



6.6 EXCESS BUILDINGS/PERSONAL PROPERTY SALES

It is WisDOT policy to consider the sale of buildings, structures, and other improvements not required for highway purposes, if practical and feasible. Public or private sales of such improvements will be conducted by Bill of Sale (RE2166) and an "Indemnity Agreement," and only bonded contractors will accomplish the removal. A performance bond may be required of said contractors of at least \$1,000. Razing is also an appropriate means of disposing of buildings and improvements that are not appropriate candidates for off-site sale. This must be performed by bonded razing contractors. The public or private sale of department-owned buildings, structures, or improvements requires approval of the Governor when valued at or above \$3,000.00.

6.6.1 Salvage Value of Improvements and Fixtures

When improvements will be disposed of by sale, the salvage values shall be justified by factors known at the time salvage values are established and which, from experience, have been shown to exert an influence on such values. Regional Real Estate personnel who have had the most direct contact with these structures typically establish salvage values. In establishing salvage values, the following should be considered:

- Availability of suitable lots to which structure can be relocated.
- Available data relative to previous sales of similar structures.
- Circumstances surrounding proposed sale.
- Estimated cost of moving a structure, keeping in mind utilities.
- Past experiences in disposing of similar properties by public auction or sealed bid.
- Type of structure involved.

These considerations are best determined by the person in the region assigned property management responsibilities with assistance from appraisal staff. Salvage or retention values of acquired improvements shown on Property Improvements/Remnant Report (RE1961) shall reflect the above factors. This supporting information is for purposes of evaluating retention of improvements by former owner and/or for obtaining required approvals for public or private sales. It is generally good practice to be conservative in estimating salvage values of improvements to be offered for sale. Note: Salvage values should be established for buildings or fixtures having sale potential, but not for items such as fencing or on premise signs.

6.6.2 Maintenance of Surplus Inventory

It is the responsibility of each region to maintain the inventory in READS. All buildings and significant fixtures acquired shall be entered on the Property Improvements/Remnant Report (RE1961). This report shall accompany the payment voucher for acquisition of the parcel. When the buildings are sold or razed, the "Disposition of Buildings Acquired" portion is to be completed and the form re-submitted. Based on the retention values established, improvements may, during negotiations, be made available to the owner, and the appropriate information relative to salvage value of the improvements to be retained entered on the Property

Improvements/Remnant Report (RE1961). The Property Improvements/Remnant Report shall also be transmitted to BTS-RE, with the voucher for payment when the parcel is acquired by either deed or award of damages. In general, the retention value of improvements should be tied to the salvage value or distress sale value (the figure which is estimated to be returned to the state, upon public or private sale).

6.6.3 Public Sale Announcements

Public sale bulletins shall be prepared by the region for each public sale to acquaint all interested parties with full particulars concerning the sale. This bulletin shall be furnished to each person who makes an inquiry prior to the sale, who attends the sale, or is on regional bidders mailing lists. The auctioneer or clerk shall read the contents of the bulletin relating to the properties sold if the parcel is being auctioned, prior to inviting bids on the property to be sold. All public sale announcement bulletins shall be reviewed by BTS-RE prior to publication. Such bulletins will, in all cases, include notice that we reserve the right to reject any or all bids or to accept the bid deemed most advantageous to the state.

6.6.4 Bid Process

Submittals to BTS-RE for approval of proposed public sales of buildings and appurtenances with a value at or above \$3,000.00 shall include the recommendations of the region and shall list each structure or appurtenance proposed to be sold, together with estimated salvage value which will form the basis of the recommended sale price. Governor approval will be required for sales with values over \$3,000.00. Any such item may be withdrawn from sale, or may be sold at the offer deemed most advantageous to the state, considering all relevant factors, such as marketability of the item, construction schedules, ease of removal, potential for theft or vandalism, etc. Where an item has been withdrawn from public sale because of failure to secure bids equal to or greater than the recommended sale price, the item shall not subsequently be sold at private sale without giving the unsuccessful high bidder at the public sale an opportunity to raise submitted bid. Such private sale requires the prior approval of the BTS-RE. A bid deposit in an amount to be determined by the region shall be required to accompany each bid. See sample sealed bid sealed bid format.

