



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 667

PRINTERS NO. 1794

PRIME SPONSOR: Stefano

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
Political Subdivision Funds	\$0	\$0

SUMMARY: Amends the Land Bank Act, Chapter 21 of Title 68 (Real and Personal Property) to provide authority by which a land bank jurisdiction may designate a redevelopment authority as a land bank. This legislation would take effect in 60 days.

ANALYSIS: This legislation allows a land bank jurisdiction located in a county of the second class A through eighth class to designate (by the adoption of an ordinance) a redevelopment authority, which was created for the jurisdiction, as the land bank. The required ordinance must include the following:

- The manner in which residents will have input into land bank decision making.
- Policies regarding former owner-occupants occupying homes acquired by the land bank.
- Any additional terms or conditions the land bank jurisdiction deems reasonable and necessary for the operation of the land bank.

The ordinance may contain voting or approval requirements relating to the disposition of property of the land bank as authorized under Section 2110(g). The ordinance must be filed with the Department of State, which shall note it on the record of incorporation for the authority.

A redevelopment authority designated under this subsection would be authorized to exercise all of the powers of a land bank under Chapter 21, subject to the following:

- Such designation would not effect the structure or membership of the existing authority board, except that the voting requirements specified in Section 2105(h) of the chapter for certain matters (adoption of bylaws/ rules, hiring/ firing of employees, adoption of budget, debt authorization, etc.) must be complied with.
- The provisions of Section 2117 of the chapter (relating to conflicts of interest of the board/ employees) would apply to proceedings under this subsection.
- Upon the vacancy or expiration of the term of a current authority board member occurring after the designation, the land bank jurisdiction must appoint a replacement to ensure that at least one board member:
 - Is a resident of the land bank jurisdiction.
 - Is not a public official or municipal employee.
 - Maintains membership with a recognized civic organization within the land bank jurisdiction.

A redevelopment authority designated under this subsection could only acquire, hold and dispose of real property in accordance with Chapter 21. Therefore, it would not possess the power of eminent domain with regard to any land bank activities it undertakes.

Finances of an authority as a land bank must be retained and accounted for separately from the finances held for other authority purposes and would be subject to the annual auditing and reporting requirements pertaining to land banks under Chapter 21. The authority would also be required to establish rules, policies and procedures consistent with the chapter for land bank activities.

The designation of the authority as a land bank may be revoked in the same manner as provided for the dissolution of a land bank under Section 2114 of Chapter 21.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or political subdivision funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 5, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.