
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1682 Session of
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YOUNGBLOOD, JUNE 17, 2011

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JUNE 17, 2011

AN ACT

1 Amending Title 68 (Real and Personal Property) of the
2 Pennsylvania Consolidated Statutes, providing for the
3 creation of land banks for the conversion of vacant or tax-
4 delinquent properties into productive use.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Part II of Title 68 of the Pennsylvania
8 Consolidated Statutes is amended by adding a subpart to read:

9 SUBPART A

10 PRELIMINARY PROVISIONS

11 Chapter

12 21. Land Banks

13 CHAPTER 21

14 LAND BANKS

15 Sec.

16 2101. Scope of chapter.

1 2102. Legislative findings and purpose.
2 2103. Definitions.
3 2104. Creation and existence.
4 2105. Board.
5 2106. Staff.
6 2107. Powers.
7 2108. Eminent domain.
8 2109. Acquisition of property.
9 2110. Disposition of property.
10 2111. Financing of land bank operations.
11 2112. Borrowing and issuance of bonds.
12 2113. Public records and public access.
13 2114. Dissolution of land bank.
14 2115. Conflicts of interest.
15 2116. Construction, intent and scope.
16 2117. Delinquent property tax enforcement.
17 2118. Expedited quiet title proceedings.
18 2119. Annual audit and report.
19 2120. Determination on procedural revision.

20 § 2101. Scope of chapter.

21 This chapter relates to land banks.

22 § 2102. Legislative findings and purpose.

23 The General Assembly finds and declares that:

24 (1) Communities are important to the social and economic
25 vitality of this Commonwealth. Whether urban, suburban or
26 rural, many communities are struggling to cope with vacant,
27 abandoned and tax-delinquent properties.

28 (2) Citizens of this Commonwealth are affected adversely
29 by vacant, abandoned and tax-delinquent properties, including
30 properties which have been vacated or abandoned due to

1 mortgage foreclosure.

2 (3) Vacant, abandoned and tax-delinquent properties
3 impose significant costs on neighborhoods, communities and
4 municipalities by lowering property values, increasing fire
5 and police protection costs, decreasing tax revenues and
6 undermining community cohesion.

7 (4) There is an overriding public need to confront the
8 problems caused by vacant, abandoned and tax-delinquent
9 properties through the creation of new tools to enable
10 municipalities to turn vacant spaces into vibrant places.

11 (5) Land banks are one of the tools that can be utilized
12 by municipalities to facilitate the return of vacant,
13 abandoned and tax-delinquent properties to productive use.

14 § 2103. Definitions.

15 The following words and phrases when used in this chapter
16 shall have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 "Board." The board of directors of a land bank.

19 "Department." The Department of Community and Economic
20 Development of the Commonwealth.

21 "Land bank." A public body and a body corporate and politic
22 established under this chapter.

23 "Land bank jurisdiction." A political subdivision which
24 complies with both of the following paragraphs:

25 (1) Is:

26 (i) a city, as defined in section 3(c) of the act of
27 May 24, 1945 (P.L.991, No.385), known as the Urban
28 Redevelopment Law; or

29 (ii) a county, as defined in section 3(d) of the
30 Urban Redevelopment Law.

1 (2) Possesses the authority to create a redevelopment
2 authority under section 4(c) and (d) of the Urban
3 Redevelopment Law.

4 "Real property." As follows:

- 5 (1) land;
6 (2) a structure on land;
7 (3) any easement, air right, franchise or incorporeal
8 hereditament applicable to land;
9 (4) a legal or equitable estate or right in land. This
10 paragraph includes a term for years and a lien;
11 (5) a fixture to land; or
12 (6) an improvement to land.

13 "School district." Any of the classifications of school
14 districts specified in section 202 of the act of March 10, 1949
15 (P.L.30, No.14), known as the Public School Code of 1949. The
16 term includes, as to any real property acquired, owned or
17 conveyed by a land bank, the school district within whose
18 geographical jurisdiction the real property is located.
19 § 2104. Creation and existence.

20 (a) Authority.--A land bank jurisdiction may elect to create
21 a land bank by the adoption of an ordinance, subject to the
22 approval of the mayor in a city or the county executive in a
23 home rule county, to create a binding legal obligation. The
24 ordinance must specify the following:

- 25 (1) The name of the land bank.
26 (2) The number of members of the board.
27 (3) The initial individuals to serve as members of the
28 board and the length of terms for which they will serve.
29 (4) The qualifications, manner of selection or
30 appointment and terms of office of members of the board.

1 (b) Filing.--The governing body of the land bank
2 jurisdiction which creates a land bank shall file a copy of the
3 ordinance with the department and with the Department of State.
4 After receipt of the ordinance, the Secretary of the
5 Commonwealth shall issue a certificate of incorporation.

6 (c) Combinations.--

7 (1) The authority under subsection (a) may be exercised
8 in combination pursuant to an intergovernmental cooperation
9 agreement by:

10 (i) more than one land bank jurisdiction; or
11 (ii) a land bank jurisdiction and one or more
12 municipalities.

13 (2) If a land bank is established under paragraph (1),
14 the intergovernmental cooperation agreement must specify
15 matters identified in subsection (a).

