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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 712 Session of 2009

INTRODUCED BY J. TAYLOR, PERZEL, GEIST, BEYER, DERMODY, FREEMAN, HARPER, HESS, W. KELLER, KILLION, KORTZ, MANN, MARSHALL, MILLER, MURT, M. O'BRIEN, REICHLEY, SAYLOR, SIPTROTH, K. SMITH, SWANGER, THOMAS, WALKO, YUDICHAK, HARHART, D. COSTA, DEASY AND WAGNER, MARCH 4, 2009

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 28, 2010

AN ACT

1 Providing for the creation of land banks for the conversion of
2 vacant or tax-delinquent properties into productive use.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Land Bank
7 Act.

8 Section 2. Legislative findings and purpose.

9 The General Assembly finds and declares that:

10 (1) Pennsylvania's communities are important to the
11 social and economic vitality of this Commonwealth. Whether
12 urban, suburban or rural, many communities are struggling to
13 cope with vacant, abandoned and tax-delinquent properties.

14 (2) Citizens of this Commonwealth are affected adversely
15 by vacant, abandoned and tax-delinquent properties, including
16 properties that have been vacated or abandoned due to

mortgage foreclosure.

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

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

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

Section 3. Definitions.

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

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

"Land bank." A public body and a body corporate and politic established in accordance with the provisions of this act.

"Land bank jurisdiction." A city or county as defined by the act May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, possessing the authority to create a redevelopment authority pursuant to section 4(c) and (d) of the Urban Redevelopment Law.

"Real property." Lands, structures and any and all easements, air rights, franchises and incorporeal hereditaments

and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise and any and all fixtures and improvements located thereon.

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

Section 4. Creation and existence.

(a) General rule.--Any land bank jurisdiction may elect to create a land bank by the adoption of an ordinance, ~~rule or resolution as appropriate to the land bank jurisdiction as necessary~~ SUBJECT TO THE APPROVAL OF THE MAYOR IN A CITY OR THE COUNTY EXECUTIVE IN A HOME RULE COUNTY AND IN ACCORDANCE WITH LAW OR A HOME RULE CHARTER, to create a binding legal obligation, which action must specify the following:

(1) The name of the land bank.

(2) The number of members of the board of directors, which shall consist of an odd number of members and be not less than five members nor more than eleven members.

(3) The initial individuals to serve as members of the board and the length of terms for which they will serve.

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

(5) The governing body of the land bank jurisdiction which creates a land bank shall cause a certified copy of the ordinance ~~or resolution~~ to be filed with the Department of State and a duplicate with the Department of Community and

Economic Development. After receipt of the ordinance ~~or resolution~~, the Secretary of the Commonwealth shall issue a certificate of incorporation.

(b) Entities that may establish.--A land bank may be created by any of the following:

(1) A land bank jurisdiction.

(2) Two or more land bank jurisdictions pursuant to intergovernmental cooperation agreements.

(3) A land bank jurisdiction and one or more municipalities pursuant to intergovernmental cooperation agreements.

(c) Intergovernmental cooperation agreement.--In the event that a land bank is established under an intergovernmental agreement in accordance with subsection (b), the intergovernmental cooperation agreement shall specify matters identified in subsection (a).

(d) Limitation.--Except when a land bank is established under subsection (b)(2) or (3), in the event a 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 any other 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, which agreement shall specify the membership, if any, of the school district on the board of the land bank or 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 be a

public body corporate and politic, and shall have permanent and perpetual duration until terminated and dissolved in accordance with the provisions of section 14.

(g) Collaboration.--A land bank, a political subdivision and other municipal entities may enter into intergovernmental cooperation agreements relative to the operations of a land bank.

Section 5. Board of directors.

(a) Membership.--The initial size of a board shall be determined in accordance with section 4. Unless restricted by the actions or agreements specified in section 4, 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. Any municipal employee shall be eligible to serve as a board member.

(2) EACH ESTABLISHED LAND BANK BOARD SHALL INCLUDE AT LEAST ONE VOTING MEMBER WHO:

(I) IS A RESIDENT OF THE LAND BANK JURISDICTION;

(II) IS NOT A PUBLIC OFFICIAL OR MUNICIPAL EMPLOYEE; AND

(III) MAINTAINS MEMBERSHIP WITH A RECOGNIZED CIVIC ORGANIZATION WITHIN THE LAND BANK JURISDICTION.

