

Nevada Highways And Your Property



State of Nevada
Department of Transportation



1263 South Stewart Street • Carson City, Nevada 89712



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Related Publications

- Relocation Assistance in Nevada
- Nevada State and Local Government Agency Real Property Acquisition and Relocation Assistance Brochure
- Terms and Conditions Relating to Right of Way Occupancy Permits

READY TO HELP

Right-of-Way District Offices:
1263 South Stewart Street
Carson City, Nevada 89712
775-888-7480

123 East Washington Avenue
Las Vegas, Nevada 89101
702-385-6540
P.O. Box 170
Las Vegas, Nevada 89125-0170

In other areas, you may contact District Offices in:

Reno

310 Galletti Way
Sparks, Nevada 89431
775-834-8300

Winnemucca

725 West Fourth Street,
Winnemucca, Nevada 89445
775-623-8000
P.O. Box 3267
Winnemucca, NV 89446

Elko

1951 Idaho Street
Elko, Nevada 89801
775-738-7284

Ely

1401 Avenue F.
Ely, Nevada 89301
775-289-1666

Tonopah

805 Erie Main, P.O. Box 791
Tonopah, Nevada 89049
775-482-2375

DEAR NEVADA PROPERTY OWNER

As more people move to Nevada, more cars, trucks, bikes, and buses travel Nevada highways every day.

To provide the new transportation facilities needed by the State's ever-increasing population, and to improve roads to safe and efficient standards, the Department of Transportation is continuously planning and designing improvements.

If you have property near a busy street or highway, your property may be needed in the future to widen the roadway and relieve congestion.

We hope that this pamphlet, together with personal and individual assistance from our Right of Way personnel, will demonstrate that the needs and desires of property owners are considered fully and realistically in our highway programs.



HIGHWAY RIGHT OF WAY NEEDS

To provide much needed transportation improvements, it is sometimes necessary for the State to acquire private property. The rights of the property owners and occupants are protected by both state and federal laws. When private property is needed for highway right of way, owners will receive fair and just compensation and assistance.



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WILL COURT ACTION DELAY PAYMENT?

If the State requests and is granted occupancy by the court, the amount of the approved offer is deposited with the clerk of the court. The owner may withdraw this sum, after payment of any liens, by applying to the court. Withdrawing these funds will not prejudice or affect the owner's right to have the final amount determined by court action.



WHAT HAPPENS WHEN THE STATE AND THE OWNER DON'T AGREE?

If an owner does not agree with the amount offered by the Right-of-Way agent, the owner may submit another appraisal for consideration and review.

If agreement still cannot be reached, it may be necessary for the owner to obtain legal advice and for a court to determine just compensation for the property. If highway project construction must begin, the court may permit occupancy by the State while the compensation is being determined.

WHY THIS LOCATION?

Creating a new highway, or transportation-related facility, or improving an existing one involves planning, design and construction. The process involves many steps. Transportation professionals study present and projected traffic patterns, soil conditions, design, topography, construction and environmental factors.

Alternatives are presented for consideration at public meetings in which the public is invited to participate. Local, state and federal authorities approve a location based on information gathered in this process.



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HIGHWAY PLANNING, DESIGN AND CONSTRUCTION STEPS

1. NEEDS ESTABLISHED
2. TRAFFIC STUDIES MADE
3. ALTERNATIVES STUDIED
4. ENVIRONMENTAL IMPACTS STUDIED
5. DESIGN STUDIED
6. LOCAL PUBLIC MEETINGS
7. LOCATION APPROVED
8. ROAD DESIGN MEETING & APPROVAL
9. PLANS PREPARED
10. LAND TITLE DATA SECURED
11. PROPERTY APPRAISED
12. PROPERTY AGREEMENTS SIGNED
13. PAYMENT MADE, DEED DELIVERED
14. BUSINESS & RESIDENTIAL RELOCATION ASSISTANCE OFFERED
15. CONTRACTORS SUBMIT BIDS
16. HIGHWAY CONSTRUCTION
17. HIGHWAY OPENED



WILL THE STATE PROVIDE HELP IN MOVING?

