
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 615 Session of
2003

INTRODUCED BY GREENLEAF, RAFFERTY, WAGNER, LEMMOND, KUKOVICH AND
COSTA, APRIL 21, 2003

REFERRED TO LOCAL GOVERNMENT, APRIL 21, 2003

AN ACT

1 Authorizing the establishment of land bank programs and
2 affordable housing programs with the approval of the
3 electorate; providing for funding by proceeds from tax on the
4 transfer of real property; and specifying the purposes of
5 such programs.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Municipal
10 Land Bank and Affordable Housing Act.

11 Section 2. Establishment of land bank programs and affordable
12 housing programs.

13 The governing body of the municipality may, by ordinance, or
14 the electors of the municipality may, by petition, cause to be
15 submitted to the qualified voters of the municipality the
16 question of whether the municipality should establish either a
17 land bank program, an affordable housing program, or both, and
18 dedicate all or a portion of taxes imposed by the municipality
19 on the transfer of real property in the municipality for the

1 purpose of funding the program or programs.

2 Section 3. Initiative of electors.

3 In order for the question of whether to establish either a
4 land bank program, an affordable housing program, or both, to be
5 initiated by petition of electors, petitions calling for the
6 question containing signatures of at least 5% of the electors
7 voting for the Office of Governor in the last gubernatorial
8 general election in the municipality shall be filed with the
9 county board of elections.

10 Section 4. Filing of ordinance or petition.

11 The ordinance or petition calling for the question of whether
12 to establish a land bank program, an affordable housing program,
13 or both, that is to be submitted to the electors shall be filed
14 with the election officials not later than the 13th Tuesday
15 prior to the next primary, municipal or general election. The
16 petition and proceedings therein shall be in the manner and
17 subject to the provisions of the election laws which relate to
18 the signing, filing and adjudication of nomination petitions
19 insofar as such provisions are applicable, except that no
20 petition shall be signed or circulated prior to the 20th Tuesday
21 before the election nor later than the 13th Tuesday before the
22 election.

23 Section 5. Form of question for land bank program.

24 The question of whether to establish a land bank program
25 shall be in substantially the following form:

26 "Do you favor the establishment, administration and
27 maintenance of a land bank program for the purpose of
28 enabling [insert name of municipality] to acquire open-
29 space land or interests in such land to conserve natural
30 and scenic resources, to preserve agricultural land and

1 to augment public recreation opportunities and the
2 dedication of taxes imposed by the municipality on the
3 transfer of real property in the municipality for funding
4 of the program?"

5 Section 6. Form of question for affordable housing program.

6 The question of whether to establish an affordable housing
7 program shall be in substantially the following form:

8 "Do you favor the establishment and administration of
9 a program consisting of the awarding of grants to
10 nonprofit organizations, housing authorities and
11 redevelopment authorities to provide adequate, safe and
12 affordable housing in [insert name of municipality] for
13 low-income individuals and families, and the dedication
14 of taxes imposed by the municipality on the transfer of
15 real property in the municipality for funding of the
16 program?"

17 Section 7. Dual question.

18 In the event that the ordinance or petition calls for the
19 question of whether to establish both a land bank program and an
20 affordable housing program, the questions set forth in sections
21 5 and 6 may be appropriately combined into one question.

22 Section 8. Dedication of portion of tax.

23 The ordinance or petition calling for a question of whether
24 to establish a land bank program, an affordable housing program,
25 or both, may call for some percentage less than all of the tax
26 imposed by the municipality on the transfer of real property to
27 be dedicated for the program or programs, in which case the
28 question on the ballot shall be revised to indicate the portion
29 of the tax to be so dedicated.

30 Section 9. Municipal option.

1 In the event that a special fund for purposes of affordable
2 housing exists at the county level, a municipality shall have
3 the option of dedicating the revenue derived from taxes imposed
4 by the municipality on the transfer of real property and
5 dedicated for affordable housing purposes to the county fund.
6 Moneys so dedicated shall be deposited in the county special
7 fund for affordable housing for use by the county in providing
8 grants to nonprofit organizations, housing authorities and
9 redevelopment authorities to provide adequate, safe and
10 affordable housing in the municipality that exercises its option
11 under this section.