~~(2)~~ (3) For purposes of this subsection, "public officer" means a person who is elected to a municipal office.

(c) Officers.--The members of the board shall select annually from among themselves a chairman, vice chairman,

secretary, treasurer and such other officers as the board may determine and shall establish their duties as may be regulated by rules adopted by the board.

(d) Rules and regulations.--

(1) The board shall establish rules and regulations relative to the attendance and participation of members in its regular and special meetings. The rules and regulations may prescribe a procedure where, should any member fail to comply with the rules and regulations, the member may be disqualified and removed automatically from office by no less than a majority vote of the remaining members of the board and that member's position shall be vacant as of the first day of the next calendar month.

(2) Any person removed under the provisions of this subsection shall be ineligible for reappointment to the board, unless the reappointment is confirmed unanimously by the board.

(e) Vacancies.--A vacancy on the board shall be filled in the same manner as the original appointment.

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

(g) Meetings.--The board shall meet in regular session according to a schedule adopted by the board and also shall meet in special session as convened by the chairman or upon written notice signed by a majority of the members. The presence of a majority of the entire board membership shall constitute a quorum.

(h) Voting.--All actions of the board must be approved by

the affirmative vote of a majority of the members of the board present and voting. However, no action of the board shall be authorized on the following matters unless approved by a majority of the entire board membership:

(1) Adoption of bylaws and other rules and regulations for conduct of the land bank's business. A majority of the members of the board, not including vacancies, shall constitute a quorum for the conduct of business.

(2) Hiring or firing of any employee or contractor of the land bank. This function may by majority vote be delegated by the board to a specified officer or committee of the land bank, under such terms, conditions and to the extent that the board may specify.

(3) Incurring of debt.

(4) Adoption or amendment of the annual budget.

(5) Sale, lease, encumbrance or alienation of real property, improvements or personal property with a value of more than $50,000.

(i) Immunity.--A member of a board shall not be liable personally on the bonds or other obligations of the land bank and the rights of creditors of a land bank shall be solely against the land bank.

(j) Proxy voting prohibited.--

(1) A member of the board shall be prohibited from voting by proxy.

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

Section 6. Staff.

A land bank may employ an executive director, its own counsel and legal staff and such technical experts, other agents and

employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation and benefits of those persons. A land bank may also enter into contracts and agreements with municipalities for staffing services to be provided to the land bank by municipalities or agencies or departments thereof, or for a land bank to provide such staffing services to municipalities or agencies or departments thereof.

Section 7. Powers.

A land bank shall constitute a public body, corporate and politic, exercising public powers of the Commonwealth, which powers shall include all powers necessary or appropriate to carry out and effectuate the purposes and provisions of this act, including the following powers:

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

(2) To sue and be sued in its own name and plead and be impleaded in all civil actions, including, but not limited to, actions to clear title to property of the land bank.

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

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

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

(6) To procure insurance or guarantees from the Commonwealth or Federal Government of the payments of any debts or parts thereof incurred by the land bank, and to pay premiums in connection therewith.

(7) To enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, intergovernmental cooperation agreements under 53 Pa.C.S. Ch. 23, Subch. A (relating to intergovernmental cooperation), for the joint exercise of powers under this act.

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

(9) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the land bank. Any contract or instrument when signed by the chairman or vice chairman of the land bank or by an authorized use of their facsimile signatures, and by the secretary or assistant secretary, or treasurer or assistant treasurer of the land bank, or by an authorized use of their facsimile signatures, shall be held to have been properly executed for and on behalf of the land bank.

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

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

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

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

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

(15) To grant or acquire a license, easement, lease, as lessor or lessee, or option with respect to real property of the land bank.

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

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

(18) To do all other things necessary or convenient to achieve the objectives and purposes of the land bank or other laws that relate to the purposes and responsibility of the land bank.

Section 8. Eminent domain.

A land bank shall neither possess nor exercise the power of eminent domain.

Section 9. Acquisition of property.

