertising display or displays, otherwise lawfully erected and maintained, whether or not such display or displays are located on the premises on which any of the above activities are conducted.

(6) The term "farm operations" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or for home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(7) The term "mortgage" means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of this state, together with the

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credit instruments, if any, secured thereby. The term "mortgage" shall not include real estate contracts.

NEW SECTION. Sec. 3. (1) Any determination by the head of a state agency or local public body administering a program or project as to payments under this act shall be subject to review pursuant to chapter 34.04 RCW; otherwise, no provision of this act shall be construed to give any person a cause of action in any court.

(2) The provisions of section 18 of this act create no rights or liabilities and shall not affect the validity of any property acquisitions by purchase or condemnation.

(3) Nothing in this act shall be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence on the date of enactment of this act.

NEW SECTION. Sec. 4. (1) Whenever the acquisition of real property for a program or project undertaken by the state or a local public body will result in the displacement of any person on or after the effective date of this act, the acquiring agency shall make a payment to any displaced person, upon proper application as approved by the agency, for--

(a) actual, reasonable expenses in moving himself, his family, business, farm operation, or other personal property;

(b) actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the acquiring agency; and

(c) actual reasonable expenses in searching for a replacement business or farm.

(2) Any displaced person eligible for payments under subsection (1) of this section who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (1) of this section may receive a moving expense allowance, determined according to a schedule established by the state highway commission, not to exceed three hundred dollars; and a dislocation allowance of two hundred dollars.

(3) Any displaced person eligible for payments under subsection (1) of this section who is displaced from his place of business or from his farm operation and who elects to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (1) of this section, may receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall be not less than two thousand five hundred dollars nor more than ten
thousand dollars. In the case of a business, no payment shall be made under this subsection unless the acquiring agency is satisfied that the business:

(a) cannot be relocated without a substantial loss of its existing patronage, and

(b) is not a part of a commercial enterprise having at least one other establishment not being acquired, which is engaged in the same or similar business. For the purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before federal or local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, or during such other period as the acquiring agency determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such period.

NEW SECTION. Sec. 5. (1) In addition to payments otherwise authorized by this act, the state or local public body shall make an additional payment not in excess of fifteen thousand dollars to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred eighty days prior to the initiation of negotiations for the acquisition of the property. Such additional payment shall include the following elements:

(a) The amount, if any, which when added to the acquisition costs of the dwelling acquired, equals the reasonable cost of a dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment and available on the private market. All determinations required to carry out this subsection shall be made in accordance with standards established by the state highway commission.

(b) The amount, if any, which will compensate such displaced person for any increased interest costs which such person is required to pay for financing the acquisition of any such comparable replacement dwelling. Such amount shall be paid only if the dwelling acquired was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred eighty days prior to the initiation of negotiations for the acquisition of such dwelling. Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be determined by
regulations issued pursuant to section 11 of this act.

(c) Reasonable expenses incurred by such displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(2) The additional payment authorized by this section shall be made only to such a displaced person who purchases and occupies a replacement dwelling which is decent, safe, and sanitary not later than the end of the one year period beginning on the date on which he receives from the acquiring agency final payment of all costs of the acquired dwelling, or on the date on which he moves from the acquired dwelling, whichever is the later date.

NEW SECTION. Sec. 6. In addition to amounts otherwise authorized by this act, the state or local public body shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under section 5 of this act which dwelling was actually and lawfully occupied by such displaced person for not less than ninety days prior to the initiation of negotiations for acquisition of such dwelling. Such payment shall be either—

(1) the amount necessary to enable such displaced person to lease or rent for a period not to exceed four years, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, but not to exceed four thousand dollars, or

(2) the amount necessary to enable such person to make a down payment (including incidental expenses described in section 5 (1)(c) of this act) on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed four thousand dollars, except that if such amount exceeds two thousand dollars, such person must equally match any such amount in excess of two thousand dollars, in making the down payment.

NEW SECTION. Sec. 7. (1) Whenever the acquisition of real property for a program or project undertaken by the state or a local public body will result in the displacement of any person on or after the effective date of this act, the acquiring agency shall provide a relocation assistance advisory program for displaced persons which shall offer the services described in subsection (2) of this section. If the acquiring agency determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the acquisition, the agency may offer such person relocation advisory services under this
Each relocation assistance advisory program required by subsection (1) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to--

(a) determine the need, if any, of displaced persons, for relocation assistance;

(b) provide current and continuing information on the availability, prices, and rentals, of comparable, decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and locations for displaced businesses;

(c) assist a displaced person displaced from his business or farm operation in obtaining and becoming established in a suitable replacement location;

(d) supply information concerning federal and state housing programs, disaster loan programs, and other federal or state programs offering assistance to displaced persons;

(e) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation; and

(f) secure, to the greatest extent practicable, the coordination of relocation activities with other project activities and other planned proposed governmental actions in the community or near-by area which may affect the carrying out of the relocation program.

