

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL DRS35154-MW-18

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

Sponsors: Senators Mayfield and Sawyer (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REVISE THE PROCEDURES FOR DISPOSAL OF DEPARTMENT OF  
3 TRANSPORTATION RESIDUE PROPERTY AND FOR ENCROACHMENTS.

4 The General Assembly of North Carolina enacts:

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

6 "§ 136-19.7. Residue property disposal; Department authority; definitions; classification  
7 and valuation; disposition method; proceeds; approvals required.

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

11 ...

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

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

19 ...

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

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

32 ...

33 (f1) Encroachments on Class A Residue Property. – If a structure or improvement of an  
34 adjacent property owner encroaches onto Class A residue property, the adjacent property owner  
35 may protect the encroaching structure or improvement by purchasing from the Department  
36 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.