



**Washington State
Department of Transportation**

Development Division
Real Estate Services Office
PO Box 47338
Olympia, WA 98504-7338
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

Date: June 20, 2025

To: Statewide Real Estate Services and Mega Programs

From: Danny Johnson, Relocation Program Manager *DJ*
Headquarters Real Estate Services

Subject: 2025-01 - Implementation Policy for SHB 1733 – Relocation Reestablishment Expenses - Adjustments to Maximum Reimbursement

On May 17, 2025, Governor Ferguson signed SHB 1733 into law. This bill amended the section of RCW 8.26.035 related to actual reasonable expenses to reestablish a displaced small business, farm, or nonprofit organization (NPO). The updated statute increased the maximum monetary amount an agency can reimburse for eligible reestablishment expenses.

Key Updates:

- **Effective July 27, 2025**, the maximum statutory reimbursement amount will differ based on the type of displacing agency:
 - **State agencies:** Up to \$100,000
 - **Local agencies and other entities with eminent domain authority:** Up to \$200,000
- Beginning **August 1, 2025**, and annually on August 1st thereafter, WSDOT will adjust the maximum amount for all agencies by **2% for inflation**. This adjusted amount will be rounded up to the nearest whole dollar.
- On **August 1, 2030**, the state agency maximum will increase to the maximum amount used by local agencies.

WSDOT will publish and maintain a 5-year schedule of the adjusted maximum amounts on our website. Our website can be found here:

[Real estate services | WSDOT](#)

The table below shows the maximum amounts available to a displaced small business, farm, or NPO.

Date	State Agency Amount	Local Agencies & Other Eminent Domain Authorities
Currently	\$50,000	\$50,000
July 27, 2025	\$100,000	\$200,000
August 1, 2025	\$102,000	\$204,000
August 1, 2026	\$104,040	\$208,080
August 1, 2027	\$106,121	\$212,242
August 1, 2028	\$108,244	\$216,487
August 1, 2029	\$110,409	\$220,817
August 1, 2030	\$225,234	\$225,234

Implementation Process

It will be necessary to determine how much a displaced small business, farm or NPO is eligible to receive at various times throughout the relocation process, as it can often take many years to complete.

Determining actual reimbursement and the maximum reestablishment amount for current and future displacements is based on the following:

- Displaced persons are entitled to the benefit of the law as it exists on **the date an eligible activity takes place**. This date is established by the date the expenses are incurred and invoiced.

Note: Eligibility for the increased limit is not connected to the Initiation of Negotiation (ION) date. Small business, farms, and NPOs made eligible for relocation entitlements prior to July 27, 2025, may be reimbursed up to the increased limits if meeting the requirements above.

- Displaced persons are not eligible for future (inflation-adjusted) amounts.

For example, if a displaced small business incurs an eligible reestablishment expense in February, but submits the invoices in August, the amount eligible for reimbursement will be the amount made available by law in February.

- If eligible, increased operating expenses that exceed the reimbursement limit in effect at the time the cost is established (e.g., lease signing) cannot be reimbursed at the future adjusted rate until those amounts become effective. The displaced person may submit additional claims after each annual adjustment date (August 1st), provided the final claim deadline has not passed.

For example, if a displaced small business signs a lease in November 2025 with total increased operating expense of \$135,000, they would be eligible for reimbursement of \$102,000, the maximum allowed at the time of signing the lease. The business could submit additional claims for the remaining balance after August 1st each year, as new limits take effect.

- In all scenarios, the claim expiration date will set the maximum amount available to a small business, farm, or NPO. *See* 49 CFR Part 24.207(d) (time period in which to file claims).

It was the legislation's intent to increase the maximum amount annually for inflation, not to front load the inflationary factor.

The annual increase in the maximum reestablishment limit will require the relocation specialist to provide clear advisory services to ensure the displaced person(s) fully understand the updated amounts. It will become even more important to document the move monitoring part of the reestablishment progress. Business owners should be advised to submit invoices in a timely manner to determine the proper amount eligible for reimbursement as soon as the eligible task is completed.

Updating State Laws

WSDOT is working with Department of Enterprise Services and the Office of the Code Reviser to update WAC 468-100-306. This process can take many months and will not be complete until after the July 27, 2025, effective date. Projects are expected to comply with this implementation memo effective July 27, 2025, notwithstanding outdated regulation.