Yes. Owners and tenants will be personally contacted by the department's relocation assistance staff who will help find suitable replacement premises.

This service will be provided for any individual, family, business concern, farm or nonprofit organization that occupies the premises, whether as an owner or as a tenant. Additionally, financial assistance may be available for obtaining replacement housing. Such relocation payments are made in addition to the price paid for the purchase of the property.

A relocation brochure explaining in greater detail all assistance and benefits available will be provided by the relocation agent.



WHEN WILL THE PROPERTY HAVE TO BE VACATED?

In order to have ample time to move, and to clear the area for construction, the Right-of-Way Division tries to work well in advance of the highway construction schedule.

Owners will be given written notice on or after the date of initiation of negotiations stating that they will not be required to move for at least 90 days.

The Department will not take any action which would coerce an owner into accepting its offer. This includes advancing the time of condemnation, deferring negotiations or condemnation, or postponing the deposit of funds in court for the purpose of coercing acceptance of an offer.

Owners are not required to surrender possession of property until:

1. Being paid the agreed purchase price, or
2. An amount at least equal to the agency's approved appraisal of the value of the property is deposited with the court, or
3. The award resulting from a condemnation proceeding is deposited with the court.

Once the Department has acquired the property, it reserves the option to rent it, subject to termination on short notice. If the department should select this option, the rent the Department may charge may not exceed the economic rental value of the property to a short-term tenant.

The Right-of-Way agent will make every effort to see that the move will be made with a minimum of personal inconvenience.

HOW IS VALUE DETERMINED

When design is complete and approved, funding is available, and the Department is ready to acquire all or part of a parcel, the owner will receive a letter from the Right-of-Way Division introducing the appraiser. The appraiser will contact the owner to arrange an inspection of the property, and to give the owner an opportunity to accompany the appraiser during the appraiser's inspection. Property owners are encouraged to be present during the appraiser's inspection and point out any special features the property may possess.

The appraiser may be a member of the Nevada Department of Transportation staff or may be an independent appraiser, working under a contract with the Department. In either case, appraisers are professionals who are educated and trained in property valuation. They will gather pertinent information concerning the property value. Their reports will be based on a thorough inspection of your property, a comparison with similar properties which have sold recently, determination of building costs if any, and consideration of income producing potential. Pictures and measurements will be taken, and the appraisers will talk to the owners about the property and any attributes that may enhance its value, and to identify items considered personal property.

Additional appraisals may be needed if the property has factors that complicate its valuation. Once the appraisal reports are complete, they are then submitted to a review appraiser who will check the report to verify completeness and accuracy. This review ensures that the property has received an impartial and unbiased estimation of the fair market value.

The appraisal report will be based on a thorough inspection of the property, a comparison will similar properties which have sold recently, determination of building costs if any, and consideration of income producing potential.

WHO WILL CONTACT AFFECTED PROPERTY OWNERS?

One of NDOT's Right-of-Way agents will contact affected property owners. Before calling for an appointment, the agent will collect and study the available information concerning the property and will be prepared to explain the details of the proposed highway construction. The Right of Way agent will answer or obtain answers to any questions the owner has concerning acquisition.

The agent will present the State's offer to purchase the property that is needed and confirm it in writing with a summary of the appraisal. The agent can and will discuss many aspects of the appraisal and answer any questions about the proposed acquisition and the project for which the acquisition is needed.

When agreement is reached, the Right of Way agent will have the necessary papers and documents prepared for signature and make arrangements for full and prompt payment for property purchased.



WHAT ABOUT ACCESS TO REMAINING PROPERTY?

The type of highway (transportation facility) dictates the kind of access that will be available to adjacent property. If only part of the property is acquired, access to the remaining property may be restricted depending upon the type of transportation-related improvement. Conventional highways and freeways are each designed and constructed to standards that meet different traffic needs. On conventional highways, access determination is planned for the safety of the property owner and traveling public. Freeways are controlled-access highways. On these highways, access is planned, and entrances and exits are designed to provide safe and efficient traffic movement. If restricted access results in a lower value or utility of the remaining property, compensation will be made by the State.