(a) Tax exemption.--The real property of a land bank and its income and operations are exempt from all taxation by the Commonwealth and by any of its political subdivisions, provided, however, that the exemption shall not apply to any real property

of a land bank after the fifth consecutive year in which the real property is continuously leased to a private third party.

(b) Methods of acquisition.--A land bank may acquire real property or interests in real property by gift, devise, transfer, exchange, foreclosure, purchase or otherwise on terms and conditions and in a manner the land bank considers proper.

(c) Acquisitions from municipalities.--

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

(2) Notwithstanding any other law to the contrary, a municipality may transfer to a land bank real property and interests in real property of the municipality on such terms and conditions and according to such procedures as determined by the municipality, so long as the real property is located within the jurisdiction of the land bank.

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

(e) Prohibition.--

(1) Subject to the provisions of paragraph (2), a land bank shall not own or hold real property located outside the jurisdictional boundaries of the entities which created the land bank pursuant to section 4(b).

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

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

(g) Acquisition of tax delinquent properties.--

(1) If authorized by the land bank jurisdiction or land bank jurisdictions that created a land bank, or otherwise by intergovernmental cooperation agreement, a land bank may accept donations of real property in accordance with section 5.1 of the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law, or section 303 of the Real Estate Tax Sale Law and extinguish delinquent claims for taxes as to such property.

(2) Claims of a school district shall be extinguished only if the school district has designated the land bank as its agent in accordance with section 5.1(f) of the Municipal Claim and Tax Lien Law or section 303(b)(6) of the Real Estate Tax Sale Law.

Section 10. Disposition of property.

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

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

(c) Power.--A land bank may convey, exchange, sell, transfer, lease as lessor, grant, mortgage, as mortgagor, any and all interests in, upon or to real property of the land bank in some form and by such method as determined to be in the best

interests of the land bank.

(d) Consideration.--

(1) A land bank shall determine the amount and form of consideration necessary to convey, exchange, sell, transfer, lease as lessor, grant~~, release or demise, pledge and hypothecate~~ AND MORTGAGE, AS MORTGAGOR, any interests in, upon or to real property.

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

(e) Policies and procedures.--

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

(2) Requirements that may be applicable to the disposition of real property and interests in real property by municipalities shall not be applicable to the disposition of real property and interests in real property by a land bank.

(f) Ranking of priorities.--A land bank jurisdiction may, in its ~~resolution or~~ ordinance creating a land bank, or, in the case of multiple land bank jurisdictions creating a single land bank in the applicable intergovernmental cooperation agreement, establish a hierarchical ranking of priorities for the use of real property conveyed by a land bank, including, but not limited to:

(1) Use for purely public spaces and places.

(2) Use for affordable housing.

(3) Use for retail, commercial and industrial activities.

(4) Use as conservation areas.

(g) Specific voting and approval requirements.--

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

(2) Except and unless restricted or constrained as provided in paragraph (1), the board may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and all other related documents pertaining to the conveyance of real property by the land bank.

Section 11. Financing of land bank operations.

(a) General rule.--A land bank may receive funding through grants and loans from the land bank jurisdiction or land bank jurisdictions which created the land bank, from municipalities, from the Commonwealth, from the Federal Government and from other public and private sources.

(b) Funding.--A land bank may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses

incurred, for income from investments and for any other asset and activity lawfully permitted to a land bank under this act.

(c) Allocated real property taxes.--

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

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

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

Section 12. Borrowing and issuance of bonds.

(a) General rule.--A land bank may issue bonds for any of its corporate purposes, the principal and interest of which are payable from its revenues generally. Any of the bonds may be secured by a pledge of any revenues, including grants or contributions from the Commonwealth, the Federal Government or any agency or instrumentality thereof, or by a mortgage of any property of the land bank.

(b) Nature of bonds.--The bonds issued by a land bank shall have all the qualities of negotiable instruments under the law of negotiable instruments of the Commonwealth.

(c) Tax exempt.--The bonds of a land bank created under the provisions of this act and the income therefrom shall at all

times be free from taxation for Commonwealth or local purposes under any law of the Commonwealth.

