

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1414 Session of
2012

INTRODUCED BY ARGALL, YAW, PILEGGI, RAFFERTY, WAUGH, FONTANA,
SOLOBAY, ERICKSON, SCHWANK, MENSCH, YUDICHAK AND EARLL,
FEBRUARY 16, 2012

REFERRED TO URBAN AFFAIRS AND HOUSING, FEBRUARY 16, 2012

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.

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18 § 2101. Scope of chapter.

19 This chapter relates to land banks.

20 § 2102. Legislative findings and purpose.

21 The General Assembly finds and declares that:

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

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

30 (3) Vacant, abandoned and tax-delinquent properties

1 impose significant costs on neighborhoods, communities and
2 municipalities by lowering property values, increasing fire
3 and police protection costs, decreasing tax revenues and
4 undermining community cohesion.

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

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

13 § 2103. Definitions.

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

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

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

20 "Financial institution." A bank, savings association,
21 operating subsidiary of a bank or savings association, credit
22 union, association licensed to originate mortgage loans or an
23 assignee of a mortgage or note originated by such an
24 institution.

25 "Land bank." A public body and a body corporate and politic
26 established under this chapter.

27 "Land bank jurisdiction."

28 (1) a county, city, borough, township or incorporated
29 town with a population of more than 10,000; or

30 (2) two or more municipalities with populations less

1 than 10,000 that enter into an intergovernmental cooperation
2 agreement to establish and maintain a land bank.

3 "Low income." A household with total income at or below 80%
4 of the area median income, adjusted for household size, as
5 defined annually by the United States Department of Housing and
6 Urban Development.

7 "Municipality." A county, city, borough, incorporated town,
8 township and home rule municipality.

9 "Owner-occupant." A natural person with a legal or equitable
10 ownership interest in property which was the primary residence
11 of the person for at least three consecutive months at any point
12 in the year preceding the date of initial delinquency.

13 "Real property." Land and all structures and fixtures
14 thereon and all estates and interests in land, including
15 easements, covenants and leaseholders.

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

22 § 2104. Creation and existence.

23 (a) Authority.--Subject, in a city of the first class, to
24 its home rule charter, a land bank jurisdiction may elect to
25 create a land bank by the adoption of an ordinance to create a
26 binding legal obligation. The ordinance must specify the
27 following:

28 (1) The name of the land bank.

29 (2) The number of members of the board.

30 (3) The names of individuals to serve as initial members

1 of the board and the length of terms which they will serve.

2 (4) The qualifications, manner of selection or
3 appointment and terms of office of members of the board.

4 (5) The manner by which residents will be provided an
5 opportunity to have input into the land bank decision-making
6 process.

7 (6) Policies regarding former owner-occupants who occupy
8 homes acquired by the land bank. These policies shall show a
9 preference for keeping the former owner-occupants in their
10 homes, whenever feasible.

11 (7) Additional terms and conditions the land bank
12 jurisdiction deems reasonable and necessary for operation of
13 the land bank.

14 (b) Filing.--The governing body of the land bank
15 jurisdiction which creates a land bank shall file a copy of the
16 ordinance with the department and with the Department of State.
17 After receipt of the ordinance, the Secretary of the
18 Commonwealth shall issue a certificate of incorporation.

19 (c) Combinations.--

20 (1) The authority under subsection (a) may be exercised
21 in combination pursuant to an intergovernmental cooperation
22 agreement by:

23 (i) more than one land bank jurisdiction; or

24 (ii) a land bank jurisdiction and one or more
25 municipalities.

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

29 (d) Limitation.--Except as set forth in subsection (c), if a
30 county establishes a land bank, the land bank shall have the

power to acquire real property only in those portions of the county located outside of the geographical boundaries of any other land bank established by another land bank jurisdiction located partially or entirely within the county.

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

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

(1) be a public body corporate and politic; and

(2) have duration until terminated and dissolved under section 2114 (relating to dissolution of land bank).

(g) Collaboration.--A land bank, a political subdivision and another municipal entity may enter into an intergovernmental cooperation agreement relative to the operations of a land bank.
§ 2105. Board.

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

(b) Eligibility to serve on board.--

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

(2) A municipal employee shall be eligible to serve as a

1 board member.

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

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

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

6 and

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

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

12 (5) As used in this subsection, the term "public
13 officer" means an individual who is elected to a municipal
14 office.

