

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1682 Session of 2011

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AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 3, 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.

- 1 2101. Scope of chapter.
2 2102. Legislative findings and purpose.
3 2103. Definitions.
4 2104. Creation and existence.
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16 2116. Construction, intent and scope.
17 2117. Delinquent property tax enforcement.
18 2118. Expedited quiet title proceedings.
19 2119. Annual audit and report.
20 2120. Determination on procedural revision.

21 § 2101. Scope of chapter.

22 This chapter relates to land banks.

23 § 2102. Legislative findings and purpose.

24 The General Assembly finds and declares that:

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

29 (2) Citizens of this Commonwealth are affected adversely
30 by vacant, abandoned and tax-delinquent properties, including

1 properties which have been vacated or abandoned due to
2 mortgage foreclosure.

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

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

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

16 § 2103. Definitions.

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

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

21 "Department." The Department of Community and Economic
22 Development of the Commonwealth.

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

28 "Land bank." A public body and a body corporate and politic
29 established under this chapter.

30 "Land bank jurisdiction."

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

3 (2) two or more municipalities with populations less
4 than 10,000 that enter into an intergovernmental cooperation
5 agreement to establish and maintain a land bank.

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

10 "Municipality." A county, city, borough, incorporated town,
11 township or home rule municipality.

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

16 "Real property." Land and all structures and fixtures
17 thereon and all estates and interests in land, including
18 easements, covenants and leaseholders.

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

25 § 2104. Creation and existence.

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

- 1 (1) The name of the land bank.
- 2 (2) The number of members of the board.
- 3 (3) The names of individuals to serve as initial members
4 of the board and the length of terms which they will serve.
- 5 (4) The qualifications, manner of selection or
6 appointment and terms of office of members of the board.
- 7 (5) The manner by which residents will be provided an
8 opportunity to have input into the land bank decision-making
9 process.
- 10 (6) Policies regarding former owner-occupants who are
11 occupying homes acquired by the land bank. These policies
12 shall show a preference for keeping the former owner-
13 occupants in their homes, whenever feasible.
- 14 (7) Additional terms and conditions the land bank
15 jurisdiction deems reasonable and necessary for operation of
16 the land bank.
- 17 (b) Filing.--The governing body of the land bank
18 jurisdiction which creates a land bank shall file a copy of the
19 ordinance with the department and with the Department of State.
20 After receipt of the ordinance, the Secretary of the
21 Commonwealth shall issue a certificate of incorporation.
- 22 (c) Combinations.--
- 23 (1) The authority under subsection (a) may be exercised
24 in combination pursuant to an intergovernmental cooperation
25 agreement by:
- 26 (i) more than one land bank jurisdiction; or
27 (ii) a land bank jurisdiction and one or more
28 municipalities.
- 29 (2) If a land bank is established under paragraph (1),
30 the intergovernmental cooperation agreement must specify

1 matters identified in subsection (a).

2 (d) Limitation.--Except as set forth in subsection (c), if a
3 county establishes a land bank, the land bank shall have the
4 power to acquire real property only in those portions of the
5 county located outside of the geographical boundaries of any
6 other land bank established by another land bank jurisdiction
7 located partially or entirely within the county.

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

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

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

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

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

21 § 2105. Board.

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

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

29 (1) Notwithstanding any law to the contrary, a public
30 officer shall be eligible to serve as a board member, and the

1 acceptance of the appointment shall neither terminate nor
2 impair that public office.

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

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

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

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

9 and

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

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

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

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

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

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

24 (2) Attendance and participation of members in its
25 regular and special meetings.

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

28 (4) Other matters necessary to govern the conduct of a
29 land bank.

30 (e) Vacancies.--A vacancy on the board shall be filled in

1 the same manner as the original appointment. Upon removal under
2 subsection (d)(3), the position shall become vacant.

3 (f) Compensation.--Board members shall serve without
4 compensation. The board may reimburse a member for expenses
5 actually incurred in the performance of duties on behalf of the
6 land bank.

7 (g) Meetings.--

8 (1) The board shall meet as follows:

9 (i) In regular session according to a schedule
10 adopted by the board.

11 (ii) In special session:

12 (A) as convened by the chair; or

13 (B) upon written notice signed by a majority of
14 the members.

15 (2) A majority of the board, excluding vacancies,
16 constitutes a quorum. Physical presence is required under
17 this paragraph.

18 (h) Voting.--

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

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

24 (i) Adoption of bylaws.

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

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

30 (iv) Incurring of debt.

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

2 (vi) Sale, lease, encumbrance or alienation of real
3 property or personal property with a value of more than
4 \$50,000.

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

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

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

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

17 § 2106. Staff.

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

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

25 (1) the municipality to provide staffing services to the
26 land bank; or

27 (2) the land bank to provide staffing services to the
28 municipality.