16 (d) Limitation.--Except as set forth in subsection (c), if a
17 county establishes a land bank, the land bank shall have the
18 power to acquire real property only in those portions of the
19 county located outside of the geographical boundaries of any
20 other land bank established by another land bank jurisdiction
21 located partially or entirely within the county.

22 (e) Participation by school district.--A school district may
23 participate in a land bank pursuant to an intergovernmental
24 cooperation agreement. The agreement must specify the
25 membership, if any, of the school district on the board of the
26 land bank and the actions of the land bank which are subject to
27 approval by the school district.

28 (f) Legal status of land bank.--A land bank shall:

29 (1) be a public body corporate and politic; and
30 (2) have duration until terminated and dissolved under

1 section 2114 (relating to dissolution of land bank).

2 (g) Collaboration.--A land bank, a political subdivision and
3 another municipal entity may enter into an intergovernmental
4 cooperation agreement relative to the operations of a land bank.

5 § 2105. Board.

6 (a) Membership.--A board shall consist of an odd number of
7 members and be not less than 5 members nor more than 11 members.
8 Unless restricted by the actions or agreements specified in
9 section 2104 (relating to creation and existence) and subject to
10 the limits stated in this section, the size of the board may be
11 adjusted in accordance with bylaws of the land bank.

12 (b) Eligibility to serve on board.--

13 (1) Notwithstanding any law to the contrary, a public
14 officer shall be eligible to serve as a board member, and the
15 acceptance of the appointment shall neither terminate nor
16 impair that public office.

17 (2) A municipal employee shall be eligible to serve as a
18 board member.

19 (3) An established land bank board shall include at
20 least one voting member who:

21 (i) is a resident of the land bank jurisdiction;

22 (ii) is not a public official or municipal employee;

23 and

24 (iii) maintains membership with a recognized civic
25 organization within the land bank jurisdiction.

26 (4) A member removed under subsection (d) (3) shall be
27 ineligible for reappointment to the board unless the
28 reappointment is confirmed unanimously by the board.

29 (5) As used in this subsection, the term "public
30 officer" means an individual who is elected to a municipal

1 office.

2 (c) Officers.--The members of the board shall select
3 annually from among their members a chair, vice chair,
4 secretary, treasurer and other officers as the board determines.

5 (d) Rules.--The board shall establish rules on all of the
6 following:

7 (1) Duties of officers under subsection (c).

8 (2) Attendance and participation of members in its
9 regular and special meetings.

10 (3) A procedure to remove a member by a majority vote of
11 the other members for failure to comply with a rule.

12 (4) Other matters necessary to govern the conduct of a
13 land bank.

14 (e) Vacancies.--A vacancy on the board shall be filled in
15 the same manner as the original appointment. Upon removal under
16 subsection (d) (3), the position shall become vacant.

17 (f) Compensation.--Board members shall serve without
18 compensation. The board may reimburse a member for expenses
19 actually incurred in the performance of duties on behalf of the
20 land bank.

21 (g) Meetings.--

22 (1) The board shall meet as follows:

23 (i) In regular session according to a schedule
24 adopted by the board.

25 (ii) In special session:

26 (A) as convened by the chair; or

27 (B) upon written notice signed by a majority of
28 the members.

29 (2) A majority of the board, excluding vacancies,
30 constitutes a quorum. Physical presence is required under

1 this paragraph.

2 (h) Voting.--

3 (1) Except as set forth in paragraph (2) or (3), action
4 of the board must be approved by the affirmative vote of a
5 majority of the board present and voting.

6 (2) Action of the board on the following matters must be
7 approved by a majority of the entire board membership:

8 (i) Adoption of bylaws.

9 (ii) Adoption of rules under subsection (d).

10 (iii) Hiring or firing of an employee or contractor
11 of the land bank. This function may by majority vote of
12 the entire board membership be delegated by the board to
13 a specified officer or committee of the land bank.

14 (iv) Incurring of debt.

15 (v) Adoption or amendment of the annual budget.

16 (vi) Sale, lease, encumbrance or alienation of real
17 property or personal property with a value of more than
18 \$50,000.

19 (3) A resolution under section 2114 (relating to
20 dissolution of a land bank) must be approved by two-thirds of
21 the entire board membership.

22 (4) A member of the board may not vote by proxy.

23 (5) A member may request a recorded vote on any
24 resolution or action of the land bank.

25 (i) Immunity.--A member of a board shall not be liable
26 personally on the bonds or other obligations of the land bank.
27 Rights of creditors of a land bank shall be solely against the
28 land bank.

29 § 2106. Staff.

30 (a) Employees.--A land bank may employ or enter into a

1 contract for an executive director, counsel and legal staff,
2 technical experts and other individuals and may determine the
3 qualifications and fix the compensation and benefits of those
4 employees.

5 (b) Contracts.--A land bank may enter into a contract with a
6 municipality for:

7 (1) the municipality to provide staffing services to the
8 land bank; or

9 (2) the land bank to provide staffing services to the
10 municipality.

11 § 2107. Powers.

12 A land bank constitutes a public body, corporate and politic,
13 exercising public powers of the Commonwealth necessary or
14 appropriate to carry out this chapter, including the following
15 powers:

16 (1) To adopt, amend and repeal bylaws for the regulation
17 of its affairs and the conduct of its business.

