

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Committee Substitute

for

House Bill 2109

BY DELEGATES ROHRBACH, HORNBUCKLE AND LOVEJOY

[Introduced February 8, 2017; Referred

to the Committee on Political Subdivisions then the

Judiciary]

1 A BILL to amend and reenact §31-18E-9 of the Code of West Virginia, 1931, as amended, relating
2 to the West Virginia Land Reuse Agency Authorization Act; including a municipal land
3 bank as an agency that may acquire property; providing that a municipal land bank may
4 have the right of first refusal to buy certain tax delinquent property, within municipal limits,
5 for taxes owed and any related fees before the tax delinquent property is placed for public
6 auction at tax sales.

Be it enacted by the Legislature of West Virginia:

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

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

§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
2 in 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
11 real property or interests in real property by any means on terms and conditions and in a manner
12 the land reuse agency considers proper: *Provided*, That a land reuse agency or municipal land
13 bank 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.* — Notwithstanding any other provision of this
39 code to the contrary, if authorized by the land reuse or municipal land bank jurisdiction which
40 created a land reuse agency or municipal land bank or otherwise by intergovernmental
41 cooperation agreement, a land reuse agency or municipal land bank may acquire an interest in

42 tax delinquent property through the provisions of chapter eleven-a of this code. Notwithstanding
43 the provisions of section eight, article three, chapter eleven-a of this code, if no person present at
44 the tax sale bids the amount of the taxes, interest and charges due on any unredeemed tract or
45 lot or undivided interest in real estate offered for sale, the sheriff shall, prior to certifying the real
46 estate to the Auditor for disposition pursuant to section forty-four, article three, chapter eleven-a
47 of this code, provide a list of all of said real estate within a land reuse or municipal land bank
48 jurisdiction to the land reuse agency or municipal land bank and the land reuse agency or
49 municipal land bank shall be given an opportunity to purchase the tax lien and pay the taxes,
50 interest and charges due for any unredeemed tract or lot or undivided interest therein as if the
51 land reuse agency or municipal land bank were an individual who purchased the tax lien at the
52 tax sale. Notwithstanding any other provision of this code to the contrary, if authorized by the land
53 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 has the
55 right of first refusal to buy any property with an assessed value of \$25,000 or less, or, which has
56 been condemned, within city limits at tax sales. A list of these properties shall be compiled and
57 the land reuse agency or municipal land bank may purchase the tax delinquent property they want
58 for taxes owed and any related fees before they are placed for public auction.

NOTE: The purpose of this bill is to include a municipal land bank as an agency within the West Virginia Land Reuse Agency Authorization Act and that a municipal land bank may acquire tax delinquent property. The bill also provides that a municipal land bank may have the right of first refusal to buy any tax delinquent property with an assessed value of \$25,000 or less, within municipal limits, for taxes owed and any related fees before the tax delinquent property is placed for public auction at tax sales.

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