29 § 2107. Powers.

30 A land bank constitutes a public body, corporate and politic,

1 exercising public powers of the Commonwealth necessary or
2 appropriate to carry out this chapter, including the following
3 powers:

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

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

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

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

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

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

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

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

30 (9) To make and execute contracts and other instruments

1 necessary or convenient to the exercise of the powers of the
2 land bank. Any contract or instrument signed shall be
3 executed by and for the land bank if the contract or
4 instrument is signed, including an authorized facsimile
5 signature, by:

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

7 (ii) either:

8 (A) the secretary or assistant secretary of the
9 land bank; or

10 (B) the treasurer or assistant treasurer of the
11 land bank.

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

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

19 (12) To enter into contracts for the management of, the
20 collection of rent from or the sale of real property of the
21 land bank.

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

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

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

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

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

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

13 § 2108. Eminent domain.

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

15 § 2109. Acquisition of property.

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

18 (b) Tax exemption.--

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

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

29 (c) Methods of acquisition.--A land bank may acquire real
30 property or interests in real property by any means on terms and

1 conditions and in a manner the land bank considers proper.

2 (d) Acquisitions from municipalities.--

3 (1) A land bank may acquire real property by purchase
4 contracts, lease purchase agreements, installment sales
5 contracts and land contracts and may accept transfers from
6 municipalities upon terms and conditions as agreed to by the
7 land bank and the municipality.

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

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

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

23 (f) Prohibition.--

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

29 (2) A land bank may be granted authority pursuant to an
30 intergovernmental cooperation agreement with a municipality

1 to manage and maintain real property located within the
2 jurisdiction of the municipality.

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

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

20 § 2110. Disposition of property.

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

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

28 (c) Consideration.--

29 (1) A land bank shall determine the amount and form of
30 consideration necessary to convey, exchange, sell, transfer,

1 lease as lessor, grant or mortgage interests in real
2 property.

3 (2) Consideration may take the form of monetary payments
4 and secured financial obligations, covenants and conditions
5 related to the present and future use of the property,
6 contractual commitments of the transferee and other forms of
7 consideration as determined by the board to be in the best
8 interest of the land bank.

9 (d) Policies and procedures.--

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

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

19 (e) Ranking of priorities.--

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

23 (i) Purely public spaces and places.

24 (ii) Affordable housing.

25 (iii) Retail, commercial and industrial activities.

26 (iv) Conservation areas.

27 (2) The priorities established may be for the entire
28 land bank jurisdiction or may be set according to the needs
29 of different neighborhoods, municipalities or other locations
30 within the land bank jurisdiction, or according to the nature

1 of the real property.

2 (f) Land use plans.--A land bank shall consider all duly
3 adopted land use plans and make reasonable efforts to coordinate
4 the disposition of land bank real property with such land use
5 plans.

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.

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

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

21 (i) shall be payable from:

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

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

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

30 (4) A bond must comply with the authorizing resolution

1 as to:

2 (i) form;

3 (ii) denomination;

4 (iii) interest rate;

5 (iv) maturity; and

6 (v) execution.

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

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

15 (f) Sale.--

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

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

24 (g) Liability.--

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

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

1 face of the bond or obligation.

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

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

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

10 § 2113. Public records and public access.

11 (a) Public records.--A board shall keep minutes and a record
12 of its proceedings.

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

14 (1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and

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

17 § 2114. Dissolution of land bank.

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

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

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

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

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

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

1 (b) Authority.--Upon receipt of a proper resolution
2 described in subsection (a)(1), the land bank jurisdiction which
3 created the land bank may dissolve the land bank by adoption of
4 an ordinance subject to the approval of the mayor in a city or
5 the county executive in a home rule county. If approved, the
6 governing body of the land bank jurisdiction which created the
7 land bank shall file a certified copy of the ordinance with the
8 Department of State, and the Secretary of the Commonwealth shall
9 cause the termination of the existence of the land bank to be
10 noted on the record of incorporation. Upon such filing, the land
11 bank shall cease to function. The Secretary of the Commonwealth
12 shall also notify the department of the dissolution of the land
13 bank.

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

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

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

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

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

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

3 § 2115. Conflicts of interest.

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

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

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

12 (1) supplemental rules addressing potential conflicts of
13 interest; and

14 (2) ethical guidelines for members of the board and land
15 bank employees.

16 § 2116. Construction, intent and scope.

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

22 § 2117. Delinquent property tax enforcement.

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

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

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

1 approve the discharge.

2 (3) The land bank must file evidence of the
3 extinguishment and dissolution of liens or claims with the
4 county tax claim bureau, including copies of the resolution
5 by the board, the intergovernmental agreement, receipt of
6 payment and other necessary and appropriate documentation.
7 This requirement must be satisfied no later than the earlier
8 of:

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

11 (ii) within 30 days after the discharge.

