WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Enrolled

Senate Bill 510

BY SENATORS PALUMBO, BEACH, JEFFRIES, LINDSAY,
PLYMALE, PREZIOSO, TAKUBO, WELD, WOELFEL,
HAMILTON, AND STOLLINGS

[Passed March 7, 2020; in effect 90 days from passage]
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[Passed March 7, 2020; in effect 90 days from passage]
AN ACT to amend and reenact §31-18E-9 of the Code of West Virginia, 1931, as amended, relating to the right of first refusal which land reuse agencies and municipal land banks have on tax-delinquent properties; expanding the circumstances when the right of first refusal may be used; clarifying provisions related to the right of first refusal; authorizing land reuse agencies and municipal land banks to reject adjacent property owner’s request to purchase property in certain circumstances; providing a sunset date; and requiring the submission of a report.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18E. WEST VIRGINIA LAND REUSE AGENCY AUTHORIZATION ACT.

§31-18E-9. Acquisition of property.

(a) Title to be held in its name. — A land reuse agency or municipal land bank shall hold in its own name all real property it acquires.

(b) Tax exemption. — (1) Except as set forth in subdivision (2) of this subsection, the real property of a land reuse agency or municipal land bank and its income and operations are exempt from property tax.

(2) Subdivision (1) of this subsection does not apply to real property of a land reuse agency or municipal land bank after the fifth consecutive year in which the real property is continuously leased to a private third party. However, real property continues to be exempt from property taxes if it is leased to a nonprofit or governmental agency at substantially less than fair market value.

(c) Methods of acquisition. — A land reuse agency or municipal land bank may acquire real property or interests in real property by any means on terms and conditions and in a manner the land reuse agency considers proper: Provided, That a land reuse agency or municipal land bank may not acquire any interest in oil, gas, or minerals which have been severed from the realty.

(d) Acquisitions from municipalities or counties. — (1) A land reuse agency or municipal land bank may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts, and land contracts and may accept transfers from municipalities or
counties upon terms and conditions as agreed to by the land reuse agency or municipal land bank and the municipality or county.

(2) A municipality or county may transfer to a land reuse agency or municipal land bank real property and interests in real property of the municipality or county on terms and conditions and according to procedures determined by the municipality or county as long as the real property is located within the jurisdiction of the land reuse agency or municipal land bank.

(3) An urban renewal authority, as defined in §16-18-4 of this code, located within a land reuse jurisdiction established under this article may, with the consent of the local governing body and without a redevelopment contract, convey property to the land reuse agency. A conveyance under this subdivision shall be with fee simple title, free of all liens and encumbrances.

(e) Maintenance. — A land reuse agency or municipal land bank shall maintain all of its real property in accordance with the statutes and ordinances of the jurisdiction in which the real property is located.

(f) Prohibition. — (1) Subject to the provisions of subdivision (2) of this subsection, a land reuse agency or municipal land bank may not own or hold real property located outside the jurisdictional boundaries of the entities which created the land reuse agency under §31-18E-4(c) of this code.

(2) A land reuse agency or municipal land bank may be granted authority pursuant to an intergovernmental cooperation agreement with a municipality or county to manage and maintain real property located within the jurisdiction of the municipality or county.

(g) Acquisition of tax-delinquent properties. — (1) Notwithstanding any other provision of this code to the contrary, if authorized by the land reuse jurisdiction which created a land reuse agency or municipal land bank or otherwise by intergovernmental cooperation agreement, a land reuse agency or municipal land bank may acquire an interest in tax-delinquent property through the provisions of chapter 11A of this code. Notwithstanding the provisions of §11A-3-8 of this code, if no person present at the tax sale bids the amount of the taxes, interest, and charges due
enr sb 510

on any unredeemed tract or lot or undivided interest in real estate offered for sale, the sheriff shall,
prior to certifying the real estate to the Auditor for disposition pursuant to §11a-3-44 of this code,
provide a list of all of said real estate within a land reuse or municipal land bank jurisdiction to the
land reuse agency or municipal land bank and the land reuse agency or municipal land bank shall
be given an opportunity to purchase the tax lien and pay the taxes, interest, and charges due for
any unredeemed tract or lot or undivided interest therein as if the land reuse agency or municipal
land bank were an individual who purchased the tax lien at the tax sale.

(2) Notwithstanding any other provision of this code to the contrary, if authorized by the
land reuse jurisdiction which created a land reuse agency or municipal land bank or otherwise by
intergovernmental cooperation agreement, the land reuse agency or municipal land bank shall
have the right of first refusal to purchase any tax-delinquent property which is within municipal
limits, and meets one or more of the following criteria: (a) It has an assessed value of $50,000 or
less; (b) there are municipal liens on the property that exceed the amount of back taxes owed in
the current tax cycle; (c) the property has been on the municipality's vacant property registry for
24 consecutive months or longer; (d) the property was sold at a tax sale within the previous three
years, was not redeemed, and no deed was secured by the previous lien purchaser; or (e) has
been condemned: Provided, That the land reuse agency or municipal land bank satisfies the
requirements of subdivision (3) of this subsection. A list of properties which meet the criteria of
this subdivision shall regularly be compiled by the sheriff of the county, and a land reuse agency
or municipal land bank may purchase any qualifying tax-delinquent property for an amount equal
to the taxes owed and any related fees before such property is placed for public auction.

(3) When a land reuse agency or municipal land bank exercises a right of first refusal in
accordance with subdivision (2) of this section, the land reuse agency or municipal land bank
shall, within 15 days of obtaining a tax deed, provide written notice to all owners of real property
that is adjacent to the tax-delinquent property. Any such property owner shall have a period of
120 days from the receipt of notice, actual or constructive, to express an interest in purchasing
the tax-delinquent property from the land reuse agency or municipal land bank for an amount equal to the amount paid for the property plus expenses incurred by the land reuse agency or municipal land bank: Provided, That the land reuse agency or municipal land bank may refuse to sell the property to the adjacent property owner that expressed interest in the tax-delinquent property if that property owner or an entity owned by the property owner or its directors is delinquent on any state and local taxes or municipal fees on any of their property.

(4) Effective July 1, 2025, the provisions of subdivisions (2) and (3) of this subsection shall sunset and have no further force and effect.

(5) Prior to January 1, 2025, any land reuse agency or municipal land bank which exercises the authority granted by this subsection shall submit to the Joint Committee on Government and Finance a report on the entity's activities related to the purchase of tax-delinquent properties and any benefits realized from the authority granted by this subsection.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman/Senate Committee

[Signature]
Chairman, House Committee

Originated in the Senate.

In effect 90 days from passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker of the House of Delegates

The within .................................. Approved this the .................................. Day of .................................. 2020.

[Signature]
Governor