

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Committee Substitute

for

Senate Bill 505

SENATORS WELD AND CLINE

[Originating in the Committee on Economic
Development; reported on January 24, 2020]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §16-18-30, relating to the acquisition and disposition of certain real property
3 by an urban development authority; prohibition on acquisition; and ability to exercise the
4 right of first refusal of tax-delinquent properties.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18. SLUM CLEARANCE.

§16-18-30. Acquisition of property.

1 (a) Title to be held in its name. — An urban renewal authority shall hold in its own name
2 all real property it acquires.

3 (b) Methods of acquisition. — An urban renewal authority may acquire real property or
4 interests in real property by any means, upon terms and conditions, and in a manner the urban
5 renewal authority considers proper: *Provided*, That an urban renewal authority may not acquire
6 any interest in oil, gas, or minerals, which have been severed from the realty.

7 (c) Acquisitions from municipalities or counties —

8 (1) An urban renewal authority may acquire real property by purchase contracts, lease
9 purchase agreements, installment sales contracts, and land contracts, and may accept transfers
10 from municipalities or counties upon terms and conditions as agreed to by the urban renewal
11 authority and the municipality or county.

12 (2) A municipality or county may transfer to an urban renewal authority real property and
13 interests in real property of the municipality or county upon terms and conditions and according
14 to procedures determined by the municipality or county as long as the real property is located
15 within the jurisdiction of the urban renewal authority.

16 (3) A land reuse agency, as defined in §31-18E-3 of this code, located in part or in full
17 within an urban renewal authority jurisdiction established under this article may, with the consent
18 of the local governing body and without a redevelopment contract, convey property to the urban
19 renewal authority. A conveyance under this subdivision shall be with fee simple title, free of all

20 liens and encumbrances.

21 (d) Maintenance. — An urban renewal authority shall maintain all of its real property in
22 accordance with the statutes and ordinances of the jurisdiction in which the real property is
23 located.

24 (e) Prohibition. —

25 (1) Subject to the provisions of subdivision (2) of this subsection, an urban renewal
26 authority may not own or hold real property located outside the jurisdictional boundaries of the
27 entities which created the urban renewal authority under subsection (c), section four of this article.

28 (2) An urban renewal authority may be granted authority pursuant to an intergovernmental
29 cooperation agreement with a municipality or county to manage and maintain real property
30 located within the jurisdiction of the municipality or county.

31 (f) Acquisition of tax delinquent properties. —

32 (1) Notwithstanding any other provision of this code to the contrary, if authorized by the
33 municipality which created an urban renewal authority or otherwise by intergovernmental
34 cooperation agreement, an urban renewal authority may acquire an interest in tax delinquent
35 property through the provisions of §11A-1-1 et seq, of this code. Notwithstanding the provisions
36 of §11A-3-8 of this code, if no person present at the tax sale bids the amount of the taxes, interest
37 and charges due on any unredeemed tract or lot, or undivided interest in real estate offered for
38 sale, the sheriff shall, prior to certifying the real estate to the Auditor for disposition pursuant to
39 §11A-3-44 of this code, provide a list of all of said real estate within an urban renewal authority's
40 jurisdiction to the urban renewal authority, and the urban renewal authority shall be given an
41 opportunity to purchase the tax lien and pay the taxes, interest, and charges due for any
42 unredeemed tract or lot or undivided interest therein as if the urban renewal authority were an
43 individual who purchased the tax lien at the tax sale.

44 (2) Notwithstanding any other provision of this code to the contrary, if authorized by the
45 municipality which created an urban renewal authority or otherwise by intergovernmental

46 cooperation agreement, the urban renewal authority has the right of first refusal to purchase any
47 tax-delinquent property which is within municipal limits, if it meets one or more of the following
48 criteria:

49 (A) It has an assessed value of \$25,000 to \$100,000, or less;

50 (B) There are municipal liens on the property that exceed the amount of back taxes owed
51 in the current tax cycle;

52 (C) The property has been on the municipality's vacant property registry for 24 consecutive
53 months or longer;

54 (D) The property was sold at a tax sale within the previous three years, was not redeemed,
55 and no deed was secured by the previous lien purchaser; or,

56 (E) Has been condemned: *Provided*, That the urban renewal authority satisfies the
57 requirements of subdivision (3) of this subsection. A list of properties which meet the criteria of
58 this subdivision shall regularly be compiled by the sheriff of the county, and an urban renewal
59 authority may purchase any qualifying tax-delinquent property for an amount equal to the taxes
60 owed and any related fees before such property is placed for public auction.

61 (3) When an urban renewal authority exercises a right of first refusal in accordance with
62 subdivision (2) of this subsection, the urban renewal authority shall, within 15 days of obtaining a
63 tax deed, provide written notice to all owners of real property that are adjacent to the tax-
64 delinquent property. Any such property owner shall have a period of 120 days from the receipt of
65 notice, actual or constructive, to express an interest in purchasing the tax-delinquent property
66 from the urban renewal authority for an amount equal to the amount paid for the property plus
67 expenses incurred by the urban renewal authority: *Provided*, That the urban renewal authority
68 may refuse to sell the property to the adjacent property owner that expressed interest in the tax-
69 delinquent property if that property owner or an entity owned by the property owner or its directors
70 is delinquent on any state and local taxes or municipal fees, liens, or penalties on any of its
71 property.

72 (4) Effective July 1, 2024, the provisions of subdivisions (2) and (3) of this subsection shall
73 sunset and have no further force and effect.

74 (5) Prior to January 1, 2024, any urban renewal authority which exercises the authority
75 granted by this subsection may submit to the Joint Committee on Government and Finance a
76 report on the entity's activities related to the purchase of tax-delinquent properties and any
77 benefits realized from the authority granted by this subsection.

NOTE: The purpose of this bill is to provide for the Urban Renewal Authority to acquire and dispose of certain property.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.