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

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

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

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

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

30 (B) shall otherwise confer upon the land bank

1 the rights, privileges and remedies of an assignee
2 under section 316 of the Real Estate Tax Sale Law.

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

8 (A) may assign and transfer the claim to the
9 land bank upon terms and conditions mutually
10 acceptable to the municipality and the land bank; and

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

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

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

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

28 (ii) If there is an agreement under subparagraph (i)
29 and no one bids a higher price than the minimum amount
30 described in section 605 of the Real Estate Tax Sale Law,

1 the property shall be sold to the land bank upon payment
2 by the land bank for the upset sale costs and all liens,
3 claims and subordinate encumbrances shall be discharged
4 by the sale.

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

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

11 (A) A judicial sale is ordered pursuant to a
12 judgment on a tax claim.

13 (B) The purchaser of the property is the land
14 bank.

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

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

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

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

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

1 confirmation.

2 (6) All of the following apply to judicial sales for
3 multiple tracts:

4 (i) In a petition for a judicial sale, the
5 municipality or the land bank, if it is the holder of
6 municipal tax liens, may combine in a single petition
7 multiple tracts of real property if the petition and
8 accompanying affidavits provide all of the following:

9 (A) Identification of each tract of real
10 property.

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

13 (C) The amount of the tax liens then due and
14 owing, together with associated interest, costs and
15 fees.

16 (D) The nature of the notice of the proposed
17 sale provided to the interested parties.

18 (ii) The court may authorize in a single final
19 judgment that all or part of the real properties
20 identified in the petition be sold free and clear of tax
21 and municipal claims, mortgages, liens, charges and
22 estates and ground rents.

23 (d) Procedure relating to Municipal Claim and Tax Lien
24 Law.--For a land bank located in a municipality which follows
25 the act of May 16, 1923 (P.L.207, No.153), referred to as the
26 Municipal Claim and Tax Lien Law, all of the following apply:

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

28 (i) may assign and transfer a tax or municipal claim
29 to the land bank upon terms and conditions mutually
30 acceptable to the municipality and land bank;

1 (ii) shall otherwise confer upon the land bank the
2 rights, privileges and remedies of an assignee as stated
3 in section 33 of the Municipal Claim and Tax Lien Law;
4 and

5 (iii) for tax liens assigned to the land bank under
6 this section, the land bank shall adopt policies
7 providing for plans and agreements by which low-income,
8 owner-occupant households may pay their delinquent taxes.
9 Such plans and agreements shall take into account the
10 household's ability to pay and shall be designed to
11 promote the continued occupancy by that household
12 whenever feasible.

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

14 (i) The land bank and the plaintiff in the claim may
15 enter into an agreement for the land bank to purchase the
16 property at the minimum amount described in section 29 of
17 the Municipal Claim and Tax Lien Law in the event there
18 is no bid tendered for a higher amount than the minimum
19 amount.

20 (ii) If there is an agreement under subparagraph (i)
21 and no one bids a higher price than the minimum amount
22 described in section 29 of the Municipal Claim and Tax
23 Lien Law, the property shall be sold to the land bank
24 upon payment by the land bank for the upset sale costs
25 and liens, claims and subordinate encumbrances shall be
26 discharged by the sale.

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

28 (i) Notwithstanding section 31 of the Municipal
29 Claim and Tax Lien Law, the form, substance and timing of
30 the land bank's payment of the sales price may be

1 according to the agreement mutually acceptable to the
2 plaintiff and the land bank if all of the following
3 apply:

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

6 (B) The purchaser of the property is the land
7 bank.

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

10 (ii) The obligation of the land bank to perform in
11 accordance with the agreement under subparagraph (i)
12 shall be deemed to be in full satisfaction of the
13 municipal claim which was the basis for the judgment.

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

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

28 (i) The land bank may tender a bid at the sale in an
29 amount equal to the total amount of all municipal claims
30 and liens which were the basis for the judgment. Upon

1 tender under this subparagraph, the property shall be
2 deemed sold to the land bank regardless of bids by other
3 parties.

4 (ii) The bid of the land bank shall be paid as to
5 its form, substance and timing according to an agreement
6 that is mutually acceptable to the plaintiff and the land
7 bank. The obligation of the land bank to perform in
8 accordance with the agreement shall be deemed to be in
9 full satisfaction of the tax or municipal claim which was
10 the basis for the judgment.

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

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

17 (5) All of the following apply to judicial sales for
18 multiple tracts:

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

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

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

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

1 (D) The nature of the notice of the proposed
2 sale provided to the interested parties.

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

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

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

14 (i) may assign and transfer a tax or municipal claim
15 to the land bank under the Second Class City Treasurer's
16 Sale and Collection Act upon terms and conditions
17 mutually acceptable to the municipality and the land
18 bank; and

19 (ii) shall otherwise confer upon the land bank the
20 rights, privileges and remedies of the municipality under
21 the Second Class City Treasurer's Sale and Collection
22 Act.