(d) Procedure.--

(1) Bonds issued by a land bank must be authorized by resolution of the board and shall be limited obligations of the land bank. The principal and interest, costs of issuance and other costs incidental thereto shall be payable solely from the income and revenue derived from the sale, lease or other disposition of the assets of the land bank.

(2) In the discretion of the land bank, the bonds may be additionally secured by mortgage or other security device covering all or part of the project from which the revenues so pledged may be derived.

(3) Any refunding bonds issued shall be payable from any source described in this act or from the investment of any of the proceeds of the refunding bonds and shall not constitute an indebtedness or pledge of the general credit of any political subdivision within the meaning of any constitutional or statutory limitation of indebtedness and shall contain a recital to that effect.

(4) Bonds of the land bank shall be issued in such form, shall be in such denominations, shall bear interest, shall mature in such manner, and shall be executed by one or more members of the board as provided in the resolution authorizing the issuance thereof.

(5) Bonds of the land bank may be subject to redemption at the option of and in the manner determined by the board in the resolution authorizing the issuance thereof.

(e) Powers of municipalities.--A municipality may elect to guarantee, insure or otherwise become primarily or secondarily

obligated on the indebtedness of a land bank subject, however, to all other provisions of law of the Commonwealth applicable to municipal indebtedness.

(f) Sale.--

(1) Bonds issued by a land bank shall be issued, sold, and delivered in accordance with the terms and provisions of a resolution adopted by the board. The board may sell such bonds in such manner, either at public or at private sale, and for such price as it may determine to be in the best interests of the land bank.

(2) The resolution issuing bonds shall be published in a newspaper of general circulation within the jurisdiction in which the land bank is located.

(g) Liability.--

(1) Neither the members of a land bank nor any person executing the bonds of a land bank shall be liable personally on the bonds by reason of the issuance thereof.

(2) The bonds or other obligations of a land bank shall not be a debt of any political subdivision or of the Commonwealth, and shall so state on their face, nor shall any municipality or the Commonwealth nor any revenues or any property of any municipality or the Commonwealth be liable for the bonds or other obligations.

Section 13. Public records and public meetings.

A board shall cause minutes and a record to be kept of all its proceedings. Except as otherwise provided in this act, the land bank shall be subject to 65 Pa.C.S. Ch. 7 (relating to open meetings) and the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

Section 14. Dissolution of land bank.

(a) General rule.--A land bank may be dissolved as a public body corporate and politic 60 calendar days after an affirmative resolution approved by two-thirds of the membership of the board.

(b) Notice.--Sixty calendar days' advance written notice of consideration of a resolution of dissolution shall be given to the land bank jurisdiction or land bank jurisdictions that created the land bank, shall be published in a local newspaper of general circulation and shall be sent certified mail to the trustee of any outstanding bonds of the land bank.

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

(d) Multiple jurisdictions.--In the event that two or more land bank jurisdictions create a land bank in accordance with section 4(b)(2) or (3), the withdrawal of one or more land bank jurisdictions shall not result in the dissolution of the land bank unless the intergovernmental cooperation agreement so provides and there is no land bank jurisdiction that desires to continue the existence of the land bank.

Section 15. Conflicts of interest.

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

(b) Supplemental rules and regulations.--The board may adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for members of the board and land bank employees. Board members and land bank

employees are subject to the ethical standards specified in 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure).

Section 16. Construction, intent and scope of act.

This act shall be construed liberally to effectuate the legislative intent and the purposes as complete and independent authorization for the performance of each and every act and thing authorized by this act, and all powers granted shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

Section 17. Delinquent property tax enforcement.

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

(1) Whenever any real property is acquired by a land bank and is encumbered by a lien or claim for real property taxes owed to the entities that created the land bank pursuant to section 4(b) or to municipalities having an intergovernmental cooperation agreement with the land bank, the land bank may, by resolution of the board, discharge and extinguish any and all such liens or claims.

(2) Whenever any real property is acquired by a land bank and is encumbered by a lien or claim for real property taxes owed to a school district, the land bank may, by resolution of the board, discharge and extinguish any and all such liens or claims if and only if the governing body of the school district has approved each discharge and extinguishment.

(3) The land bank shall file evidence of the 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 or other necessary and appropriate documentation. This requirement shall be satisfied no later than ten days prior to the conveyance of the property or within 30 days after the extinguishment and dissolution of liens or claims, whichever comes first.

