



HOUSE BILL 996: Winston-Salem/Real Property Conveyances.

2017-2018 General Assembly

Committee:	House State and Local Government I	Date:	May 30, 2018
Introduced by:	Reps. Conrad, Hanes, Terry, Lambeth	Prepared by:	Billy R. Godwin Staff Attorney
Analysis of:	PCS to First Edition H996-CSBD-38		

OVERVIEW: *House Bill 996 (proposed committee substitute) would authorize the City of Winston-Salem to convey city owned real property, with or without consideration, for the purpose of increasing the supply of affordable housing for low-and moderate-income persons.*

This act would become effective when it becomes law.

The PCS clarified that the act would apply to city owned property and would not apply to property acquired by the City of Winston-Salem through the exercise of eminent domain.

[As introduced, this bill was identical to S751, as introduced by Sens. Krawiec, Lowe, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: The authority of and procedures for a municipality to sell or dispose of real property is governed by Article 12 of Chapter 160A. In limited circumstances, a municipality may, with or without consideration, sell real property through a *non-competitive* private sale process to volunteer fire departments and rescue squads (G.S.160A-277) and to non-profit entities carrying out a public purpose (G.S. 160A-279).¹ Additionally, municipal real property may be sold using any of the following *competitive* sale procedures:

- Advertisement for sealed bids - G.S.160A-268.
- Offer and upset bid - G.S. 160A-269.
- Public auction - GS 160A-270.

BILL ANALYSIS: The PCS to House Bill 996 would:

- Authorize the governing body of the City of Winston-Salem to:
 - Convey upon such terms as it deems wise, city owned real property, with or without consideration, for the purpose of increasing the supply of affordable housing for low and moderate income persons provided the property being conveyed was not acquired by the exercise of eminent domain.
 - Place a restriction in the deed conveying the city owned property that the property shall revert to the city if it ceases to be used for increasing the supply of affordable housing for low and

¹ The North Carolina Supreme Court held that providing financial assistance for residential housing construction for sale or rental to low income persons and families served a public purpose. *Martin v. North Carolina Housing Corporation*, 277 N.C. 29, (1970). Subsequently, the North Carolina Supreme Court found a public purpose in providing the same assistance to moderate income persons and families. *In Re The Denial of Approval to Issue \$30,000,000 of Single Family Housing bonds and \$30,000,000 of Multi-Family Housing Bonds for Persons of Moderate Income*, 307 N.C. 52 (1982).

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House PCS 996

Page 2

moderate income persons prior to the expiration of any time period for such use required by the governing body.

- Require the governing body of the City of Winston-Salem to:
 - First adopt a resolution at a regular or special meeting authorizing the appropriate municipal official to make the conveyance for the purpose of increasing the supply of affordable housing for low and moderate income persons.
 - Post the resolution on the city's Web site at least 10 calendar days prior to the date the conveyance is executed by the appropriate municipal official.

EFFECTIVE DATE: The act would become effective when the bill becomes law.