



# HOUSE BILL 59: Winston-Salem/Real Property Conveyances.

2019-2020 General Assembly

<b>Committee:</b>	House State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	February 27, 2019
<b>Introduced by:</b>	Reps. Conrad, Montgomery	<b>Prepared by:</b>	Billy R. Godwin Staff Attorney
<b>Analysis of:</b>	First Edition		

**OVERVIEW:** *House Bill 59 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.*

[As introduced, this bill was identical to S83, 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).<sup>1</sup> 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 – G.S. 160A-270.

**BILL ANALYSIS:** House Bill 59 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 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:

<sup>1</sup> 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).

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- 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.