12 Section 10. Establishment of program.

13 If a majority of the electors voting on the question of
14 establishing, administering and maintaining a land bank program
15 or an affordable housing program, or both, and dedicating taxes
16 imposed by the municipality on the transfer of real property
17 within the municipality in order to fund the program or programs
18 vote in favor of the question, the governing body of the
19 municipality within 90 days following the certification of the
20 results of the election shall adopt an ordinance or ordinances
21 establishing the appropriate program or programs. If both a land
22 bank program and an affordable housing program are approved, the
23 ordinance or ordinances shall specify the portion of available
24 funds allocated to each program.

25 Section 11. Special fund.

26 (a) Land Bank Fund.--Unless a municipality exercises its
27 option pursuant to section 9, all revenue derived from a tax
28 imposed by the municipality on the transfer of real property in
29 the municipality dedicated for land bank purposes, affordable
30 housing purposes, or both, shall be remitted by the county

1 recorder of deeds to the municipality and deposited in a special
2 fund to be known as the Land Bank Fund, the Affordable Housing
3 Fund or the Land Bank and Affordable Housing Fund, whichever may
4 be appropriate, and used exclusively for the purposes authorized
5 by this act.

6 (b) Donations.--The municipality may accept donations from
7 any source for the purposes authorized by this act, and any
8 funds so received, including any funds which may become
9 available from the Federal or State government for the purposes
10 stated in this act, all revenues derived from the sale of bonds
11 for land bank purposes and interest accrued, shall be deposited
12 in the appropriate special fund, including the special county
13 fund in the case of a municipality exercising its option
14 pursuant to section 9.

15 (c) Deposit of proceeds.--All proceeds from the rental,
16 lease or sale of any open-space land or an interest therein that
17 the municipality acquired through the land bank program shall be
18 deposited in the Land Bank Fund.

19 Section 12. Acquisition of open-space land.

20 (a) Moneys in fund.--Moneys in a Land Bank Fund shall be
21 used by the municipality for the acquisition and maintenance of
22 open-space land and interests in open-space land within the
23 municipality and for related administrative expenses, including,
24 but not limited to, expenditures for engineering, legal and
25 appraisal services and for the repayment of debts incurred
26 through the issuance of bonds pursuant to section 13.

27 (b) Approval not required.--When a land bank program has
28 been established, no additional approval of the electors shall
29 be required for the acquisition of open-space land or interests
30 therein with money in the Land Bank Fund, nor shall approval of

1 the electors be required for the governing body of the
2 municipality, on behalf of the municipality, to accept title to
3 open-space lands or interests therein which may be donated to
4 the municipality.

5 (c) Public notice.--The governing body of the municipality
6 shall give public notice of a meeting at which final action on
7 an acquisition of open-space land or an interest therein or
8 acceptance of a donation of open-space land is to be taken,
9 which public notice shall be given in the manner prescribed by
10 65 Pa.C.S. Ch. 7 (relating to open meetings) and shall include a
11 brief description of the proposed transaction.

12 (d) Advice of commission and advisory council.--The
13 governing body of the municipality shall seek the advice of the
14 municipality's planning commission and the Environmental
15 Advisory Council established under 53 Pa.C.S. Ch. 23 Subch. B
16 (relating to environmental advisory councils) if the
17 municipality has established such a council with respect to all
18 transactions involving open-space land.

19 (e) Appraisals.--At least two independent appraisals shall
20 be obtained prior to the purchase by the municipality of any
21 open-space land or interest therein.

22 (f) Public purposes.--Any land acquired by a municipality
23 pursuant to this act shall be deemed to be held and used for
24 public purposes.

25 (g) Definition.--As used in this act, the term "open-space
26 land" means land that will be used for any of the following
27 purposes:

28 (1) To conserve natural or scenic resources, including,
29 but not limited to, soils, beaches, streams, wetlands or
30 tidal wetlands.