18 (2) To sue and be sued in its own name and be a party in
19 a civil action. This paragraph includes an action to clear
20 title to property of the land bank.

21 (3) To adopt a seal and to alter the same at pleasure.

22 (4) To borrow from Federal Government funds, from the
23 Commonwealth, from private lenders or from municipalities, as
24 necessary, for the operation and work of the land bank.

25 (5) To issue negotiable revenue bonds and notes
26 according to the provisions of this chapter.

27 (6) To procure insurance or guarantees from the Federal
28 Government or the Commonwealth of the payment of debt
29 incurred by the land bank, and to pay premiums in connection
30 with the insurance or guarantee.

1 (7) To enter into contracts and other instruments
2 necessary, incidental or convenient to the performance of its
3 duties and the exercise of its powers. This paragraph
4 includes intergovernmental cooperation agreements under 53
5 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
6 cooperation) for the joint exercise of powers under this
7 chapter.

8 (8) To enter into contracts and intergovernmental
9 cooperation agreements with municipalities for the
10 performance of functions by municipalities on behalf of the
11 land bank or by the land bank on behalf of municipalities.

12 (9) To make and execute contracts and other instruments
13 necessary or convenient to the exercise of the powers of the
14 land bank. Any contract or instrument signed shall be
15 executed by and for the land bank if the contract or
16 instrument is signed, including an authorized facsimile
17 signature, by:

18 (i) the chair or vice chair of the land bank; and

19 (ii) either:

20 (A) the secretary or assistant secretary of the
21 land bank; or

22 (B) the treasurer or assistant treasurer of the
23 land bank.

24 (10) To procure insurance against losses in connection
25 with the real property, assets or activities of the land
26 bank.

27 (11) To invest money of the land bank at the discretion
28 of the board in instruments, obligations, securities or
29 property determined proper by the board and to name and use
30 depositories for its money.

1 (12) To enter into contracts for the management of, the
2 collection of rent from or the sale of real property of the
3 land bank.

4 (13) To design, develop, construct, demolish,
5 reconstruct, rehabilitate, renovate, relocate and otherwise
6 improve real property or rights or interests in real
7 property.

8 (14) To fix, charge and collect rents, fees and charges
9 for the use of real property of the land bank and for
10 services provided by the land bank.

11 (15) To grant or acquire licenses, easements, leases or
12 options with respect to real property of the land bank.

13 (16) To enter into partnerships, joint ventures and
14 other collaborative relationships with municipalities and
15 other public and private entities for the ownership,
16 management, development and disposition of real property.

17 (17) To organize and reorganize the executive,
18 administrative, clerical and other departments of the land
19 bank and to fix the duties, powers and compensation of
20 employees, agents and consultants of the land bank.

21 (18) To do all other things necessary or convenient to
22 achieve the objectives and purposes of the land bank or other
23 law related to the purposes and responsibility of the land
24 bank.

25 § 2108. Eminent domain.

26 A land bank does not possess the power of eminent domain.

27 § 2109. Acquisition of property.

28 (a) Tax exemption.--

29 (1) Except as set forth in paragraph (2), the real
30 property of a land bank and its income and operations are

1 exempt from State and local tax.

2 (2) Paragraph (1) does not apply to real property of a
3 land bank after the fifth consecutive year in which the real
4 property is continuously leased to a private third party.

5 (b) Methods of acquisition.--A land bank may acquire real
6 property or interests in real property by any means on terms and
7 conditions and in a manner the land bank considers proper.

8 (c) Acquisitions from municipalities.--

9 (1) A land bank may acquire real property by purchase
10 contracts, lease purchase agreements, installment sales
11 contracts and land contracts and may accept transfers from
12 municipalities upon terms and conditions as agreed to by the
13 land bank and the municipality.

14 (2) A municipality may transfer to a land bank real
15 property and interests in real property of the municipality
16 on terms and conditions and according to procedures
17 determined by the municipality as long as the real property
18 is located within the jurisdiction of the land bank.

19 (d) Maintenance.--A land bank shall maintain all of its real
20 property in accordance with the statutes and ordinances of the
21 jurisdiction in which the real property is located.

22 (e) Prohibition.--

23 (1) Subject to the provisions of paragraph (2), a land
24 bank may not own or hold real property located outside the
25 jurisdictional boundaries of the entities which created the
26 land bank under section 2104(c) (relating to creation and
27 existence).

28 (2) A land bank may be granted authority pursuant to an
29 intergovernmental cooperation agreement with a municipality
30 to manage and maintain real property located within the

1 jurisdiction of the municipality.

2 (f) Tax claim bureaus.--A tax claim bureau may transfer to a
3 land bank real property of the county held by the tax claim
4 bureau, as trustee for the county, in a repository for unsold
5 property under section 626 of the act of July 7, 1947 (P.L.1368,
6 No.542), known as the Real Estate Tax Sale Law.

