



Missouri Highways and Transportation Commission Policies

Category: HIGHWAYS
Subcategory: Right-of-Way
Sub-Subcategory: Disposal of Excess Property

DISPOSAL OF EXCESS REAL PROPERTY, EXCESS RIGHT-OF-WAY, AND UNECONOMIC REMNANTS

Related Statute: Section 227.290, Highways and Transportation Commission may convey or exchange land or leasehold.

Section 227.290, RSMo 2000, as amended, authorizes the Commission to convey or exchange interest in land or leasehold for its approximate fair market value, when in the opinion of the Commission the advantageous use of any interest in the land or leasehold has ceased or for any other lawful reason the Commission wishes to dispose of the property.

In keeping with the statutes, before any sale shall be consummated, if the original owner of the property being offered for sale is in possession of the adjoining land, the original owner shall be notified by written notice of the contemplated sale. If the land or leasehold was donated without charge by the owner for the purpose of state highway construction or maintenance and if such owner is still in possession of the contiguous property, the property shall revert to such original owner without cost to the owner if and when relinquished by the Commission.

The statutes further allow the Commission, at its discretion to convey at no cost, or exchange its interest in any land or leasehold that is no longer necessary to be used for the construction, maintenance, or operation of the state highway system, or for any other lawful reason, to any federal, state, or local governmental entity.

Chief Engineer to Determine When and How to Sell Excess Property

When it is determined by the Chief Engineer, on behalf of the Commission, that the advantageous use of any interest in land or any leasehold acquired by the Commission has ceased, a timely conveyance of the land or leasehold to private ownership shall be made.

The Chief Engineer is authorized to establish the administrative procedure or process (as contemplated by Section 227.290 RSMo 2000, as amended) to be used in conveying or exchanging interest in land or leasehold.

Establishing Value of Fee Interest

Regardless of whether the Commission has fee simple title or less than fee simple title, the appraisal will be made to establish the value of the fee interest.

Down Payment Requirement

Potential purchasers of excess property will be required to pay a minimum of 10 percent of the negotiated purchase price prior to Commission action on the sale. The down payment will be returned if the transaction is not approved by the Commission or if the Commission has not acted on the request within 90 days of execution of the sales agreement. The Director is authorized to waive the down payment contemplated by this policy should he deem that doing so will be in the best interest of the Commission and the public and should he determine that the special circumstances of the transaction warrant such action.

Authority for Approval of Sale

In keeping with Section 227.290(1), RSMo 2000, as amended, deeds and/or other documents used to convey property and/or property rights must be executed by the Commission's Chair or Vice Chair.

- a. **Sales of \$200,000 or More** – All proposed sales or exchanges of MHTC real property appraised at \$200,000 or more shall be submitted to the Commission for consideration.
- b. **Sales Less than \$200,000:** In those cases where the staff has no evidence of controversy pertaining to the sale of excess property and where the property is appraised and conveyed for less than \$200,000, the terms of the conveyance may be approved by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, or the Right-of-Way Director. These staff members may delegate to District Engineers by written advisory to the District Engineer and filed with the Right-of-Way Director.

Authority to Execute Sales Documents

Contracts setting out the conditions for sale of excess property may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, or the District Engineers.

Effective Date: November 7, 2013
Supersedes Policy Dated: April 3, 2012 – EOD; Paragraph E6 January 12, 2011 - EOD
Last Reaffirmed:
Date of Origin: April 2, 1993 – Down Payment Requirement
Date of Origin: March 4, 1994 – Establishing Value of Fee Interest
Date of Origin: November 7, 2013 – Chief Engineer to Determine When and How to Sell
Date of Origin: August 6, 1996 – Authority for Approval of Sale
Date of Origin: August 6, 1996 – Authority to Execute Sales Documents

Related Commission Actions: September 14, 1937; April 2, 1993; March 4, 1994; August 6, 1996; June 14, 2006; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.