NEW SECTION. Sec. 8. (1) If a project of the state or a local public body cannot proceed to actual construction because comparable replacement sale or rental housing is not available, and the state or local public body determines that such housing cannot otherwise be made available, such agency may enter into an agreement with any federal agency to obtain financial or other assistance as may be authorized by section 206 (a) of Public Law 91-646 and take such further action as is necessary or appropriate to provide such housing by use of funds authorized for such project.

(2) Any state agency or local public body is authorized to move housing onto any lands surplus to the agency's needs which are otherwise suitable for residential housing or to rehabilitate existing housing owned by the agency for the purpose of providing replacement housing.

NEW SECTION. Sec. 9. Whenever the acquisition of real property for a program or project undertaken by the state or a local public body will result in the displacement of any person on or after the effective date of this section, such agency shall assure that, within a reasonable period of time, prior to displacement there will be available, in areas not generally less desirable in regard to
public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, equal in number to the number of and available to such displaced persons who require such dwellings and reasonably accessible to their places of employment; except that regulations issued pursuant to section 11 of this act may prescribe situations when these assurances may be waived.

NEW SECTION. Sec. 10. No person shall be required to move from his dwelling on or after the effective date of this act, on account of any project of the state or local public body, unless the agency is satisfied that replacement housing, in accordance with section 9 is available to such person.

NEW SECTION. Sec. 11. (1) The director of the planning and community affairs agency after full consultation with the department of highways and the department of general administration shall adopt such rules and regulations consistent with this act and Public Law 91-646, as may be necessary to assure:
(a) That the payments and assistance authorized by this act shall be administered in a manner which is fair and reasonable, and is uniform as practicable;
(b) That a displaced person who makes proper application for a payment authorized for such person by this act shall be paid promptly after a move or, in hardship cases, be paid in advance; and
(c) That any person aggrieved by a determination as to eligibility for payment authorized by this act, or the amount of a payment, may have his application reviewed by the executive head of the state agency or local public body.

(2) The director of the planning and community affairs agency after full consultation with the department of highways and department of general administration may prescribe such other regulations and procedures, consistent with the provisions of this act, as he deems necessary or appropriate to carry out this act.

NEW SECTION. Sec. 12. In order to prevent unnecessary expense and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, a state agency or any local public body may enter into contracts with any individual, firm, association, or corporation for services in connection with such programs, or may carry out its functions under this act through any federal, state or local governmental agency or instrumentality having an established organization for conducting relocation assistance programs. A state agency or local public body shall, in carrying out the relocation assistance activities described in section 11 of this act, whenever practicable, utilize the services of state or local housing agencies,
or other agencies having experience in the administration or conduct of similar housing assistance activities.

NEW SECTION. Sec. 13. Any person aggrieved by a determination as to eligibility for payment authorized by this act, or the amount of a payment, may have his application reviewed by the executive head of the state agency or local public body having authority over the applicable program or project.

NEW SECTION. Sec. 14. No payment received under sections 1 through 13 of this act shall be considered as income for the purposes of any income tax or any tax imposed under Title 82 RCW as now or hereafter amended; or for the purpose of determining the eligibility or extent of eligibility of any person for assistance under the social security act or any other federal law. Such payments shall not be considered as income or resources, and such payments shall not be deducted from any amount to which any recipient would otherwise be entitled, under Title 74 RCW, as now or hereafter amended: PROVIDED, That supplemental rent payments may be considered in determining the amount of public assistance to which a recipient may be entitled to the extent that there is or would be a duplication of a shelter allowance as established by the public assistance standards.

NEW SECTION. Sec. 15. Funds appropriated or otherwise available to any state agency or local public body for the acquisition of real property or any interest therein for a particular program or project shall be available also for obligation and expenditure to carry out the provisions of this act as applied to that program or project.

NEW SECTION. Sec. 16. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this act, as a direct result of any project or program which receives federal financial assistance under title I of the Housing Act of 1949 (P.L. 81-171), as amended, or as a result of carrying out a comprehensive city demonstration program under title I of the Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754) shall, for the purposes of this act, be deemed to have been displaced as the result of the acquisition of real property.

NEW SECTION. Sec. 17. Any state agency and any city or town or county or the instrumentalities of any of the foregoing are authorized to enter into such agreements with each other or with the United States as may be necessary to comply with the provisions of section 218 of Public Law 91-646 in order to obtain real property from the United States for the purpose of providing replacement housing.

NEW SECTION. Sec. 18. Every state agency and local public body acquiring real property in connection with any program or
project shall, to the greatest extent practicable, be guided by the following policies:

(1) Every reasonable effort shall be made to acquire expeditiously real property by negotiation.

(2) Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany at least one appraiser of the acquiring agency during his inspection of the property.

(3) Before the initiation of negotiations for real property, the acquiring agency shall establish an amount which it believes to be just compensation therefore and shall make a prompt offer to acquire the property for the full amount so established. In no event shall such amount be less than the agency's approved appraisal of the fair market value of such property. Any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. The acquiring agency shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation. Where appropriate the just compensation for the real property acquired, for damages to remaining real property, and for benefits to remaining real property shall be separately stated.