7 (g) Acquisition of tax delinquent properties.--

8 (1) If authorized by the land bank jurisdiction which
9 created a land bank or otherwise by intergovernmental
10 cooperation agreement, a land bank may:

11 (i) accept donations of real property under:

12 (A) section 5.1 of the act of May 16, 1923
13 (P.L.207, No.153), referred to as the Municipal Claim
14 and Tax Lien Law; or

15 (B) section 303 of the Real Estate Tax Sale Law;
16 and

17 (ii) subject to paragraph (2), extinguish delinquent
18 claims for taxes as to the property.

19 (2) Claims of a school district shall be extinguished
20 only if the school district has designated the land bank as
21 its agent under section 5.1(g) of the Municipal Claim and Tax
22 Lien Law or section 303(b) (6) of the Real Estate Tax Sale
23 Law.

24 § 2110. Disposition of property.

25 (a) Title to be held in its name.--A land bank shall hold in
26 its own name real property acquired by the land bank
27 irrespective of the identity of the transferor of the property.

28 (b) Public access to inventory.--A land bank shall maintain
29 and make available for public review and inspection an inventory
30 of real property held by the land bank.

1 (c) Power.--A land bank may convey, exchange, sell,
2 transfer, lease, grant or mortgage interests in real property of
3 the land bank in the form and by the method determined to be in
4 the best interests of the land bank.

5 (d) Consideration.--

6 (1) A land bank shall determine the amount and form of
7 consideration necessary to convey, exchange, sell, transfer,
8 lease as lessor, grant or mortgage interests in real
9 property.

10 (2) Consideration may take the form of monetary payments
11 and secured financial obligations, covenants and conditions
12 related to the present and future use of the property,
13 contractual commitments of the transferee and other forms of
14 consideration as determined by the board to be in the best
15 interest of the land bank.

16 (e) Policies and procedures.--

17 (1) A board shall determine and state in the land bank
18 policies and procedures the general terms and conditions for
19 consideration to be received by the land bank for the
20 transfer of real property and interests in real property.

21 (2) Requirements which may be applicable to the
22 disposition of real property and interests in real property
23 by municipalities shall not be applicable to the disposition
24 of real property and interests in real property by a land
25 bank.

26 (f) Ranking of priorities.--A land bank jurisdiction may, in
27 its ordinance creating a land bank, or, in the case of multiple
28 land bank jurisdictions creating a single land bank, in the
29 applicable intergovernmental cooperation agreement, establish a
30 hierarchical ranking of priorities for the use of real property

1 conveyed by a land bank, including use for:

2 (1) Purely public spaces and places.

3 (2) Affordable housing.

4 (3) Retail, commercial and industrial activities.

5 (4) Conservation areas.

6 (g) Specific voting and approval requirements.--

7 (1) A land bank jurisdiction may, in its ordinance
8 creating a land bank, or, in the case of multiple land bank
9 jurisdictions and municipalities creating a single land bank
10 in the applicable intergovernmental cooperation agreement,
11 require that a particular form of disposition of real
12 property or a disposition of real property located within
13 specified jurisdictions be subject to specified voting and
14 approval requirements of the board.

15 (2) Except as restricted or constrained under paragraph
16 (1), the board may delegate to officers and employees the
17 authority to enter into and execute agreements, instruments
18 of conveyance and other related documents pertaining to the
19 conveyance of real property by the land bank.

20 § 2111. Financing of land bank operations.

21 (a) General rule.--A land bank may receive funding through
22 grants and loans from:

23 (1) the Federal Government;

24 (2) the Commonwealth;

25 (3) a municipality;

26 (4) the land bank jurisdiction which created the land
27 bank; and

28 (5) private sources.

29 (b) Funding.--A land bank may receive and retain payments
30 for services rendered, for rents and leasehold payments

1 received, for consideration for disposition of real and personal
2 property, for proceeds of insurance coverage for losses
3 incurred, for income from investments and for an asset and
4 activity lawfully permitted to a land bank under this chapter.

5 (c) Allocated real property taxes.--

6 (1) A taxing jurisdiction may authorize the remittance
7 or dedication of a portion of real property taxes collected
8 pursuant to the laws of this Commonwealth to a land bank on
9 real property conveyed by a land bank.

10 (2) Allocation of property tax revenues in accordance
11 with this subsection, if authorized by the taxing
12 jurisdiction, shall commence with the first taxable year
13 following the date of conveyance and continue for a period of
14 up to five years and may not exceed a maximum of 50% of the
15 aggregate property tax revenues generated by the property.

16 (3) Remittance or dedication of real property taxes
17 shall include the real property taxes of a school district
18 only if the school district enters into an agreement with the
19 land bank for the remittance or dedication.

20 § 2112. Borrowing and issuance of bonds.

21 (a) Authority.--

22 (1) A land bank may issue a bond for any of its
23 corporate purposes.

24 (2) The principal and interest of a bond shall be
25 payable from the land bank's general revenue.

26 (3) The bond may be secured by any of the following:

27 (i) A pledge of revenue. This subparagraph includes
28 a grant or contribution from:

29 (A) The Federal Government or a Federal agency
30 or instrumentality.

1 (B) The Commonwealth, a Commonwealth agency or
2 an instrumentality of the Commonwealth.

3 (ii) A mortgage of property of the land bank.

