

Multiple Agency Fiscal Note Summary

Bill Number: 6349 SB	Title: Eminent domain/condemnation
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Cheri Keller, OFM	Phone: 360-902-0563	Date Published: Final 2/ 4/2014
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 36975

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 6349 SB	Title: Eminent domain/condemnation	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2014	FY 2015	2013-15	2015-17	2017-19
Counties					
Cities					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 01/28/2014
Agency Preparation: David Elliott	Phone: 360-705-5229	Date: 01/30/2014
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 01/30/2014
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 01/31/2014

Request # eminent-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

The bill would amend RCW 35.81.080 to add requirements to the process of municipal condemnation of property in blighted areas. Specifically, the municipality must demonstrate that each separated and distinct interest in real property poses an identifiable threat to public health, safety or welfare by reason of unsanitary, unsafe, or substandard condition of premises, or unlawful use, and demonstrates that reasonable actions to mitigate the threat or conditions have been attempted with no substantial improvement.

II. B - Cash Receipts Impact

none

II. C - Expenditures

There are potential but unknown expenditure impacts for changes to the condemnation process. There may be a need for additional or longer hearings to establish that the provisions of the bill have been met prior to proceeding with the condemnation process in court. These are not expected to exceed \$50,000. It would take an estimated additional 50 complex hearings in order to exceed the \$50,000 level of expenditure.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6349 SB	Title: Eminent domain/condemnation
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☐ Cities:

☐ Counties:

☐ Special Districts:

☒ Specific jurisdictions only: Jurisdictions seeking to condemn aggregate areas of real property under the Community Renewal Law (RCW 35.81) would have additional expenditures to demonstrate that each property in the area poses an identifiable threat to public health, safety, or welfare, and that reasonable actions to mitigate that threat had been taken with no substantial improvements.

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: Frequency of use of the Community Renewal Law to condemn aggregate areas; scope and characteristics of properties within each area

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Rossman	Phone: 360-725-2717	Date: 02/03/2014
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/28/2014
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/03/2014
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/04/2014

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

The bill amends RCW 35.81.080 (community renewal law - eminent domain) to provide that a municipality may not condemn an aggregated area of real property in a judicial action to condemn blighted areas unless it demonstrates that:

- Each separate and distinct interest in real property within the area poses an identifiable threat to public health, safety or welfare due to unsanitary, unsafe or substandard conditions, or unlawful use, of the premises, and
- Reasonable actions to mitigate the threat or conditions have been attempted with no substantial improvement in the condition of the property.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The bill would increase expenditures for jurisdictions seeking to condemn an aggregate area of real property in a blighted area as part of a community renewal project. Jurisdictions would need to make additional findings in order to condemn such property, demonstrating that each property poses an identifiable threat to public health, safety, or welfare, and that reasonable actions to mitigate that threat had been taken with no substantial improvements. Such costs would vary depending on the scope and unique characteristics of properties within each community renewal project, and degree of mitigation actions undertaken in each jurisdiction, so cannot be estimated.

Condemnation can involve significant costs under any circumstances, including for appraisals, attorney fees, mediation costs, and the value of the underlying property. Overall impacts of the proposed legislation would likely be minor, as few jurisdictions have condemned aggregated areas of property under the community renewal law.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The proposed legislation would not directly impact local government revenue or revenue authority.

SOURCES:

Municipal Research and Services Center webpage on the Community Renewal Law, including examples of past implementations of the law (<http://www.mrsc.org/subjects/econ/ed-comrenewal.aspx>)

"Land Assembly and Financing for community Renewal: A Handbook", Spitzer, H., Foster, Pepper, Shefelman, 04/2002 (accessed at <http://www.mrsc.org/artdocmisc/m58spitzer.pdf>)

Washington State Association of Counties

Association of Washington Cities

Administrative Office of the Courts fiscal note