(b) Remittance of payments.--To the extent that a land bank receives payments of any kind attributable to liens or claims 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, as applicable.

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

(1) (i) For any tax claim filed under the Real Estate Tax Sale Law, the municipality may direct the county tax claim bureau to assign the claim or lien to a land bank under such terms as are mutually acceptable to the municipality and land bank and shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee as set forth in section 316 of the Real Estate Tax Sale Law.

(ii) For any tax claim to be filed under the Real Estate Tax Sale Law, a municipality having complied with section 26 of the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, and section 306 of the Real Estate Tax Sale Law may assign and transfer to a land bank any tax claim to be filed under the Real Estate

Tax Sale Law upon such terms and conditions as are mutually acceptable to the municipality and shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee as set forth in section 316 of the Real Estate Tax Sale Law.

(2) (i) The upset sale price contemplated by section 605 of the Real Estate Tax Sale Law may be set in advance in an amount equal to or greater than the minimum amount described in section 605 of the Real Estate Tax Sale Law as may be mutually agreed in writing by the municipality and the land bank.

(ii) In the event there is such an agreement on the upset sale price and no one bids a higher price than the specified upset sale price, then the property shall be sold to the land bank upon payment by the land bank for the upset sale costs, and all liens, claims and subordinate encumbrances shall be discharged by the sale.

(3) (i) Notwithstanding the provisions of section 612 of the Real Estate Tax Sale Law, when a judicial sale is ordered pursuant to a judgment on a tax claim, the purchaser of the property is a land bank and the sales price is an amount agreed to by the land bank and the plaintiff in the claim, then the form, substance and timing of the land bank's payment of the sales price may be according to the agreement as is mutually acceptable to the plaintiff and the land bank.

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

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

(4) The notice and advertisement contemplated by sections 602 and 607(a) of the Real Estate Tax Sale Law shall contain reference to a potential bid by the land bank.

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

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

(A) Identification of each tract of real property.

(B) The identities of all parties having an interest in each respective tract of real property.

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

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

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

(d) Procedure relating to Municipal Claim and Tax Lien Law.--In a municipality which follows the provisions of the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law, and a land bank exists in such municipality, the following provisions shall apply:

(1) The municipality may assign and transfer to the land bank any tax or municipal claim filed or to be filed under the Municipal Claim and Tax Lien Law upon such terms and conditions as are mutually acceptable to the municipality and land bank, and shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee as stated in section 33 of the Municipal Claim and Tax Lien Law.

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

(ii) In the event there is an agreement on the upset sale price and no one bids a higher price than the specified upset sale price, then the property shall be sold to the land bank upon payment by the land bank for the upset sale costs, and all liens, claims and subordinate encumbrances shall be discharged by the sale.

(3) (i) Notwithstanding the provisions of section 31 of the Municipal Claim and Tax Lien Law, when a judicial sale is ordered pursuant to a judgment on a tax or municipal claim, the purchaser of the property is a land bank and the sales price is an amount agreed to by the land bank and the plaintiff in the claim, then the form, substance and timing of the land bank's payment of the sales price may be according to the agreement as is

mutually acceptable to the plaintiff and the land bank.

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

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

(4) (i) Notwithstanding the provisions of sections 31.1 and 31.2 of the Municipal Claim and Tax Lien Law and sections 4 and 6 of the act of March 1, 1956 (1955 P.L.1196, No.372), entitled "An act authorizing the sale of vacant land located in areas certified as conservation areas in counties of the first class, under a judgment obtained on a tax claim, by the sheriff of the county; providing for the discharge of all liens, mortgages, ground rents, estates and claims against the property by sale; and limiting the right of redemption," the land bank may tender a bid at the sale in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment. In the event of tender by the land bank, the property shall be deemed sold to the land bank regardless of any of bids by any other third parties.

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

full satisfaction of the tax or municipal claim which was the basis for the judgment.

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

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

(5) (i) In a petition for a judicial sale, a municipality, or a land bank if it is the holder of municipal tax liens, may combine in a petition multiple tracts of real property so long as the petition and accompanying affidavits provide:

(A) Identification of each tract of real property.