4 (b) Nature.--The bond must meet the requirements of 13
5 Pa.C.S. § 3104 (relating to negotiable instrument).

6 (c) Tax exempt.--A bond and the income from the bond is
7 exempt from taxation by:

8 (1) the Commonwealth; or

9 (2) a political subdivision.

10 (d) Procedure.--

11 (1) A bond must be authorized by resolution of the board
12 and shall be a limited obligation of the land bank. The
13 principal and interest, costs of issuance and other costs
14 incidental to the bond shall be payable solely from the
15 income and revenue derived from the sale, lease or other
16 disposition of the assets of the land bank.

17 (2) In the discretion of the land bank, a bond may be
18 additionally secured by mortgage or other security device
19 covering all or part of the project from which the pledged
20 revenues may be derived.

21 (3) A refunding bond issued under this section:

22 (i) shall be payable from:

23 (A) a source described in this chapter; or

24 (B) the investment of the proceeds of the
25 refunding bonds; and

26 (ii) shall not constitute an indebtedness or pledge
27 of the general credit of a political subdivision within
28 the meaning of a constitutional or statutory limitation
29 of indebtedness and shall contain a recital to that
30 effect.

1 (4) A bond must comply with the authorizing resolution
2 as to:

3 (i) form;

4 (ii) denomination;

5 (iii) interest rate;

6 (iv) maturity; and

7 (v) execution.

8 (5) A bond may be subject to redemption at the option of
9 and in the manner determined by the board in the authorizing
10 resolution.

11 (e) Powers of municipalities.--A municipality may elect to
12 guarantee, insure or otherwise become primarily or secondarily
13 obligated on the indebtedness of a land bank subject, however,
14 to all other provisions of law of this Commonwealth applicable
15 to municipal indebtedness.

16 (f) Sale.--

17 (1) A bond shall be issued, sold and delivered in
18 accordance with the terms and provisions of the authorizing
19 resolution. The board, to effectuate its best interest, may
20 determine the manner of sale, public or private, and the
21 price of the bond.

22 (2) The resolution issuing a bond must be published in a
23 newspaper of general circulation within the jurisdiction in
24 which the land bank is located.

25 (g) Liability.--

26 (1) Neither the members of a land bank nor a person
27 executing the bond shall be liable personally on the bonds by
28 reason of the issuance of the bond.

29 (2) The bond or other obligation of a land bank related
30 to a bond shall not be a debt of a political subdivision or

1 of the Commonwealth. A statement to this effect shall appear
2 on the face of the bond or obligation.

3 (3) On the bond or other obligation of a land bank
4 related to a bond, all of the following apply:

5 (i) The Commonwealth has no liability. This
6 subparagraph applies to the revenue and property of the
7 Commonwealth.

8 (ii) A political subdivision has no liability. This
9 subparagraph applies to the revenue and property of a
10 political subdivision.

11 § 2113. Public records and public access.

12 (a) Public records.--A board shall keep minutes and a record
13 to be kept of its proceedings.

14 (b) Public access.--A land bank is subject to:

15 (1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and

16 (2) the act of February 14, 2008 (P.L.6, No.3), known as
17 the Right-to-Know Law.

18 § 2114. Dissolution of land bank.

19 (a) Authority.--A land bank may be dissolved as a public
20 body corporate and politic upon compliance with all of the
21 following:

22 (1) Sixty calendar days' advance written notice of
23 consideration of a resolution of dissolution must:

24 (i) be given to the land bank jurisdiction which
25 created the land bank;

26 (ii) be published in a local newspaper of general
27 circulation; and

28 (iii) be sent by certified mail to the trustees of
29 outstanding bonds of the land bank.

30 (2) A resolution of dissolution stating dissolution in

1 60 days must be approved under section 2105(h)(3) (relating
2 to board).

3 (b) Transfer of assets.--Upon dissolution of the land bank,
4 real property, personal property and other assets of the land
5 bank shall become the assets of the municipality in which the
6 property is located.

7 (c) Multiple jurisdictions.--If multiple land bank
8 jurisdictions create a land bank under section 2104(c) (relating
9 to creation and existence), the withdrawal of one or more land
10 bank jurisdictions shall not require dissolution of the land
11 bank unless:

12 (1) the intergovernmental cooperation agreement provides
13 for dissolution in this event; and

14 (2) there is no land bank jurisdiction which desires to
15 continue the existence of the land bank.

16 § 2115. Conflicts of interest.

17 (a) State Adverse Interest Act.--The acts and decisions of
18 members of a board and of employees of a land bank shall be
19 subject to the act of July 19, 1957 (P.L.1017, No.451), known as
20 the State Adverse Interest Act.

21 (b) Ethical standards.--Board members and land bank
22 employees are subject to 65 Pa.C.S. Ch. 11 (relating to ethics
23 standards and financial disclosure).

24 (c) Supplemental rules and guidelines.--The board may adopt:

25 (1) supplemental rules addressing potential conflicts of
26 interest; and

27 (2) ethical guidelines for members of the board and land
28 bank employees.

29 § 2116. Construction, intent and scope.

30 This chapter shall be construed liberally to effectuate the

1 legislative intent and the purposes as complete and independent
2 authorization for the implementation of this chapter, and all
3 powers granted shall be broadly interpreted to effectuate the
4 intent and purposes and not as a limitation of powers.