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

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

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

21 (2) Attendance and participation of members in its
22 regular and special meetings.

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

25 (4) Other matters necessary to govern the conduct of a
26 land bank.

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

30 (f) Compensation.--Board members shall serve without

1 compensation. The board may reimburse a member for expenses
2 actually incurred in the performance of duties on behalf of the
3 land bank.

4 (g) Meetings.--

5 (1) The board shall meet as follows:

6 (i) In regular session according to a schedule
7 adopted by the board.

8 (ii) In special session:

9 (A) as convened by the chair; or

10 (B) upon written notice signed by a majority of
11 the members.

12 (2) A majority of the board, excluding vacancies,
13 constitutes a quorum. Physical presence is required under
14 this paragraph.

15 (h) Voting.--

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

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

21 (i) Adoption of bylaws.

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

23 (iii) Hiring or firing of an employee or contractor
24 of the land bank. This function may, by majority vote of
25 the entire board membership, be delegated by the board to
26 a specified officer or committee of the land bank.

27 (iv) Incurring of debt.

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

29 (vi) Sale, lease, encumbrance or alienation of real
30 property or personal property with a value of more than

1 \$50,000.

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

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

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

8 (i) Immunity.--A land bank jurisdiction that establishes a
9 land bank and a municipality and a school district that are
10 parties to an intergovernmental cooperation agreement
11 establishing a land bank shall not be liable personally on the
12 bonds or other obligations of the land bank. Rights of creditors
13 of a land bank shall be solely against the land bank.

14 § 2106. Staff.

15 (a) Employees.--A land bank may employ or enter into a
16 contract for an executive director, counsel and legal staff,
17 technical experts and other individuals and may determine the
18 qualifications and fix the compensation and benefits of those
19 employees.

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

22 (1) the municipality to provide staffing services to the
23 land bank; or

24 (2) the land bank to provide staffing services to the
25 municipality.

26 § 2107. Powers.

27 A land bank constitutes a public body, corporate and politic,
28 exercising public powers of the Commonwealth necessary or
29 appropriate to carry out this chapter, including the following
30 powers:

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

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

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

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

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

12 (6) To procure insurance or guarantees from the Federal
13 Government or the Commonwealth of the payment of debt
14 incurred by the land bank, and to pay premiums in connection
15 with the insurance or guarantee.

16 (7) To enter into contracts and other instruments
17 necessary, incidental or convenient to the performance of its
18 duties and the exercise of its powers. This paragraph
19 includes intergovernmental cooperation agreements under 53
20 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
21 cooperation) for the joint exercise of powers under this
22 chapter.

23 (8) To enter into contracts and intergovernmental
24 cooperation agreements with municipalities for the
25 performance of functions by municipalities on behalf of the
26 land bank or by the land bank on behalf of municipalities.

27 (9) To make and execute contracts and other instruments
28 necessary or convenient to the exercise of the powers of the
29 land bank. Any contract or instrument signed shall be
30 executed by and for the land bank if the contract or

1 instrument is signed, including an authorized facsimile
2 signature, by:

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

4 (ii) either:

5 (A) the secretary or assistant secretary of the
6 land bank; or

7 (B) the treasurer or assistant treasurer of the
8 land bank.

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

12 (11) To invest money of the land bank at the discretion
13 of the board in instruments, obligations, securities or
14 property determined proper by the board and to name and use
15 depositories for its money.

16 (12) To enter into contracts for the management of, the
17 collection of rent from or the sale of real property of the
18 land bank.

19 (13) To design, develop, construct, demolish,
20 reconstruct, rehabilitate, renovate, relocate and otherwise
21 improve real property or rights or interests in real
22 property.

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

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

28 (16) To enter into partnerships, joint ventures and
29 other collaborative relationships with municipalities and
30 other public and private entities for the ownership,

1 management, development and disposition of real property.

2 (17) To organize and reorganize the executive,
3 administrative, clerical and other departments of the land
4 bank and to fix the duties, powers and compensation of
5 employees, agents and consultants of the land bank.

6 (18) To do all other things necessary or convenient to
7 achieve the objectives and purposes of the land bank or other
8 law related to the purposes and responsibility of the land
9 bank.

10 § 2108. Eminent domain.

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

12 § 2109. Acquisition of property.

13 (a) Title to be held in its name.--A land bank shall hold in
14 its own name all real property it acquires.

