

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
TRANSPORTATION BILL)

A BILL FOR

1 An Act relating to notice of agency sales of unused highway
2 right-of-way.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 306.23, subsection 1, Code 2024, is
2 amended to read as follows:

3 1. The agency in control of a tract, parcel, or piece of
4 land, or part thereof, which is unused right-of-way shall send
5 ~~by certified mail~~ to the last known address of the present
6 owner of adjacent land from which the tract, parcel, piece of
7 land, or part thereof, was originally purchased or condemned
8 for highway purposes, and to the person who owned the land at
9 the time it was purchased or condemned for highway purposes,
10 notice of the agency's intent to sell the land, the name and
11 address of any other person to whom a notice was sent, and the
12 fair market value of the real property based upon an one of the
13 following:

14 a. An appraisal by an independent appraiser.

15 b. A comparable sales market analysis if the agency is
16 the department, the sale is not a contract sale under section
17 306.22, subsection 2, and the determined fair market value is
18 fifty thousand dollars or less.

19 Sec. 2. Section 306.23, Code 2024, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 1A. Notice required under subsection 1
22 shall be hand-delivered or sent by verified mail, as defined
23 in section 578A.2. Hand-delivered notice is deemed delivered
24 when the recipient signs an acknowledgment of delivery. Notice
25 sent by verified mail is deemed delivered when the notice is
26 deposited with the United States postal service or private
27 delivery service, and such notice is properly addressed with
28 postage prepaid.

29

EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 Current law authorizes an agency in control of unused
33 highway right-of-way to sell the land. If the agency does so,
34 the agency is required to send notice of the agency's intent
35 to sell the land to the last known address of the present owner

1 of adjacent land from which the land was originally purchased
2 or condemned for highway purposes, and to the person who
3 owned the land at the time it was purchased or condemned for
4 highway purposes. The notice must include the name and address
5 of any other person to whom a notice was sent, and the fair
6 market value of the real property based upon an appraisal by
7 an independent appraiser. The agency must send such notice by
8 certified mail.

9 This bill strikes the certified mail requirement, and
10 instead authorizes required notice to be hand-delivered or sent
11 by verified mail. Hand-delivered notice is deemed delivered
12 when the recipient signs an acknowledgment of delivery, while
13 notice sent by verified mail is deemed delivered when the
14 notice is deposited with the United States postal service
15 (USPS) or private delivery service, and such notice is properly
16 addressed with postage prepaid. As used in the bill, "verified
17 mail" means any method of mailing offered by USPS or private
18 delivery service that provides evidence of the mailing.

19 The bill authorizes the department of transportation
20 (DOT) to provide in the notice a fair market value based on a
21 comparable sales market analysis rather than an appraisal by an
22 independent appraiser if the DOT does not contract for the sale
23 of the land in accordance with Code section 306.22(2), and the
24 determined fair market value is \$50,000 or less.