5 § 2117. Delinquent property tax enforcement.

6 (a) Power to discharge liens and claims.--

7 (1) Except as set forth in paragraph (2), a land bank
8 may, by resolution of the board, discharge a lien or claim to
9 its real property for tax owed to the members of the land
10 bank.

11 (2) For a land bank to discharge under paragraph (1) a
12 lien or claim to its real property for tax owed to a school
13 district, the governing body of the school district must
14 approve the discharge.

15 (3) The land bank must file evidence of the
16 extinguishment and dissolution of liens or claims with the
17 county tax claim bureau, including copies of the resolution
18 by the board, the intergovernmental agreement, receipt of
19 payment and other necessary and appropriate documentation.
20 This requirement must be satisfied no later than the earlier
21 of:

22 (i) ten days prior to the conveyance of the
23 property; or

24 (ii) within 30 days after the discharge.

25 (b) Remittance of payments.--To the extent that a land bank
26 receives payments attributable to a lien or claim for real
27 property taxes owed to a municipality or school district on
28 property acquired by the land bank, the land bank shall remit
29 the full amount of the payments to the municipality or school
30 district.

1 (c) Procedure relating to Real Estate Tax Sale Law.--For a
2 land bank located in a municipality which follows the act of
3 July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax
4 Sale Law, all of the following apply:

5 (1) Depending upon the time of filing, the following
6 apply:

7 (i) For a tax claim filed under the Real Estate Tax
8 Sale Law, the municipality:

9 (A) may direct the county tax claim bureau to
10 assign the claim or lien to the land bank under terms
11 mutually acceptable to the municipality and land
12 bank; and

13 (B) shall otherwise confer upon the land bank
14 the rights, privileges and remedies of an assignee
15 under section 316 of the Real Estate Tax Sale Law.

16 (ii) For a tax claim to be filed under the Real
17 Estate Tax Sale Law, a municipality which has complied
18 with section 26 of the act of May 25, 1945 (P.L.1050,
19 No.394), known as the Local Tax Collection Law, and
20 section 306 of the Real Estate Tax Sale Law:

21 (A) may assign and transfer the claim to the
22 land bank upon terms and conditions mutually
23 acceptable to the municipality and the land bank; and

24 (B) shall otherwise confer upon the land bank
25 the rights, privileges and remedies of an assignee
26 under section 316 of the Real Estate Tax Sale Law.

27 (2) All of the following apply to upset sales:

28 (i) The upset sale price contemplated by section 605
29 of the Real Estate Tax Sale Law may be set in advance in
30 an amount equal to or greater than the minimum amount

1 described in section 605 of the Real Estate Tax Sale Law
2 as may be mutually agreed in writing by the municipality
3 and the land bank.

4 (ii) If there is an agreement under subparagraph (i)
5 and no one bids a higher price than the specified upset
6 sale price, the property shall be sold to the land bank
7 upon payment by the land bank for the upset sale costs
8 and all liens, claims and subordinate encumbrances shall
9 be discharged by the sale.

10 (3) All of the following apply to judicial sales:

11 (i) Notwithstanding section 612 of the Real Estate
12 Tax Sale Law, the form, substance and timing of the land
13 bank's payment of the sales price may be according to the
14 agreement as is mutually acceptable to the plaintiff and
15 the land bank if all of the following apply:

16 (A) A judicial sale is ordered pursuant to a
17 judgment on a tax claim.

18 (B) The purchaser of the property is the land
19 bank.

20 (C) The sales price is an amount agreed to by
21 the land bank and the plaintiff in the claim.

22 (ii) The obligation of the land bank to perform in
23 accordance with the agreement under subparagraph (i)
24 shall be deemed to be in full satisfaction of the tax
25 claim which was the basis for the judgment.

26 (iii) The land bank, as purchaser at the sale, shall
27 have an absolute title to the property sold, free and
28 discharged of tax and municipal claims, liens, mortgages,
29 ground rents, charges and estates.

30 (4) The notice and return under sections 602 and 607(a)

1 of the Real Estate Tax Sale Law must contain reference to a
2 potential bid by the land bank.

3 (5) The deed to the land bank under sections 608 and 615
4 of the Real Estate Tax Sale Law shall be delivered and
5 acknowledged and recorded within 30 days of the date of
6 confirmation.

7 (6) All of the following apply to judicial sales for
8 multiple tracts:

9 (i) In a petition for a judicial sale, the
10 municipality or the land bank, if it is the holder of
11 municipal tax liens, may combine in a single petition
12 multiple tracts of real property if the petition and
13 accompanying affidavits provide all of the following:

14 (A) Identification of each tract of real
15 property.

16 (B) The identities of each party having an
17 interest in a tract of real property.

18 (C) The amount of the tax liens then due and
19 owing, together with associated interest, costs and
20 fees.

21 (D) The nature of the notice of the proposed
22 sale provided to the interested parties.

23 (ii) The court may authorize in a single final
24 judgment that all or part of the real properties
25 identified in the petition be sold free and clear of tax
26 and municipal claims, mortgages, liens, charges and
27 estates and ground rents.