(B) The identities of all parties having an interest in each respective tract of real property.

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

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

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

(e) Procedure relating to Second Class City Treasurer's Sale and Collection Act.--In any municipality which follows the provisions of the act of October 11, 1984 (P.L.876, No.171),

known as the Second Class City Treasurer's Sale and Collection Act, the following provisions shall apply:

(1) A municipality may assign and transfer to a land bank any tax or municipal claim filed or to be filed under the Second Class City Treasurer's Sale and Collection Act upon such terms and conditions as are mutually acceptable to the municipality and land bank and shall otherwise confer upon the land bank the rights, privileges and remedies of the municipality under the Second Class City Treasurer's Sale and Collection Act.

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

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

(iii) Notwithstanding the provisions of section 301 of the Second Class City Treasurer's Sale and Collection Act, the bid of the land bank shall be paid as to its form, substance and timing according to an agreement that is mutually acceptable to the municipality and land bank.

(iv) The obligation of the land bank to perform in accordance with the agreement shall be deemed to be in full satisfaction of the claims and liens which was the basis for the sale.

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

(4) Subject to the redemption rights set forth in

section 304 of the Second Class City Treasurer's Sale and Collection Act and confirmation by the court of common pleas in accordance with section 305 of the Second Class City Treasurer's Sale and Collection Act, the land bank as purchaser at the sale shall have an absolute title to the property sold, free and discharged of all tax and municipal claims, liens, mortgages, ground rents, charges and estates of any kind.

(5) The deed to the land bank contemplated by section 303 of the Second Class City Treasurer's Sale and Collection Act shall be delivered, acknowledged and recorded within 30 days of the date of confirmation.

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

(A) Identification of each tract of real property.

(B) The identities of all parties having an interest in each respective tract of real property.

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

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

(ii) The court may authorize in a single final judgment that all or part of the real properties identified in the petition be sold free and clear of all tax and municipal claims, mortgages, liens, charges and

estates and ground rents.

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

Section 18. Expedited quiet title proceedings.

(a) General rule.--A land bank may file an action to quiet title as to any real property in which the land bank has an interest. For purposes of any such action, the land bank shall be deemed to be the holder of sufficient legal and equitable interests and possessory rights so as to qualify the land bank an adequate complainant in the action.

(b) Examination of title required.--Prior to the filing of an action to quiet title the land bank shall conduct an examination of title to determine the identity of any person and entity possessing a claim or interest in or to the real property. Service of the complaint to quiet title shall be provided to all such interested parties by the following methods:

(1) First Class mail to such identity and address as reasonably ascertainable by an inspection of public records.

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

(3) By posting a copy of the notice on the real property.

(4) By publication.

(5) Such other methods as the court may order.

(c) Affidavit required.--As part of the complaint to quiet

title, the land bank must file an affidavit identifying all parties potentially having an interest in the real property and the form of notice provided.

(d) Hearing.--The court shall schedule a hearing on the complaint within 90 days following filing of the complaint and as to all matters upon which an answer was not filed by an interested party, the court shall issue its final judgment within 120 days of the filing of the complaint.

(e) Joinder of parcels.--A land bank may join in a single complaint to quiet title one or more parcels of real property.

SECTION 19. ANNUAL AUDIT AND REPORT.

THE FOLLOWING SHALL APPLY:

(1) THE LAND BANK SHALL ANNUALLY, WITHIN 120 DAYS AFTER THE END OF THE FISCAL YEAR, SUBMIT AN AUDIT OF ALL INCOME AND EXPENDITURES, TOGETHER WITH A REPORT OF ITS ACTIVITIES FOR THE PRECEDING YEAR, TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

(2) A DUPLICATE OF THE AUDIT AND THE REPORT SHALL BE FILED WITH THE GOVERNING BODY OF THE LAND BANK JURISDICTION WHICH CREATED THE LAND BANK AND WITH THE GOVERNING BODY OF A MUNICIPALITY OR SCHOOL DISTRICT THAT OPTED TO PARTICIPATE IN THE LAND BANK PURSUANT TO AN INTERGOVERNMENTAL AGREEMENT.

Section 30. Effective date.

This act shall take effect immediately.