6.6.5 Performance Deposits

Performance deposits shall be required from an excess property purchaser (when buildings are to be moved off-site) to ensure compliance with terms and conditions of sale. Determination of necessity for and the amount of such deposits shall rest with the regional Real Estate management. Refunds of such performance deposits shall be requested or recommended only upon inspection of the site by regional staff, and determination of full compliance with the terms and conditions of the sale.

Bureau of Technical Services-Real Estate (BTS-RE) deposits - In preparing vouchers for refund of performance deposits, only one voucher should be prepared to any one payee. The amount of the voucher, as prepared by the regional office, will be the total amount due to be refunded to the payee as of the date of the voucher. The total amount should be itemized on the voucher by parcel number, item number (if any), etc. This procedure will facilitate handling and will minimize the number of State treasurer's checks which must be made payable to any individual payee.

Regional deposits - Performance deposits may be placed in a local bank or savings and loan where the regional Real Estate staff has control of the account. The deposit shall be released when all terms and conditions of sale have been met. If the removal will be accomplished in a very short time (90 days or less), the region may retain the performance deposit in its safe and return it un-cashed upon completion of the removal.

6.6.6 Bill of Sale and Indemnification Agreements

The Bill of Sale (RE2166), Agreement for Purchase and Sale of Real Estate - Long Form (RE1618), is issued by the state transferring title to buildings, improvements or fixtures shall be executed by the Technical Services manager or his/her duly authorized representative. A similar instrument issued by a county transferring title to personal property shall be executed by the County Highway Committee and the county clerk, or their duly authorized representatives. The regional director or designated representative shall enforce the terms and conditions in each such instrument and any collateral agreements relating thereto. The region shall not alter, vary, lessen or extend such terms and conditions or any part thereof without prior approval of the BTS-RE and, when required, of the administrator and/or Governor. A Hold Harmless and Indemnification Agreement shall accompany the Bill of Sale (RE2166) for such transactions. The language viewed previously is to be inserted in purchase agreements (see sample) where owner buy-back of improvements is contemplated. A Bill of Sale and Indemnity Agreement shall be employed in the sale of any building or fixture for removal off site. These sales may be taxable items. See sub-section 6.6.8.

6.6.7 Moving Structures Over State Highways

Movement of oversized buildings over state trunk highways requires a WisDOT permit. Make certain that prospective purchasers of excess buildings are properly informed, buildings having dimensions (including transporting equipment when loaded) exceeding the dimensional limits imposed by current departmental regulations, will include notice in the sale announcement or advertisement, that the movement of the oversize buildings over a state trunk highway is subject to the permit regulations of the state of Wisconsin. A paragraph of the following type shall be included in the sale announcement and advertisement for such buildings:

“No such permit will be issued to move a structure exceeding statutory limits over state trunk highways unless the Department of Transportation determines that it is in the public interest to issue such permit. The sale of such a building does not of itself bind the Department of Transportation to grant a permit for the movement of that building. Prospective buyers shall contact the regional office of the Department of Transportation before the sale to become familiar with restrictions and policies applied to the movement of oversize loads over state trunk highways.”

The moving contractor shall consult with the regional Traffic section or other individual responsible for overload permits prior to issuance of the sale announcement relative to any special conditions which may have to be imposed upon permit holders, including the distance of transportation, handling of traffic, etc. The regional traffic engineer should receive a copy of all sale announcements and advertisements involving oversize or overweight buildings. Where owners are allowed to retain their buildings in connection with right of way acquisition negotiations, such owners shall be advised of the above regulations in the event they contract to have them moved over state trunk highways. All movers must provide the region with a: Certificate of Insurance issued by their insurance company confirming their coverage, naming

WisDOT as an additional insured, and specifying location of operations; and, Hold Harmless and Indemnification Agreement.

6.6.8 State Sales Tax on Personal Property

Whenever any personal property, including buildings to be moved, fixtures, appurtenances, or other improvements inventoried or acquired in connection with right of way acquisition are sold separately from the land, the current state sales tax to be collected at the time of sale will be added to the sales price. The sales tax shall be forwarded to BTS-RE together with the proceeds of the sale. BTS-RE will transfer the funds for quarterly payment to the Department of Revenue. Note: If "items" are part of a negotiated acquisition settlement and incorporated into the closing statement as a retention (see sample), sales tax does NOT apply, as no "sale" has actually taken place. However, items sold back to the property owner after the date of the closing statement are subject to sales tax.