28 (d) Procedure relating to Municipal Claim and Tax Lien
29 Law.--For a land bank located in a municipality which follows
30 the act of May 16, 1923 (P.L.207, No.153), referred to as the

1 Municipal Claim and Tax Lien Law, all of the following apply:

2 (1) Regardless of the time of filing, the municipality:

3 (i) may assign and transfer a tax or municipal claim
4 to the land bank upon terms and conditions mutually
5 acceptable to the municipality and land bank; and

6 (ii) shall otherwise confer upon the land bank the
7 rights, privileges and remedies of an assignee as stated
8 in section 33 of the Municipal Claim and Tax Lien Law.

9 (2) All of the following apply to upset sales:

10 (i) The upset sale price authorized by section 29 of
11 the Municipal Claim and Tax Lien Law may be set in
12 advance in an amount as mutually agreed in writing by a
13 municipality and land bank.

14 (ii) If there is an agreement under subparagraph (i)
15 and no one bids a higher price than the specified upset
16 sale price, the property shall be sold to the land bank
17 upon payment by the land bank for the upset sale costs
18 and liens, claims and subordinate encumbrances shall be
19 discharged by the sale.

20 (3) All of the following apply to judicial sales:

21 (i) Notwithstanding section 31 of the Municipal
22 Claim and Tax Lien Law, the form, substance and timing of
23 the land bank's payment of the sales price may be
24 according to the agreement mutually acceptable to the
25 plaintiff and the land bank if all of the following
26 apply:

27 (A) A judicial sale is ordered pursuant to a
28 judgment on a tax or municipal claim.

29 (B) The purchaser of the property is the land
30 bank.

1 (C) The sales price is an amount agreed to by
2 the land bank and the plaintiff.

3 (ii) The obligation of the land bank to perform in
4 accordance with the agreement under subparagraph (i)
5 shall be deemed to be in full satisfaction of the
6 municipal claim which was the basis for the judgment.

7 (iii) The land bank, as purchaser at the sale, shall
8 have an absolute title to the property sold, free and
9 discharged of tax and municipal claims, liens, mortgages,
10 ground rents, charges and estates.

11 (4) Notwithstanding sections 31.1 and 31.2 of the
12 Municipal Claim and Tax Lien Law and sections 4 and 6 of the
13 act of March 1, 1956 (1955 P.L.1196, No.372), entitled "An
14 act authorizing the sale of vacant land located in areas
15 certified as conservation areas in counties of the first
16 class, under a judgment obtained on a tax claim, by the
17 sheriff of the county; providing for the discharge of all
18 liens, mortgages, ground rents, estates and claims against
19 the property by sale; and limiting the right of redemption,"
20 all of the following apply:

21 (i) The land bank may tender a bid at the sale in an
22 amount equal to the total amount of all municipal claims
23 and liens which were the basis for the judgment. Upon
24 tender under this subparagraph, the property shall be
25 deemed sold to the land bank regardless of bids by other
26 parties.

27 (ii) The bid of the Land Bank shall be paid as to
28 its form, substance and timing according to an agreement
29 that is mutually acceptable to the plaintiff and the land
30 bank. The obligation of the land bank to perform in

1 accordance with the agreement shall be deemed to be in
2 full satisfaction of the tax or municipal claim which was
3 the basis for the judgment.

4 (iii) The land bank, as purchaser at the sale, shall
5 have an absolute title to the property sold, free and
6 discharged of tax and municipal claims, liens, mortgages,
7 ground rents, charges and estates.

8 (iv) The deed to the land bank shall be executed,
9 acknowledged and delivered within 30 days of the sale.

10 (5) All of the following apply to judicial sales for
11 multiple tracts:

12 (i) In a petition for a judicial sale, a
13 municipality or a land bank, if it is the holder of
14 municipal tax liens, may combine in a petition multiple
15 tracts of real property if the petition and accompanying
16 affidavits provide all of the following:

17 (A) Identification of each tract of real
18 property.

19 (B) The identities of each party having an
20 interest in a tract of real property.

21 (C) The amount of the tax liens then due and
22 owing, together with associated interest, costs and
23 fees.

24 (D) The nature of the notice of the proposed
25 sale provided to the interested parties.

26 (ii) The court may authorize in a single final
27 judgment that all or part of the real properties
28 identified in the petition be sold free and clear of tax
29 and municipal claims, mortgages, liens, ground rents,
30 charges and estates.

1 (e) Procedure relating to Second Class City Treasurer's Sale
2 and Collection Act.--For a land bank located in a municipality
3 which follows the act of October 11, 1984 (P.L.876, No.171),
4 known as the Second Class City Treasurer's Sale and Collection
5 Act, all of the following apply:

6 (1) Regardless of the time of filing, a municipality:

7 (i) may assign and transfer a tax or municipal claim
8 to the land bank under the Second Class City Treasurer's
9 Sale and Collection Act upon terms and conditions
10 mutually acceptable to the municipality and the land
11 bank; and

12 (ii) shall otherwise confer upon the land bank the
13 rights, privileges and remedies of the municipality under
14 the Second Class City Treasurer's Sale and Collection
15 Act.