23 (iii) For tax liens assigned to the land bank under
24 this section, the land bank shall adopt policies
25 providing for plans and agreements by which low-income,
26 owner-occupant households may pay their delinquent taxes.
27 Such plans and agreements shall take into account the
28 household's ability to pay and shall be designed to
29 promote the continued occupancy by that household
30 whenever feasible.

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

2 (i) The land bank and the plaintiff in the claim may
3 enter into an agreement for the land bank to purchase the
4 property for the minimum amount of the upset sale price
5 described in section 301 of the Second Class City
6 Treasurer's Sale and Collection Act in the event there is
7 no bid tendered for a higher amount than the minimum
8 amount.

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

11 (iii) Notwithstanding section 301 of the Second
12 Class City Treasurer's Sale and Collection Act, the bid
13 of the land bank shall be paid as to its form, substance
14 and timing according to an agreement between the
15 municipality and land bank. The obligation of the land
16 bank to perform in accordance with the agreement shall be
17 deemed to be in full satisfaction of the tax or claim
18 which was the basis for the sale.

19 (3) The notice and advertisement under sections 203 and
20 204 of the Second Class City Treasurer's Sale and Collection
21 Act must contain reference to a potential bid by the land
22 bank.

23 (4) Subject to redemption under section 304 of the
24 Second Class City Treasurer's Sale and Collection Act and
25 confirmation under section 305 of the Second Class City
26 Treasurer's Sale and Collection Act, the land bank, as
27 purchaser at the sale, shall have an absolute title to the
28 property sold, free and discharged of tax and municipal
29 claims, liens, mortgages, ground rents, charges and estates.

30 (5) The deed to the land bank under section 307 of the

1 Second Class City Treasurer's Sale and Collection Act shall
2 be delivered, acknowledged and recorded within 30 days of the
3 date of confirmation.

4 (E.1) LAND BANK.--NOTWITHSTANDING SUBSECTIONS (D) AND (E), ←
5 IN COUNTIES OF THE SECOND CLASS CONTAINING A CITY OF THE SECOND
6 CLASS, A LAND BANK MAY NOT ENGAGE IN ANY OF THE FOLLOWING ABSENT
7 AN AGREEMENT WITH A COUNTY, CITY, BOROUGH, INCORPORATED TOWN,
8 TOWNSHIP, SCHOOL DISTRICT OR BODY POLITIC AND CORPORATE CREATED
9 AS A MUNICIPAL AUTHORITY PURSUANT TO LAW WHOSE CLAIMS COMPRISE
10 THE UPSET SALES PRICE:

11 (1) PURCHASE PROPERTY FOR LESS THAN THE UPSET SALES
12 PRICE DESCRIBED IN SECTION 29 OF THE MUNICIPAL CLAIM AND TAX
13 LIEN LAW OR SECTION 301 OF THE SECOND CLASS CITY TREASURER'S
14 SALE AND COLLECTION ACT.

15 (2) ALTER THE FORM, SUBSTANCE OR TIMING OF THE PAYMENT
16 OF THE SALES PRICE BY THE LAND BANK.

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

22 (g) Expiration.--This section shall expire upon publication
23 of the notice under section 2120 (relating to determination on
24 procedural revision).

25 § 2118. Expedited quiet title proceedings.

26 (a) Authorization.--

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

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

1 (3) For purposes of an action under this section, the
2 land bank shall be deemed to be the holder of sufficient
3 legal and equitable interests and possessory rights so as to
4 qualify the land bank as an adequate complainant in the
5 action.

6 (b) Procedural requirements.--

7 (1) Prior to the filing of an action to quiet title the
8 land bank must conduct an examination of title to determine
9 the identity of any person possessing a claim or interest in
10 or to the real property.

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

13 (i) By first class mail to the identity and address
14 reasonably ascertainable by an inspection of public
15 records.

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

18 (iii) By posting a copy of the notice on the real
19 property.

20 (iv) By publication.

21 (v) As ordered by the court.

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

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

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

26 (c) Hearing.--

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

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

3 § 2119. Annual audit and report.

4 The following shall apply:

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

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

11 (i) the land bank jurisdiction which created the
12 land bank; and

13 (ii) each political subdivision which opted to
14 participate in the land bank pursuant to an
15 intergovernmental agreement.

16 § 2120. Determination on procedural revision.

17 If the department determines that comprehensive reform
18 legislation on property-tax foreclosure has been enacted
19 revising procedure under the statutory provisions referred to in
20 section 2117 (relating to delinquent property tax enforcement),
21 the department shall transmit notice of the determination to the
22 Legislative Reference Bureau for publication in the Pennsylvania
23 Bulletin.

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