

FAP 220-15-00
REAL PROPERTY ACQUISITION

In accordance with KRS 56.463, the Finance and Administration Cabinet, Division of Real Properties, shall be responsible for the acquisition of real property for all departments, agencies, and administrative bodies of state government, except the Transportation Cabinet, and those universities which have elected to administer their real property functions pursuant to KRS 164A.555 to 164A.630. All requests for acquisition of real property shall include a description of the property, an explanation of the need, estimated cost and a statement concerning the means of financing the acquisition.

The secretary of the Finance and Administration Cabinet shall approve all requests pursuant to an Official Order. Upon the secretary's approval, the Division of Real Properties shall be responsible for coordinating, directing and performing all aspects of the acquisition process.

All costs of acquiring real property shall be borne by the requesting agency either by direct payment or inter-account bill. Appraisals of real property shall be performed by appraisers under contract to the Finance and Administration Cabinet or Transportation Cabinet staff appraisers. For property estimated to cost \$200,000 or more, two appraisals shall be performed. The Finance and Administration Cabinet's Division of Real Properties or the appraisal review staff of the Department of Highways shall review the appraisals.

1. Preliminary Stages.

- a. Only the Finance and Administration Cabinet, Division of Real Properties staff may conduct preliminary discussions with landowners regarding contemplated acquisitions of their properties. Other agencies shall not have preliminary discussions with landowners.
- b. The requesting agency shall, if possible, obtain a legal description of the land and the source of the owner's title.
- c. The requesting agency shall be familiar with and take into consideration the applicability of relocation assistance payments when preparing a proposal to acquire a particular property.
- d. The requesting agency shall comply with regulations relating to floodplain management when preparing a proposal to acquire a particular property.

2. Formal Declaration of Need.

Once the decision has been made by the requesting agency to purchase a particular property, a written formal determination of need shall be prepared and signed by the appropriate agency personnel and submitted to the Division of Real Properties.

3. Agency Participation and Duties During the Acquisition of Land.

Upon receipt of a formal determination of the requesting agency's or the Finance and Administration Cabinet's need for a particular property and any available title information, the director of the Division of Real Properties shall determine whether the request should be submitted to the secretary of the Finance and Administration Cabinet for approval. The Division of Real Properties shall write the commissioner, Department for Facilities and Support Services, for authorization to appraise the property and authorization to contact appraisers for a proposal to complete the appraisal. Once an appraisal has been obtained and reviewed, an Official Order shall be prepared and submitted to the secretary, Finance and Administration Cabinet, for approval. This Order shall authorize acquisition of the property at the negotiated price based on the fair market value. Once the Official Order has been executed, the Division of Real Properties may begin negotiations with the property owner. The requesting agency shall not be directly involved in the acquisition of the land except as follows:

- a. Officials of the requesting agency may be asked to accompany a representative of the Finance and Administration Cabinet to assist in an explanation to the landowner of the Commonwealth's necessity to acquire his land and what that landowner can expect.
 - b. The requesting agency shall promptly process all matters forwarded by the Finance and Administration Cabinet involving interaccounting.
 - c. The requesting agency shall cooperate with the Division of Real Properties during the acquisition phase.
4. The following steps shall be followed during the acquisition phase:
- a. Appraisal – If required by law, the Finance and Administration Cabinet shall obtain an appraisal to establish the fair market value of the property.
 - b. Negotiation - Agents of the Division of Real Properties shall negotiate in the name of the Commonwealth of Kentucky with the property owner. A firm offer based upon the appraisal shall be made, and, if it is accepted, a Land Contract shall be entered into with the landowner.
 - c. Title Examination - If required by law and if a Title Certification has not already been made available, the Finance and Administration Cabinet shall engage an attorney to perform an examination of title and prepare a narrative Abstract of Title. The Finance and Administration Cabinet shall obtain a Title Update after acquisition.
 - d. Survey - If required by law, the Finance and Administration Cabinet shall obtain a survey of the property.
 - e. Condemnation - If the landowner refuses an offer to purchase and a determination has been made by the director of the Division of Real Properties that the property cannot be acquired by negotiation or by an administrative settlement, the requesting agency shall be notified and requested to submit a formal request to the secretary of the Finance and Administration Cabinet that the property be acquired by condemnation. An Official Order authorizing condemnation shall be submitted to the secretary of the Finance and Administration Cabinet for approval.