(4) No owner shall be required to surrender possession of real property before the agreed purchase price is paid or deposited with a court having jurisdiction of condemnation of such property, in accordance with applicable law, for the benefit of the owner an amount not less than the acquiring agency's approved appraisal of the fair market value of such property, or the amount of the award of compensation in the condemnation proceeding of such property.

(5) The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling or to move his business or farm operation without at least ninety days written notice of the date by which such move is required.

(6) If an owner or tenant is permitted to occupy the real property acquired on a rental basis for a short term or for a period subject to termination on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

(7) In no event shall the time of condemnation be advanced, on
negotiations or condemnation and the deposit of funds in court for the use of the owner be deferred, or any other coercive action be taken to compel an agreement on the price to be paid for the property.

(8) If an interest in real property is to be acquired by exercise of the power of eminent domain, formal condemnation proceedings shall be instituted. The acquiring agency shall not intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his real property.

(9) If the acquisition of only part of a property would leave its owner with an uneconomic remnant, the acquiring agency shall offer to acquire the entire property.

NEW SECTION. Sec. 19. (1) Where any interest in real property is acquired, an equal interest in all buildings, structures, or other improvements located upon the real property so acquired and which is required to be removed from such real property or which is determined to be adversely affected by the use to which such real property will be put shall be acquired.

(2) For the purpose of determining the just compensation to be paid for any building, structure or other improvement required to be acquired as above set forth, such building, structure or other improvement shall be deemed to be a part of the real property to be acquired notwithstanding the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure or improvement at the expiration of his term, and the fair market value which such building, structure or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of such building, structure or improvement for removal from the real property, whichever is the greater, shall be paid to the tenant therefor.

(3) Payment for such buildings, structures or improvements as set forth above shall not result in duplication of any payments otherwise authorized by state law. No such payment shall be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer and release all his right, title and interest in and to such improvements. Nothing with regard to the above-mentioned acquisition of buildings, structures or other improvements shall be construed to deprive the tenant of any rights to reject payment and to obtain payment for such property interests in accordance with other laws of this state.

NEW SECTION. Sec. 20. A state agency or a local public body acquiring real property, as soon as practicable after the date of payment of the purchase price or the date or deposit in court of funds to satisfy the award of compensation in a condemnation
proceeding to acquire real property, whichever is the earlier, shall reimburse the owner, to the extent the acquiring agency deems fair and reasonable, for expenses the owner necessarily incurred for—

(1) recording fees, transfer taxes, and similar expenses incidental to conveying such real property to the acquiring agency;

(2) penalty costs for full or partial prepayment of any preexisting recorded mortgage entered into in good faith encumbering such real property; and

(3) the prorata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the acquiring agency, or the effective date of possession of such real property by the acquiring agency, whichever is the earlier.

NEW SECTION. Sec. 21. There is added to chapter 8.25 RCW a new section to read as follows:

(1) A superior court having jurisdiction of a proceeding instituted by a condemnor to acquire real property shall award the condemnee costs including reasonable attorney fees and reasonable expert witness fees if—

(a) there is a final adjudication that the condemnor cannot acquire the real property by condemnation; or

(b) the proceeding is abandoned by the condemnor.

(2) A superior court rendering a judgment for the plaintiff awarding compensation for the taking of real property for public use without just compensation having first been made to the owner, or the attorney general or other attorney representing the acquiring agency in effecting a settlement of any such proceeding shall award or allow to such plaintiff costs including reasonable attorney fees and reasonable expert witness fees.

(3) Reasonable attorney fees and expert witness fees as authorized in this section shall be subject to the provisions of subsection (4) of RCW 8.25.070.

NEW SECTION. Sec. 22. The following acts or parts of acts are each repealed:

(1) Section 3, chapter 125, Laws of 1965 ex. sess. and RCW 8.25.030;

(2) Section 4, chapter 125, Laws of 1965 ex. sess., section 2, chapter 137, Laws of 1967 ex. sess., section 5, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.040;

(3) Section 5, chapter 125, Laws of 1965 ex. sess., section 6, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.050;

(4) Section 6, chapter 125, Laws of 1965 ex. sess., section 7, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.060;

(5) Section 1, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.080;

(6) Section 2, chapter 236, Laws of 1969 ex. sess. and RCW
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8.25.090;
  (7) Section 3, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.100;
  (8) Section 4, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.110;
  (9) Section 9, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.130;
  (10) Section 10, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.140;
  (11) Section 11, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.150;
  (12) Section 12, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.160;
  (13) Section 13, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.170;
  (14) Section 14, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.180;
  (15) Section 15, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.190;
  (17) Section 17, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.910;
  (18) Section 18, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.920; and
  (19) Section 19, chapter 236, Laws of 1969 ex. sess. and RCW 8.25.930.

NEW SECTION.  Sec. 23. If any provision of this 1971 act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION.  Sec. 24. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1971.

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