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SENATE BILL NO. 1476

Offered January 17, 2025

A BILL to amend the Code of Virginia by adding a section numbered 15.2-958.1:1, relating to sale of certain vacant and blighted or derelict property.

Patrons—Pillion and Williams Graves

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 15.2-958.1:1 as follows:

§ 15.2-958.1:1. Sale of certain vacant and blighted or derelict property.

A. Any locality where property is located that (i) has been vacant for at least two years, (ii) has been declared a blighted property or derelict building as defined in § 58.1-3221.6, and (iii) has had a tax levied upon such property may petition the circuit court to appoint a special commissioner to execute the necessary deed or deeds to convey the real estate, in lieu of a sale at public auction, to the locality, to the locality's land bank entity, or to an existing nonprofit entity designated by the locality to carry out the functions of a land bank entity pursuant to § 15.2-7512. The conveyance of real estate may include all parcels of property owned by the entity in the locality if, upon a showing by a preponderance of the evidence, all the parcels are deemed necessary to effectuate a proper sale of the property to an interested developer.

After notice as required in Article 4 (§ 58.1-3965 et seq.) of Chapter 39 of Title 58.1 and service of process, and upon answer filed by the owner or other parties in interest to the bill in equity, the court shall allow the parties to present evidence and arguments, ore tenus, prior to the appointment of the special commissioner. Any surplusage accruing to a locality, land bank entity, or existing nonprofit entity as a result of the sale of the parcel or parcels after the receipt of the deed shall be payable to the beneficiaries of any liens against the property and to the former owner or his heirs or assigns in accordance with § 58.1-3967. No deficiency shall be charged against the owner after conveyance to the locality, land bank entity, or existing nonprofit entity.

B. If the locality sells a property acquired under subsection A, the locality shall require any purchaser by covenants in the deed or other security instrument to (i) begin repair or renovation of the property within six months of purchase and (ii) complete all repairs or renovations necessary to bring the property into compliance with the local building code within a period not to exceed two years of the purchase. The locality may include any additional reasonable conditions it deems appropriate in order to carry out the intent of this section and assure that the property is repaired or renovated in accordance with applicable codes.

C. The locality may sell the property for the nominal amount of one dollar, assuming there are no outstanding mortgages, loans, or other liens not associated with the locality to a qualified developer who properly responds to a request for proposal and submits a plan for the highest and best use of the property. The local governing body shall review the responses to the request for proposal and choose the developer who has the financial wherewithal to develop the property as proposed.

D. The provisions of this section shall only apply to property that is owned by (i) a person, as defined in § 1-230, that is not a United States citizen or United States entity or (ii) an entity that is owned or controlled by a person who is not a United States citizen.

INTRODUCED

SB1476