15 (b) Tax exemption.--

16 (1) Except as set forth in paragraph (2), the real
17 property of a land bank and its income and operations are
18 exempt from State and local tax.

19 (2) Paragraph (1) does not apply to real property of a
20 land bank after the fifth consecutive year in which the real
21 property is continuously leased to a private third party.
22 However, real property shall continue to be exempt from State
23 and local taxes if it is leased to a nonprofit or
24 governmental agency at substantially less than fair market
25 value.

26 (c) Methods of acquisition.--A land bank may acquire real
27 property or interests in real property by any means on terms and
28 conditions and in a manner the land bank considers proper.

29 (d) Acquisitions from municipalities.--

30 (1) A land bank may acquire real property by purchase

1 contracts, lease purchase agreements, installment sales
2 contracts and land contracts and may accept transfers from
3 municipalities upon terms and conditions as agreed to by the
4 land bank and the municipality.

5 (2) A municipality may transfer to a land bank real
6 property and interests in real property of the municipality
7 on terms and conditions and according to procedures
8 determined by the municipality as long as the real property
9 is located within the jurisdiction of the land bank.

10 (3) A redevelopment authority located within a land bank
11 jurisdiction established under this chapter may, with the
12 consent of the local governing body and without a
13 redevelopment contract, convey property that it acquired
14 before the effective date of this section to land bank. A
15 conveyance under this paragraph must be with fee simple
16 title, free of all liens and encumbrances.

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

20 (f) Prohibition.--

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

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

30 (g) Tax claim bureaus.--A tax claim bureau may transfer to a

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

5 (h) Acquisition of tax delinquent properties.--If authorized
6 by the land bank jurisdiction which created a land bank or
7 otherwise by intergovernmental cooperation agreement, a land
8 bank may accept donations of real property and extinguish
9 delinquent claims for taxes as to the property under section 5.1
10 of the act of May 16, 1923 (P.L.207, No.153), referred to as the
11 Municipal Claim and Tax Lien Law, or section 303 of the Real
12 Estate Tax Sale Law. For the purposes of this subsection, the
13 land bank shall have all rights and obligations of the
14 municipality provided for in section 5.1 of the Municipal Claim
15 and Tax Lien Law and of a local taxing authority provided for in
16 section 303 of the Real Estate Tax Sale Law.

17 § 2110. Disposition of property.

18 (a) Public access to inventory.--A land bank shall maintain
19 and make available for public review and inspection an inventory
20 of real property held by the land bank.

21 (b) Power.--A land bank may convey, exchange, sell,
22 transfer, lease, grant or mortgage interests in real property of
23 the land bank in the form and by the method determined to be in
24 the best interests of the land bank.

25 (c) Consideration.--

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

30 (2) Consideration may take the form of monetary payments

1 and secured financial obligations, covenants and conditions
2 related to the present and future use of the property,
3 contractual commitments of the transferee and other forms of
4 consideration as determined by the board to be in the best
5 interest of the land bank.

6 (d) Policies and procedures.--

7 (1) A board shall determine and state in the land bank
8 policies and procedures the general terms and conditions for
9 consideration to be received by the land bank for the
10 transfer of real property and interests in real property.

11 (2) Requirements which may be applicable to the
12 disposition of real property and interests in real property
13 by municipalities shall not be applicable to the disposition
14 of real property and interests in real property by a land
15 bank.

16 (e) Ranking of priorities.--

17 (1) A land bank jurisdiction may establish a
18 hierarchical ranking of priorities for the use of real
19 property conveyed by a land bank, including use for:

20 (i) Purely public spaces and places.

21 (ii) Affordable housing.

22 (iii) Retail, commercial and industrial activities.

23 (iv) Conservation areas.

24 (2) The priorities established may be for the entire
25 land bank jurisdiction or may be set according to the needs
26 of different neighborhoods, municipalities or other locations
27 within the land bank jurisdiction, or according to the nature
28 of the real property.

29 (f) Land use plans.--A land bank shall consider all duly
30 adopted land use plans and make reasonable efforts to coordinate

1 the disposition of land bank real property with such land use
2 plans.

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

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

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

17 § 2111. Financing of land bank operations.

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

20 (1) the Federal Government;

21 (2) the Commonwealth;

22 (3) a municipality;

23 (4) the land bank jurisdiction which created the land
24 bank; and

25 (5) private sources.

