

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 427

Short Title: Revise DOT Residue Property Disposal. (Public)

Sponsors: Senators Mayfield and Sawyer (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 30, 2023

A BILL TO BE ENTITLED

AN ACT TO REVISE THE PROCEDURES FOR DISPOSAL OF DEPARTMENT OF
TRANSPORTATION RESIDUE PROPERTY AND FOR ENCROACHMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-19.7 reads as rewritten:

"§ 136-19.7. **Residue property disposal; Department authority; definitions; classification and valuation; disposition method; proceeds; approvals required.**

(a) State Policy. – It is the policy of the State that the Department of Transportation shall dispose of its residue real property as expeditiously as possible for the benefit of the citizens and taxpayers of the State.

...

(f) Methods of Disposition Based on Class of Residue Property. – The Department shall utilize its best efforts to dispose of Class A, Class B, and Class C residue property within four years of its classification and in accordance with the following methods:

(1) Public sale. – The sale of Class A residue property shall be disposed of by public sale and may be sold by either sealed bid or by auction at the election of the Right-of-Way Branch of the Department. The sale of the property must be advertised ~~by at least two~~ by all of the following methods:

...

d. Notice by personal delivery or by registered or certified mail, return receipt requested, to adjoining landowners and to any person who has expressed in writing to the Department an interest in purchase of the property.

Upset bids must be received within 10 business days following the deadline for receipt of sealed bids or closing of an auction. The highest bid shall be presented to the Board of Transportation at its next regular meeting after the deadline for receipt of bids for rejection or acceptance. The Department may reject all bids if the Department does not consider the bids to be in accord with the appraised value as approved by the Department. The Department shall approve an appraised value for Class A residue property prior to disposition pursuant to this subdivision.

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(f1) Encroachments on Class A Residue Property. – If a structure or improvement of an adjacent property owner encroaches onto Class A residue property, the adjacent property owner may protect the encroaching structure or improvement by purchasing from the Department through a negotiated sale the portion of residue property burdened by the encroachment in fee



1 simple or as a permanent easement. The negotiated sale shall be at fair market value and the final
2 decision as to the interest conveyed shall be at the discretion of the Department. In order to protect
3 an encroachment under this subsection, the adjacent property owner must notify the Department
4 prior to the disposal of the property under this section and must agree to pay any survey and
5 recording costs. If the Department becomes aware that a structure or improvement of an adjacent
6 property owner encroaches onto Class A residue property, the Department shall notify the
7 adjacent property owner that the encroachment may be protected according to the provisions of
8 this subsection.

9"

10 **SECTION 2.** This act is effective when it becomes law.