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MUST INCOME TAX BE PAID ON THE SALE?

Property may be worth more today than when it was purchased and would therefore be subject to capital gains tax. The sale of property for public purposes is considered by the Internal Revenue Service to be an “involuntary conversion.”

Depending on how the profits from the sale to the State are reinvested, it may not be necessary to pay income tax or capital gains tax. Payment for damages also may not be taxable.

Owners are urged to consult an attorney, accountant, tax advisor or the Internal Revenue Service office on this matter.

HOW MUCH WILL BE OFFERED?

The State’s offer will be the highest price, on the date of valuation, that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. The appraiser, the review appraiser and the negotiator all have the responsibility of making sure fair market value is paid for acquired property.

The State is a cash buyer, so shortly after signing the deed, property owners will receive a check.



WHAT IF ONLY PART IS ACQUIRED?

If only part of the property is to be acquired and the acquisition decreases the value of the remaining property, payment will be made for damages in addition to the payment for the value of the land acquired. This loss of value, or damages, will be estimated and included in the appraisal summary. If the acquisition leaves a remnant parcel of land which has little or no value or utility to the owner, the State may offer to purchase the uneconomic remnant. The Right-of-Way agent will explain the impacts and any choices.

A right of way agent will assist owners in obtaining the information necessary to reach a sound decision.

WHAT ABOUT PROPERTY TAXES?

The property owner is responsible only for payment of property taxes accruing to the date the deed to the State is recorded. Usually, the Right-of-Way agent will arrange to have the amount of these taxes deducted from the State's final payment and a check will be mailed directly to the County Treasurer.



HOW CAN LIENS BE SATISFIED?

As in a private sale, the property owner is responsible for satisfying any outstanding loans and liens against the property. The Right-of-Way agent will deposit the State's acquisition funds into an escrow account. The escrow officer will assist in obtaining a full or partial release of any liens. These payments will be deducted from the amount owners receive from the State and sent directly to the holder of the lien. When selling all or part of a property in a private real estate transaction, most lending agencies would require a prepayment penalty. If a prepayment penalty is required, the State will pay it at no expense to the owner.

For GI loans, the Veterans Administration recognizes that the sale of property to the State is not one of the owner's choosing. Under these circumstances, GI loan privileges may be restored and made available for purchase of another property.

TENANT-OWNED BUILDINGS, STRUCTURES & IMPROVEMENTS

The Nevada Department of Transportation is required to pay for property as if it were in a single ownership. The contributory value of the tenant's improvements will be paid to the tenant if the property owner disclaims all interest in the improvements the tenant claims to own.

In consideration for payment, the tenant must assign, transfer and release to the Department of Transportation all rights, title and interest in and to such improvements.

CAN THE PROPERTY OWNER KEEP THE BUILDINGS?

Yes. In this case, property owners will be paid the full market value of the land and improvements less the retention value of the potentially movable buildings. This retention value is determined by the Right-of-Way Division. It would be the owners' responsibility to have the building(s) moved, either to any remaining property or to a new location.

Before deciding to keep movable buildings, owners should ask the local building department about permits, regulations and possible restrictions in the area where buildings will be moved. It is possible that the cost of moving the buildings may be excessive, making the move an unwise expenditure.

A Right-of-Way agent will assist in obtaining the information necessary for owners to reach a sound decision.



REIMBURSEMENT OF INCIDENTAL EXPENSES

Owners are entitled to be reimbursed for fair and reasonable expenses necessarily incurred for:

1. Recording fees, title examination charges, escrow fees and similar expenses incidental to conveying real property to the acquiring agency.
2. Penalty costs for prepayment of any pre-existing, recorded mortgage, entered into in good faith, encumbering the property.
3. The pro rata portion of real property taxes that have been paid which are allocable to the period after the title passes to the acquiring agency, or the date of effective possession, whichever is earlier.