Questions regarding this implementation should be directed to Danny Johnson, Relocation Program Manager.

DJ:dj

Attachment: SHB 1733

cc: Dianna McKeon, FHWA Realty Officer
Michelle Newlean, WSDOT Local Programs ROW Manager
Yasmine Tarhouni, Attorney General's Office, Transportation and Public Construction

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1733

69th Legislature
2025 Regular Session

Passed by the House April 24, 2025
Yeas 94 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate April 16, 2025
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1733** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1733

AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By House Civil Rights & Judiciary (originally sponsored by Representatives Thomas, Fitzgibbon, Zahn, Street, Fosse, Reed, Parshley, Cortes, Hill, Bernbaum, and Ramel)

READ FIRST TIME 02/18/25.

1 AN ACT Relating to increasing the reimbursement cap for moving
2 and relocation expenses incurred by persons affected by agency
3 displacements; and amending RCW 8.26.035.

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

5 **Sec. 1.** RCW 8.26.035 and 2017 c 12 s 1 are each amended to read
6 as follows:

7 (1) Whenever a program or project to be undertaken by a
8 displacing agency will result in the displacement of any person, the
9 displacing agency shall provide for the payment to the displaced
10 person of:

11 (a) Actual reasonable expenses in moving himself or herself, or
12 his or her family, business, farm operation, or other personal
13 property;

14 (b) Actual direct losses of tangible personal property as a
15 result of moving or discontinuing a business or farm operation, but
16 not to exceed an amount equal to the reasonable expenses that would
17 have been required to relocate the property, in accordance with
18 criteria established by the lead agency;

19 (c) Actual reasonable expenses in searching for a replacement
20 business or farm; (~~and~~)

1 (d) (~~Actual~~) Except as provided in (e) of this subsection,
2 actual reasonable expenses necessary to reestablish a displaced farm,
3 nonprofit organization, or small business at its new site, in
4 accordance with criteria established by the lead agency, but not to
5 exceed (~~fifty thousand dollars or the~~):

6 (i) \$200,000; or

7 (ii) The dollar amount allowed under 42 U.S.C. Sec. 4622 as it
8 existed on July 23, 2017, or such subsequent date as may be provided
9 by the displacing agency by rule or regulation, consistent with the
10 purposes of this section, whichever is greater; and

11 (e) Until August 1, 2030, if the displacing agency is a state
12 agency, actual reasonable expenses necessary to reestablish a
13 displaced farm, nonprofit organization, or small business at its new
14 site, in accordance with criteria established by the lead agency, but
15 not to exceed:

16 (i) \$100,000; or

17 (ii) The dollar amount allowed under 42 U.S.C. Sec. 4622 as it
18 existed on July 23, 2017, or such subsequent date as may be provided
19 by the displacing agency by rule or regulation, consistent with the
20 purposes of this section, whichever is greater.

21 (2) A displaced person eligible for payments under subsection (1)
22 of this section who is displaced from a dwelling and who elects to
23 accept the payments authorized by this subsection in lieu of the
24 payments authorized by subsection (1) of this section may receive an
25 expense and dislocation allowance determined according to a schedule
26 established by the lead agency.

27 (3) A displaced person eligible for payments under subsection (1)
28 of this section who is displaced from the person's place of business
29 or farm operation and who is eligible under criteria established by
30 the lead agency may elect to accept the payment authorized by this
31 subsection in lieu of the payment authorized by subsection (1) of
32 this section. The payment shall consist of a fixed payment in an
33 amount to be determined according to criteria established by the lead
34 agency, except that the payment shall be not less than the dollar
35 amount allowed under 42 U.S.C. Sec. 4622 as it existed on July 23,
36 2017, or such subsequent date as may be provided by the displacing
37 agency by rule or regulation, consistent with the purposes of this
38 section. A person whose sole business at the displacement dwelling is
39 the rental of that property to others does not qualify for a payment
40 under this subsection.

1 (4) Beginning August 1, 2025, and annually thereafter, the lead
2 agency shall adjust the dollar amounts specified in subsection
3 (1)(d)(i) and (e)(i) of this section for inflation by increasing the
4 previous year's dollar amount by two percent.

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