26 (b) Funding.--A land bank may receive and retain payments
27 for services rendered, for rents and leasehold payments
28 received, for consideration for disposition of real and personal
29 property, for proceeds of insurance coverage for losses
30 incurred, for income from investments and for an asset and

1 activity lawfully permitted to a land bank under this chapter.

2 (c) Allocated real property taxes.--

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

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

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

17 § 2112. Borrowing and issuance of bonds.

18 (a) Authority.--

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

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

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

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

26 (A) The Federal Government or a Federal agency
27 or instrumentality.

28 (B) The Commonwealth, a Commonwealth agency or
29 an instrumentality of the Commonwealth.

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

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

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

- 5 (1) the Commonwealth; or
6 (2) a political subdivision.

7 (d) Procedure.--

8 (1) A bond must be authorized by resolution of the board
9 and shall be a limited obligation of the land bank.

10 (2) The principal and interest, costs of issuance and
11 other costs incidental to the bond shall be payable solely
12 from the income and revenue derived from the sale, lease or
13 other disposition of the assets of the land bank. The land
14 bank may secure the bond by a mortgage or other security
15 device covering all or part of the project from which the
16 pledged revenue may be derived.

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

18 (i) shall be payable from:

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

20 (B) the investment of the proceeds of the
21 refunding bonds; and

22 (ii) shall not constitute an indebtedness or pledge
23 of the general credit of a political subdivision within
24 the meaning of a constitutional or statutory limitation
25 of indebtedness and shall contain a recital to that
26 effect.

27 (4) A bond must comply with the authorizing resolution
28 as to:

29 (i) form;

30 (ii) denomination;

1 (iii) interest rate;

2 (iv) maturity; and

3 (v) execution.

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

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

12 (f) Sale.--

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

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

21 (g) Liability.--

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

25 (2) The bond or other obligation of a land bank related
26 to a bond shall not be a debt of a municipality or of the
27 Commonwealth. A statement to this effect shall appear on the
28 face of the bond or obligation.

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

1 (i) The municipality has no liability. This
2 subparagraph applies to the revenue and property of a
3 municipality.

4 (ii) A political subdivision has no liability. This
5 subparagraph applies to the revenue and property of a
6 political subdivision.

7 § 2113. Public records and public access.

8 (a) Public records.--A board shall maintain minutes and a
9 record of its proceedings.

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

11 (1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and

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

14 § 2114. Dissolution of land bank.

15 (a) General rule.--A land bank may be dissolved as a public
16 body corporate and politic upon compliance with all of the
17 following:

18 (1) Sixty calendar days' advance written notice of
19 consideration of a resolution to request dissolution must:

20 (i) be given to the land bank jurisdiction which
21 created the land bank;

22 (ii) be published in a local newspaper of general
23 circulation; and

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

26 (2) A resolution requesting dissolution must be approved
27 under section 2105(h) (3) (relating to board).

28 (b) Authority.--Upon receipt of a proper resolution
29 described in subsection (a) (1), the land bank jurisdiction which
30 created the land bank may dissolve the land bank by adoption of

an ordinance subject to the approval of the mayor in a city or the county executive in a home rule county. If approved, the governing body of the land bank jurisdiction which created the land bank shall file a certified copy of the ordinance with the Department of State, and the Secretary of the Commonwealth shall cause the termination of the existence of the land bank to be noted on the record of incorporation. Upon such filing, the land bank shall cease to function. The Secretary of the Commonwealth shall also notify the department of the dissolution of the land bank.

(c) Transfer of assets.--Upon dissolution of the land bank, real property, personal property and other assets of the land bank shall become the assets of the municipality in which the property is located. The following shall apply:

(1) Personal property, including financial assets, of the land bank shall be divided among participating land bank jurisdictions in proportion to the population of each jurisdiction.

(2) The municipality in which real property is located shall approve the transfer of title to the municipality.

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

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

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

§ 2115. Conflicts of interest.

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

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

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

9 (1) supplemental rules addressing potential conflicts of
10 interest; and

11 (2) ethical guidelines for members of the board and land
12 bank employees.

13 § 2116. Construction, intent and scope.

14 This chapter shall be construed liberally to effectuate the
15 legislative intent and the purposes as complete and independent
16 authorization for the implementation of this chapter, and all
17 powers granted shall be broadly interpreted to effectuate the
18 intent and purposes and not as a limitation of powers.

19 § 2117. Delinquent property tax enforcement.

