ENGROSSED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 473

(By Senators Sypolt, Blair, Cookman, Williams, Plymale, McCabe, Nohe and Stollings)

[Originating in the Committee on Transportation and Infrastructure; reported February 24, 2014.]

A BILL to amend and reenact §17-2A-19 of the Code of West Virginia, 1931, as amended, relating to the sale of real property by the Division of Highways; and providing that property not necessary or desirable for highway purposes may be offered first to public service districts or municipalities for a public utility use without having to follow the public auction provisions of this section and without first offering such property to the principal abutting landowners.

Be it enacted by the Legislature of West Virginia:

That §17-2A-19 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 2A. WEST VIRGINIA COMMISSIONER OF HIGHWAYS.

§17-2A-19. Sale, exchange or lease of real property.

- 1 (a) The Division of Highways, subject to the provisions
- 2 of this section, may sell, exchange or lease real property, or
- 3 any interest or right in the property, held by the Division of
- 4 Highways. When the real property, or any interest or right in
- 5 the property, is being held for future road purposes, it may be
- 6 leased.
- 7 (b) This subsection applies to property held by the
- 8 division, including a right-of-way, that was not acquired for
- 9 use, or used, as a highway. When the real property, or any
- 10 part of the property, or any interest or right in the property,
- 11 is considered by the commissioner not necessary, or desirable
- 12 for present or presently foreseeable future Division of
- 13 Highways purposes, it may be exchanged for other real
- 14 property, or any interest or right in the property, considered

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by the commissioner to be necessary or desirable for present 15 16 or presently foreseeable future Division of Highways 17 purposes, or it may be sold. In addition the division may 18 exchange real property, or any part of the property, or any 19 interest or right in the property, even though it may be 20 necessary or desirable for present or presently foreseeable 21 future Division of Highways purposes, if the exchange is made for other real property, or any interest or right in the 22 property, in close proximity to the property which the 23 commissioner considers of equal or superior useful value for 24 25 present or presently foreseeable future Division of Highways purposes. In making exchanges the division may make 26 27 allowances for differences in the value of the properties being 28 exchanged and may move or pay the cost of moving 29 buildings, structures or appurtenances in connection with the 30 exchange.

property or structure on the property, shall be at public auction in the county in which the real property, or the

Every sale of real property, or any interest or right in the

34 greater part of the property, is located, and the division shall 35 advertise, by publication or otherwise, the time, place and 36 terms of the sale at least twenty days prior to the sale. The 37 property shall be sold in the manner which will bring the 38 highest and best price. The division may reject any or all 39 bids received at the sale. The commissioner shall keep a 40 record, open to public inspection, indicating the manner in 41 which the real property, or any interest or right in the 42 property or structure on the property, was publicly advertised 43 for sale, the highest bid received and from whom, the person 44 to whom sold and payment received. The record shall be 45 kept for a period of five years and may be destroyed after 46 five years.

47 (c) (1) This subsection applies to property held by the 48 division, including a right-of-way, that was acquired for use, 49 or used, as a highway. The commissioner may transfer, sell 50 or otherwise dispose of any right-of-way properties or any 51 interest or right in the property, owned by or to be acquired 52 by the Division of Highways which the commissioner in his

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53 or her sole discretion determines are not necessary or 54 desirable for present or presently foreseeable future highway 55 purpose by first offering the property to the principal abutting 56 landowners without following the procedure for public 57 auction provided in subsection (b) of this section: *Provided*, 58 That if the right-of-way or other interest or right in the property is within a public service district and the public 59 60 service district states in writing to the Division of Highways that the right-of-way or other interest or right in the property 61 62 will be used for a public utility, then the Division of Highways may offer the right-of-way or other interest or 63 64 right in the property to the public service district without first 65 offering it to the principal abutting landowner and may 66 transfer the right-of-way or other interest or right in the 67 property to the public service district without following the procedure for public auction provided in subsection (b) of 68 69 this section.

(2) The commissioner shall propose rules for legislative approval in accordance with the provisions of article three,

chapter twenty-nine-a of this code governing and controlling 72 the making of any leases or sales pursuant to the provisions 73 of this subsection. The rules may provide for the giving of 74 75 preferential treatment in making leases to the persons from 76 whom the properties or rights or interests in the property were acquired, or their heirs or assigns and shall also provide 77 for granting a right of first refusal to abutting landowners at 78 79 fair market value in the sale of any real estate or any interest or right in the property, owned by the Division of Highways. 80 (3) (A) With respect to real property acquired subsequent 81 82 to the year 1973 for use as a highway through voluntary real 83 estate acquisition or exercise of the right of eminent domain, which real estate the commissioner has determined should be 84 85 sold as not necessary for highways purposes, the 86 commissioner shall give preferential treatment to an abutting

(i) A principal abutting landowner is an individual from whom the real estate was acquired or his or her surviving spouse or descendant. In order to qualify for preferential

landowner if it appears that:

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- treatment, the surviving spouse or descendant need not be a beneficiary of the individual. The terms used in this subdivision are as defined in section one, article one, chapter forty-two of this code; and
 - (ii) The primary use of the abutting property has not substantially changed since the time of the acquisition.
 - (B) When the provisions of paragraph (A) of this subdivision are met, the commissioner shall offer the property for sale to the principal abutting landowner at a cost equal to the amount paid by the Division of Highways in acquiring the real estate. If improvements on the property have been removed since the time of the acquisition, the cost shall be reduced by an amount attributable to the value of the improvements removed. The cost may be adjusted to reflect interest at a rate equal to the increase in the consumer price index for all urban consumers as reported by the United States Department of Labor since the time of disbursement of the funds.
- 108 (d) The commissioner may insert in any deed or 109 conveyance, whether it involves an exchange, lease or sale,

- the conditions as are in the public interest and have been approved in advance by the Governor.
- (e) All moneys received from the exchange, sale or lease
 of real property, or any right or interest in the property, shall
 be paid into the State Treasury and credited to the State Road
 Fund.
- (f) Notwithstanding the provisions of this section, property may not be transferred, sold or otherwise disposed of unless the commissioner finds that the right of way or other property has no significant value to the state as a hiking trail and does not serve as a link between two or more state owned properties. This subsection does not apply to property that lies within six hundred feet of any dwelling house.