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**FIRST REPRINT** **S.B. 219**

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SENATE BILL NO. 219—COMMITTEE ON TRANSPORTATION

FEBRUARY 21, 2001

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Referred to Committee on Transportation

SUMMARY—Revises manner in which department of transportation is required to dispose of certain property. (BDR 35-476)

FISCAL NOTE:   Effect on Local Government: No.  
                          Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to property; revising the manner in which the department of transportation is required to dispose of certain property; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     **Section 1.** NRS 408.533 is hereby amended to read as follows:  
2     408.533 1. All real property, interests therein or improvements  
3     thereon and personal property acquired before, on or after April 1, 1957, in  
4     accordance with the provisions of NRS 408.487 and 408.489 must, after  
5     approval by the board and if no longer needed for highway purposes, be  
6     disposed of by the director in accordance with the provisions of subsection  
7     2, except that:  
8         (a) When the property was originally donated to the state, no charge  
9     may be made if it is returned to the original owner or to the holder of the  
10    reversionary right.  
11        (b) When the property has been wholly or partially paid for by towns,  
12    cities or counties, disposal of the property and of money received therefor  
13    must be agreed upon by the governing bodies of the towns, cities and  
14    counties and the department.  
15        (c) When the title to the real property has been acquired in fee pursuant  
16    to NRS 408.487 and 408.489 and, in the opinion of the board, a sale by  
17    means of *a* public auction or sealed bids is uneconomical or impractical  
18    because:  
19         (1) There is no access to the property;  
20         (2) The property has value or an increased value only to a single  
21    adjoining property owner; or



1 (3) Such a sale would work an undue hardship upon a property owner  
2 as a result of a severance of the property of that owner or a denial of access  
3 to a public highway,  
4 the board may enter into a direct sale of the property with such an owner or  
5 any other person for its fair market value.  
6 (d) When the property has been acquired and ~~it~~  
7 ~~(1) The proposed purpose for which it was acquired is later~~  
8 ~~abandoned by the department; or~~  
9 ~~(2) Part~~ *the property or any portion* of the property is no longer  
10 needed for highway purposes, ~~and~~ the department ~~determines that the~~  
11 ~~property was acquired for less than its fair market value,~~  
12 ~~the department~~ shall give notice of its intention to dispose of the property  
13 by publication in a newspaper of general circulation in the county where  
14 the property is situated. The notice must include the department's appraisal  
15 of the fair market value of the property. Any person from whom the  
16 property was purchased or his heir or grantee may purchase the property at  
17 its fair market value by direct sale from the department within 60 days after  
18 the notice is published. If more than one person qualified to purchase the  
19 property by direct sale pursuant to this paragraph so requests, the person  
20 with the superior claim, as determined by the department in its sole  
21 discretion, is entitled to purchase the property by direct sale. If no person  
22 requests to purchase the property by direct sale within 60 days after the  
23 notice is published pursuant to this paragraph, the department shall sell the  
24 property in the manner provided in subsection 2.  
25 (e) When the property is sought by another public agency for a  
26 reasonable public use, the department may first offer the property to the  
27 public agency at its fair market value.  
28 2. All property, interests or improvements not ~~falling~~ *included* within  
29 the provisions of subsection 1 must first be offered for sale by the  
30 department singly or in combination at public auction or by sealed bids. If  
31 the highest bid received is 90 percent or more of the department's appraisal  
32 of the fair market value of the property, the property may be sold to the  
33 highest bidder. The notice and the terms of the sale must be published in a  
34 newspaper of general circulation in the county where the property is  
35 situated. ~~Those~~ *The* auctions and openings of bids must be conducted by  
36 the department. If the property cannot be sold for 90 percent or more of its  
37 fair market value, the department may enter into a written listing agreement  
38 with a person licensed pursuant to chapter 645 of NRS to sell or lease the  
39 property for 90 percent or more of its fair market value.  
40 3. It is conclusively presumed in favor of the department and any  
41 purchaser for value that the department acted within its lawful authority in  
42 acquiring and disposing of the property, and that the director acted within  
43 his lawful authority in executing any conveyance vesting title in the  
44 purchaser. All such conveyances must be quitclaim in nature and the  
45 department shall not warrant title, furnish title insurance or pay the tax on  
46 transfer of real property.  
47 4. No person has a right of action against the department or its  
48 employees for a violation of this section. This subsection does not prevent



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1 an action by the attorney general on behalf of the State of Nevada or any  
2 aggrieved person.

3 5. All sums of money received by the department for the sale of real  
4 and personal property must be deposited with the state treasurer to be  
5 credited to the state highway fund, unless the Federal Highway  
6 Administration participated in acquisition of the property, in which case a  
7 pro rata share of the money obtained by disposal of the property must be  
8 paid to the Federal Highway Administration.

9 6. The department may reserve and except easements, rights or  
10 interests from the conveyance of any real property disposed of in  
11 accordance with this section or exchanged pursuant to subsection 5 of NRS  
12 408.489. ~~Those~~ **The** easements, rights or interests include, but are not  
13 limited to:

14 (a) Abutter's rights of light, view or air.

15 (b) Easements of access to and from abutting land.

16 (c) Covenants prohibiting the use of signs, structures or devices  
17 advertising activities not conducted, services not rendered or goods not  
18 produced or available on the real property.

19 **Sec. 2.** The amendatory provisions of section 1 of this act do not apply  
20 to any property for which the department of transportation publishes a  
21 notice of its intention to dispose of the property pursuant to NRS 408.533  
22 before the effective date of this act.

23 **Sec. 3.** This act becomes effective upon passage and approval.