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

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

25 (2) For a land bank to discharge a lien or claim to its
26 real property under paragraph (1) for tax owed to a school
27 district, the governing body of the school district must
28 approve the discharge.

29 (3) The land bank must file evidence of the
30 extinguishment and dissolution of liens or claims with the

county tax claim bureau, including copies of the resolution
by the board, the intergovernmental agreement, receipt of
payment and other necessary and appropriate documentation.
This requirement must be satisfied no later than the earlier
of:

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

(ii) within 30 days after the discharge.

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

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

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

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

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

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

(ii) For a tax claim to be filed under the Real

1 Estate Tax Sale Law, a municipality which has complied
2 with section 26 of the act of May 25, 1945 (P.L.1050,
3 No.394), known as the Local Tax Collection Law, and
4 section 306 of the Real Estate Tax Sale Law:

5 (A) may assign and transfer the claim to the
6 land bank upon terms and conditions mutually
7 acceptable to the municipality and the land bank; and

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

11 (iii) For tax liens assigned to the land bank under
12 subparagraph (i) or (ii), the land bank shall adopt
13 policies providing for plans and agreements by which low-
14 income, owner-occupant households may pay their
15 delinquent taxes. Such plans and agreements shall take
16 into account the household's ability to pay and shall be
17 designed to promote the continued occupancy by that
18 household whenever feasible.

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

20 (i) The land bank and the plaintiff in the claim may
21 enter into an agreement for the land bank to purchase the
22 property at the minimum amount described in section 605
23 of the Real Estate Tax Sale Law in the event there is no
24 bid tendered for a higher amount than the minimum amount.

25 (ii) If there is an agreement under subparagraph (i)
26 and no one bids a higher price than the minimum amount
27 described in section 605 of the Real Estate Tax Sale Law,
28 the property shall be sold to the land bank upon payment
29 by the land bank for the upset sale costs and all liens,
30 claims and subordinate encumbrances shall be discharged

1 by the sale.

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

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

8 (A) A judicial sale is ordered pursuant to a
9 judgment on a tax claim.

10 (B) The purchaser of the property is the land
11 bank.

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

14 (ii) The obligation of the land bank to perform in
15 accordance with the agreement under subparagraph (i)
16 shall be deemed to be in full satisfaction of the tax
17 claim which was the basis for the judgment.

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

22 (4) The notice and return under sections 602 and 607(a)
23 of the Real Estate Tax Sale Law must contain reference to a
24 potential bid by the land bank.

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

29 (d) Involuntary transfers.--A land bank which acquires real
30 property under this section shall be deemed to have acquired the

1 real property as an involuntary transfer within the meaning of
2 section 701(b)(1)(vi)(B) of the act of October 18, 1988
3 (P.L.756, No.108), known as the Hazardous Sites Cleanup Act.

4 (e) Expiration.--This section shall expire upon publication
5 of the notice under section 2120 (relating to determination on
6 procedural revision).

7 § 2118. Expedited quiet title proceedings.

8 (a) Authorization.--

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

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

13 (3) For purposes of an action under this section, the
14 land bank shall be deemed to be the holder of sufficient
15 legal and equitable interests and possessory rights so as to
16 qualify the land bank as an adequate complainant in the
17 action.

18 (b) Procedural requirements.--

19 (1) Prior to the filing of an action to quiet title the
20 land bank must conduct an examination of title to determine
21 the identity of any person possessing a claim or interest in
22 or to the real property.

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

25 (i) By first class mail to the identity and address
26 reasonably ascertainable by an inspection of public
27 records.

28 (ii) In the case of occupied real property, by first
29 class mail, addressed to "Occupant."

30 (iii) By posting a copy of the notice on the real

1 property.

2 (iv) By publication.

3 (v) As ordered by the court.

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

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

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

8 (c) Hearing.--

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

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

15 § 2119. Annual audit and report.

16 The following shall apply:

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

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

23 (i) the land bank jurisdiction which created the
24 land bank; and

25 (ii) each political subdivision which opted to
26 participate in the land bank pursuant to an
27 intergovernmental agreement.

28 § 2120. Determination on procedural revision.

29 If the department determines that comprehensive reform
30 legislation on property-tax foreclosure has been enacted

1 revising procedure under the statutory provisions referred to in
2 section 2117 (relating to delinquent property tax enforcement),
3 the department shall transmit notice of the determination to the
4 Legislative Reference Bureau for publication in the Pennsylvania
5 Bulletin.

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