

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 538

By Senators Helton and Fuller

[Introduced February 19, 2025; referred
to the Committee on Government Organization]

1 A BILL to amend and reenact §31-18E-9 of the Code of West Virginia, 1931, as amended, relating
2 to removing the sunset date on the provision granting the right of first refusal to land reuse
3 agencies and municipal land banks for acquiring certain tax-delinquent properties that
4 permits these entities to purchase qualifying tax-delinquent properties before they are
5 offered at public auction.

Be it enacted by the Legislature of West Virginia:

ARTICLE **18E.** **CORPORATIONS.**
§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 if
9 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.

(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. If any unredeemed tract or lot or undivided interest in real estate offered for sale at public auction remain unsold following the auction, , the Auditor shall 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

45 be given an opportunity to purchase the tax lien and pay the taxes, interest, and charges due for
46 any unredeemed tract or lot or undivided interest therein as if the land reuse agency or municipal
47 land bank purchased the tax lien at the tax sale.

48 (2) Notwithstanding any other provision of this code to the contrary, if authorized by the
49 land reuse jurisdiction which created a land reuse agency or municipal land bank or otherwise by
50 intergovernmental cooperation agreement, the land reuse agency or municipal land bank shall
51 have the right of first refusal to purchase any tax-delinquent property which is within municipal
52 limits, and meets one or more of the following criteria: (A) It has an assessed value of \$50,000 or
53 less; (B) there are municipal liens on the property that exceed the amount of back taxes owed in
54 the current tax cycle; (C) the property has been on the municipality's vacant property registry for
55 24 consecutive months or longer; (D) the property was sold at a tax sale within the previous three
56 years, was not redeemed, and no deed was secured by the previous lien purchaser; or (E) has
57 been condemned: *Provided*, That the land reuse agency or municipal land bank satisfies the
58 requirements of subdivision (3) of this subsection. A list of properties which meet the criteria of this
59 subdivision shall regularly be compiled by the sheriff of the county, and a land reuse agency or
60 municipal land bank may purchase any qualifying tax-delinquent property for an amount equal to
61 the taxes owed and any 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 shall,
64 within 15 days of obtaining a tax deed, provide written notice to all owners of real property that is
65 adjacent to the tax-delinquent property. Any such property owner shall have a period of 120 days
66 from the receipt of notice, actual or constructive, to express an interest in purchasing the tax-
67 delinquent property from the land reuse agency or municipal land bank for an amount equal to the
68 amount paid for the property plus expenses incurred by the land reuse agency or municipal land
69 bank: *Provided*, That the land reuse agency or municipal land bank may refuse to sell the property
70 to the adjacent property owner that expressed interest in the tax-delinquent property if that

71 property owner or an entity owned by the property owner or its directors is delinquent on any state
72 and local taxes or municipal fees on any of their property.

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

75 ~~(5) Prior to January 1, 2025, any land reuse agency or municipal land bank which~~
76 ~~exercises the authority granted by this subsection shall submit to the Joint Committee on~~
77 ~~Government and Finance a report on the entity's activities related to the purchase of tax-~~
78 ~~delinquent properties and any benefits realized from the authority granted by this subsection.~~

NOTE: The purpose of this bill is to remove the sunset date on the provision granting the right of first refusal granted to land reuse agencies and municipal land banks for acquiring certain tax-delinquent properties that permits these entities to purchase qualifying tax-delinquent properties before they are offered at public auction.

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