

# STATUTORY AUTHORITY FOR CONVEYING REAL PROPERTY TO PRIVATE ENTITY

North Carolina law requires *real* property be disposed *without conditions on buyers* through one of three competitive bidding procedures— Sealed Bid (G.S. 160A-268), Upset Bid (G.S. 160A-269), or Public Auction (G.S. 160A-270)—*unless another method of conveyance is specifically authorized.*

Authority for Conveyance	Competitive Bidding Sale	Private Sale for Fair Market Value	Private Sale - Non-Monetary Consideration	Allowable Covenants/ Conditions	Notes
<b>Economic Development</b> G.S. 158-7.1	✓	✓	✓	Construct w/in 5 yrs or reverts to local gov't, plus any other desired conditions	G.S. 158-7.1(d2) allows next 10 years of local government revenue to count as consideration so long as purchaser creates "substantial number of jobs" paying above average wage and " <b>parallel to Maredy.</b> "
<b>Urban Redevelopment Law</b> G.S. 160A-514(c) Boards exercise powers directly: G.S. 160D-1311	✓			In URA consistent with approved plan, as deemed necessary	Within formally designated urban redevelopment area (URA) consistent with redev plan; restrictions allowed but conveyance must otherwise comply with Art. 12 competitive bidding procedures.
<b>Housing Authority/LMI Housing</b> G.S. 157-9, G.S. 160D-1316 Boards exercise powers directly: G.S. 160D-1311	✓	✓	✓	Covenants and restrictions to ensure housing serves LMI persons	Housing Auth exempt from disposition rules for housing for low and moderate income (LMI) persons. Comply with G.S. 157-9.4 set aside. Complementary authority at G.S. 160D-1316 to be read <i>in pari materia</i> .
<b>Disposition for redevelopment by private developer</b> G.S. 160D-1312	✓	Within CD area only, in accord with CD plan		Only in CD areas in accord with CD plan	Acquire/convey blight/ inapprop. developed property. Private sale in CD (commun. develop.) areas (to remove blight or assist LMI), price no less than "appraised value."
<b>Conveyance to Historic Preservation Organizations</b> G.S. 160A-266(b)	✓	✓		Historic covenants, limits on further sale	Historic covenants affect appraised value, but does not allow for conveyance for less than appraised. Also G.S. 160A-400.8.
<b>Conveyance to Entities Carrying Out Public Purpose</b> G.S. 160A-279 (cities and counties only)	✓	✓	✓	Ensure <i>recipient</i> puts property to public use, no subsequent sale	City or county must be authorized to appropriate funds to entity. Public use must continue or return property to local gov't ( <i>Brumley v. Baxter</i> , 251 N.C. 691 (1945)). No conveyance to a for-profit corporation.
<b>Downtown Dev Projects (DDP) P3 for construction</b> G.S. 160D-1315 G.S. 143-128.1C	✓	✓		Restrictions to accomplish development plan	DDP: Public facility to be constructed in conjunction with private development. See CED blog post on sale of property for DDP. P3: Must follow statutory RFQ procedures.
<b>Acquired at Judicial Sale</b> G.S. 153A-163	✓	✓		None authorized	Property acquired to secure a debt owed to unit. Price no less than amount of unit's bid.