16 (2) All of the following apply to upset sales:

17 (i) The upset sale price authorized by section 301
18 of the Second Class City Treasurer's Sale and Collection
19 Act may be set in an amount as mutually agreed in writing
20 by the municipality and land bank.

21 (ii) The land bank may tender a bid for the mutually
22 agreed upset sale price.

23 (iii) Notwithstanding section 301 of the Second
24 Class City Treasurer's Sale and Collection Act, the bid
25 of the land bank shall be paid as to its form, substance
26 and timing according to an agreement between the
27 municipality and land bank. The obligation of the land
28 bank to perform in accordance with the agreement shall be
29 deemed to be in full satisfaction of the tax or claim
30 which was the basis for the sale.

1 (3) The notice and advertisement under sections 203 and
2 204 of the Second Class City Treasurer's Sale and Collection
3 Act must contain reference to a potential bid by the land
4 bank.

5 (4) Subject to redemption under section 304 of the
6 Second Class City Treasurer's Sale and Collection Act and
7 confirmation under section 305 of the Second Class City
8 Treasurer's Sale and Collection Act, the land bank, as
9 purchaser at the sale, shall have an absolute title to the
10 property sold, free and discharged of tax and municipal
11 claims, liens, mortgages, ground rents, charges and estates.

12 (5) The deed to the land bank under section 307 of the
13 Second Class City Treasurer's Sale and Collection Act shall
14 be delivered, acknowledged and recorded within 30 days of the
15 date of confirmation.

16 (6) All of the following apply to judicial sales for
17 multiple tracts:

18 (i) In a petition for a judicial sale, the
19 municipality or the land bank, if it is the holder of
20 municipal tax liens, may combine in a single petition
21 multiple tracts of real property if the petition and
22 accompanying affidavits provide all of the following:

23 (A) Identification of each tract of real
24 property.

25 (B) The identities of each party having an
26 interest in a tract of real property.

27 (C) The amount of the tax liens then due and
28 owing, together with associated interest, costs and
29 fees.

30 (D) The nature of the notice of the proposed

1 sale provided to the interested parties.

2 (ii) The court may authorize in a single final judgment
3 that all or part of the real properties identified in the
4 petition be sold free and clear of tax and municipal
5 claims, mortgages, liens, charges and estates and ground
6 rents.

7 (f) Involuntary transfers.--A land bank which acquires real
8 property under this section shall be deemed to have acquired the
9 real property as an involuntary transfer within the meaning of
10 section 701(b)(1)(vi)(B) of the act of October 18, 1988
11 (P.L.756, No.108), known as the Hazardous Sites Cleanup Act.

12 (g) Expiration.--This section shall expire upon publication
13 of the notice under section 2120 (relating to determination on
14 procedural revision).

15 § 2118. Expedited quiet title proceedings.

16 (a) Authorization.--

17 (1) A land bank may file an action to quiet title to
18 real property in which the land bank has an interest.

19 (2) A land bank may join in a single complaint to quiet
20 title to one or more parcels of real property.

21 (3) For purposes of an action under this section, the
22 land bank shall be deemed to be the holder of sufficient
23 legal and equitable interests and possessory rights so as to
24 qualify the land bank as an adequate complainant in the
25 action.

26 (b) Procedural requirements.--

27 (1) Prior to the filing of an action to quiet title the
28 land bank must conduct an examination of title to determine
29 the identity of any person possessing a claim or interest in
30 or to the real property.

1 (2) Service of the complaint to quiet title shall be
2 provided to interested parties as follows:

3 (i) By First Class mail to the identity and address
4 reasonably ascertainable by an inspection of public
5 records.

6 (ii) In the case of occupied real property, by First
7 Class mail, addressed to "Occupant."

8 (iii) By posting a copy of the notice on the real
9 property.

10 (iv) By publication.

11 (v) As ordered by the court.

12 (3) As part of the complaint to quiet title, the land
13 bank must file an affidavit identifying:

14 (i) persons discovered under paragraph (1); and

15 (ii) the form of service under paragraph (2).

16 (c) Hearing.--

17 (1) The court shall schedule a hearing on the complaint
18 within 90 days following filing of the complaint and as to
19 all matters upon which an answer was not filed by an
20 interested party.

21 (2) The court shall issue its final judgment within 120
22 days of the filing of the complaint.

23 § 2119. Annual audit and report.

24 The following shall apply:

25 (1) The land bank shall annually, within 120 days after
26 the end of the fiscal year, submit an audit of income and
27 expenditures, together with a report of its activities for
28 the preceding year, to the department.

29 (2) A duplicate of the audit and the report shall be
30 filed with the governing body of:

1 (i) the land bank jurisdiction which created the
2 land bank; and
3 (ii) each political subdivision which opted to
4 participate in the land bank pursuant to an
5 intergovernmental agreement.

6 § 2120. Determination on procedural revision.

7 If the department determines that comprehensive reform
8 legislation on property-tax foreclosure has been enacted
9 revising procedure under the statutory provisions referred to in
10 section 2117 (relating to delinquent property tax enforcement),
11 the department shall transmit notice of the determination to the
12 Legislative Reference Bureau for publication in the Pennsylvania
13 Bulletin.

14 Section 2. This act shall take effect in 60 days.