

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 2109

BY DELEGATES ROHRBACH, HORNBUCKLE AND LOVEJOY

[Passed April 8, 2017; in effect ninety days from passage.]

1 AN ACT to amend and reenact §31-18E-3 and §31-18E-9 of the Code of West Virginia, 1931, as
2 amended, all relating to the West Virginia Land Reuse Agency Authorization Act; defining
3 the term “municipal land band”; including a municipal land bank as an agency that may
4 acquire property; providing that a land reuse agency or a municipal land bank may have
5 the right of first refusal to buy certain tax delinquent property for taxes owed and any
6 related fees before the tax delinquent property is placed for public auction at tax sales;
7 providing procedures for when a land reuse agency or municipal land bank exercises a
8 first right of refusal to purchase tax-delinquent property; requiring county sheriffs to
9 compile a list of properties meeting certain criteria; granting owners of adjacent real
10 property a right to purchase a tax delinquent property from a land reuse agency or
11 municipal land bank, within 120 days of receiving notice, for an amount equal to the
12 amount paid for the property by the land reuse agency or municipal land bank; providing
13 a three year sunset provision; and authorizing reporting to the Legislature.

Be it enacted by the Legislature of West Virginia:

1 That §31-18E-3 and §31-18E-9 of the Code of West Virginia, 1931, as amended, be
2 amended and reenacted, all to read as follows:

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

§31-18E-3. Definitions.

1 As used in this article:

2 (1) “Board” means the board of directors of a land reuse agency;

3 (2) “Deconstruct” means to attempt to remove salvageable pieces of a housing unit prior
4 to or as part of demolition or renovation;

5 (3) “Financial institution” means a bank, savings association, operating subsidiary of a
6 bank or savings association, credit union, association licensed to originate mortgage loans or an
7 assignee of a mortgage or note originated by such an institution;

8 (4) “Land reuse agency” means a public body established under this article;

9 (5) "Land reuse jurisdiction" means: (A) A county or municipality in this state; or (B) two or
10 more municipalities or counties that enter into an intergovernmental cooperation agreement to
11 establish and maintain a land reuse agency;

12 (6) "Municipal land bank" means a department or agency of a municipality, or an entity
13 lawfully created by a municipality, engaged in activities designed to address issues related to
14 vacant, abandoned and tax-delinquent real property, including but not limited to, the purchase,
15 rehabilitation, improvement or sale of such properties for the purpose of eliminating blight and
16 returning those properties to productive use.

17 (7) "Municipality" means a municipality as defined in section two, article one, chapter eight
18 of this code; and

19 (8) "Real property" means all lands, including improvements and fixtures on them and
20 property of any nature appurtenant to them or used in connection with them and every estate,
21 interest and right, legal or equitable, in them, including terms of years and liens by way of
22 judgment, mortgage or otherwise, and indebtedness secured by the liens.

§31-18E-9. Acquisition of property.

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

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

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

10 (c) *Methods of acquisition.* – A land reuse agency or municipal land bank may acquire real
11 property or interests in real property by any means on terms and conditions and in a manner the

12 land reuse agency considers proper: *Provided*, That a land reuse agency or municipal land bank
13 may not acquire any interest in oil, gas or minerals which have been severed from the realty.

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

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

23 (3) An urban renewal authority, as defined in section four, article eighteen, chapter sixteen
24 of this code, located within a land reuse jurisdiction established under this article may, with the
25 consent of the local governing body and without a redevelopment contract, convey property to
26 the land reuse agency. A conveyance under this subdivision shall be with fee simple title, free of
27 all liens and encumbrances.

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

31 (f) *Prohibition.* – (1) Subject to the provisions of subdivision (2) of this subsection, a land
32 reuse agency or municipal land bank may not own or hold real property located outside the
33 jurisdictional boundaries of the entities which created the land reuse agency under subsection (c),
34 section four of this article.

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

38 (g) *Acquisition of tax delinquent properties.* – (1) Notwithstanding any other provision of
39 this code to the contrary, if authorized by the land reuse jurisdiction which created a land reuse
40 agency or municipal land bank or otherwise by intergovernmental cooperation agreement, a land
41 reuse agency or municipal land bank may acquire an interest in tax delinquent property through
42 the provisions of chapter eleven-a of this code. Notwithstanding the provisions of section eight,
43 article three, chapter eleven-a of this code, if no person present at the tax sale bids the amount
44 of the taxes, interest and charges due on any unredeemed tract or lot or undivided interest in real
45 estate offered for sale, the sheriff shall, prior to certifying the real estate to the Auditor for
46 disposition pursuant to section forty-four, article three, chapter eleven-a of this code, provide a
47 list of all of said real estate within a land reuse or municipal land bank jurisdiction to the land reuse
48 agency or municipal land bank and the land reuse agency or municipal land bank shall be given
49 an opportunity to purchase the tax lien and pay the taxes, interest and charges due for any
50 unredeemed tract or lot or undivided interest therein as if the land reuse agency or municipal land
51 bank were an individual who purchased the tax lien at the tax sale.

52 (2) Notwithstanding any other provision of this code to the contrary, if authorized by the
53 land reuse jurisdiction which created a land reuse agency or municipal land bank or otherwise by
54 intergovernmental cooperation agreement, the land reuse agency or municipal land bank shall
55 have the right of first refusal to purchase any tax-delinquent property which is within municipal
56 limits, and has an assessed value of \$25,000 or less or has been condemned: *Provided*, That the
57 land reuse agency or municipal land bank satisfies the requirements of subdivision (3) of this
58 subsection. A list of properties which meet the criteria of this subdivision shall regularly be
59 compiled by the sheriff of the county, and a land reuse agency or municipal land bank may
60 purchase any qualifying tax-delinquent property for an amount equal to the taxes owed and any
61 related fees before such property is placed for public auction.

62 (3) When a land reuse agency or municipal land bank exercises a right of first refusal in
63 accordance with subdivision (2) of this section, the land reuse agency or municipal land bank

64 shall, within fifteen days, provide written notice to all owners of real property that is adjacent to
65 the tax-delinquent property. Any such property owner shall have a period of 120 days from the
66 receipt of notice, actual or constructive, to exercise a right to purchase the tax-delinquent property
67 from the land reuse agency or municipal land bank for an amount equal to the amount paid for
68 the property by the land reuse agency or municipal land bank: *Provided*, That in the event more
69 than one adjacent land owner desires to purchase the tax-delinquent property, it shall be sold to
70 the adjacent property owner offering the highest bid. It is the duty of the adjacent property owner
71 to establish that he or she is the actual owner of property that is adjacent to the tax-delinquent
72 property and all state and local taxes and all fees on his or her adjacent property are current and
73 non-delinquent.

74 (3) Effective July 1, 2020, the provisions of subdivisions (2) and (3) of this subsection shall
75 sunset and have no further force and effect.

76 (4) Prior to January 1, 2020, any land reuse agency or municipal land bank which
77 exercises the authority granted by this subsection may submit to the Joint Committee on
78 Government and Finance a report on the entity's activities related to the purchase of tax-
79 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.

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Chairman, House Committee

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Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

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Clerk of the House of Delegates

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Clerk of the Senate

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Speaker of the House of Delegates

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President of the Senate

The within this the.....
day of, 2017.

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Governor