1 (2) To preserve agricultural land, including the
2 preservation of agricultural land through the purchase of
3 agricultural conservation easements as provided in the act of
4 June 30, 1981 (P.L.128, No.43), known as the Agricultural
5 Area Security Law.

6 (3) To enhance the value to the public of abutting or
7 neighboring parks, forests, wildlife preserves, nature
8 reservations or other public open spaces.

9 (4) To augment public recreation opportunities.

10 (5) To preserve sites of historic, geologic or botanic
11 interest.

12 Section 13. Bond issues for open-space land.

13 In anticipation of moneys becoming available in the Land Bank
14 Fund, the governing body of the municipality may issue bonds for
15 the exclusive purpose of acquiring and maintaining open-space
16 land or interests therein.

17 Section 14. Conveyance of open-space land.

18 (a) Acquisition of land.--The governing body of the
19 municipality may, by competitive bid as provided in subsection
20 (b), and subject to the same requirements as provided in section
21 12(c), (d) and (e) for acquisition of open-space land, convey
22 open-space land, portions thereof or interests therein subject
23 to a protective covenant in the deed of conveyance that the land
24 will be used only for the purposes of open-space land, as
25 defined in this act, with reversion to the municipality in the
26 event the covenant is violated. The protective covenant in the
27 deed of conveyance shall state with specificity the use or
28 restrictions on use applicable to the land so conveyed. No
29 conveyance of open-space land or an interest therein without
30 this protective covenant in the deed shall be made without

1 approval of the court of common pleas. The court of common pleas
2 may not approve the proposed conveyance without a protective
3 covenant in the deed unless the court determines that there is
4 an overriding public need that cannot be met through the use of
5 any other land within the municipality.

6 (b) Sale of land.--Open-space land, portions thereof or
7 interests therein may be sold by the municipality to the highest
8 bidder, subject to the protective covenant specified in
9 subsection (a), after due notice by the advertisement for bids
10 in one newspaper of general circulation in the municipality. The
11 advertisement shall be published once not less than ten days
12 prior to the date fixed for the opening of bids, and the date
13 for opening bids shall be announced in the advertisement. The
14 acceptance of bids shall be made only by public announcement at
15 a regular or special meeting of the governing body of the
16 municipality. All bids shall be accepted on the condition that
17 payment of the purchase price in full shall be made within 90
18 days of the acceptance of bids.

19 (c) Donation of land.--Notwithstanding any other provision
20 of this act, a municipality may donate land or any portion
21 thereof or interest therein acquired pursuant to a land bank
22 program to a conservancy which possesses a tax-exempt status
23 pursuant to section 501(c)(3) of the Internal Revenue Code of
24 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) and which has as
25 its primary purpose preservation of land for historic,
26 recreational, scenic, agricultural or open-space opportunities.
27 Prior to this donation, the governing body of the municipality
28 shall give public notice in the manner provided in section
29 12(c). This donation shall be subject to the protective covenant
30 specified in subsection (a).

1 Section 15. Use of Affordable Housing Fund.

2 (a) Grants.--Moneys deposited in an Affordable Housing Fund
3 and interest earned on moneys deposited in this fund shall be
4 used solely for the purpose of making grants to nonprofit
5 organizations, housing authorities and redevelopment authorities
6 for affordable housing purposes. Qualifications for grants, the
7 manner of making applications for grants and authorized uses of
8 grant moneys shall be provided for in the ordinance establishing
9 the affordable housing program. Authorized uses of grant moneys
10 may include plan preparation, the acquisition of property, the
11 construction of new residential buildings, demolition of
12 existing buildings, construction, reconstruction, alteration and
13 repair of residential buildings and any other associated work,
14 including administrative costs and the cost of professional and
15 technical assistance.

16 (b) Public notice.--The governing body of the municipality
17 shall give public notice of a meeting at which final action on a
18 grant from the Affordable Housing Fund is to be taken. The
19 public notice shall be given in the manner prescribed by 65
20 Pa.C.S. Ch. 7 (relating to open meetings) and shall include a
21 brief description of the proposed project.

22 Section 16. Termination of land bank program or affordable
23 housing program.

24 (a) Referendum.--The governing body of the municipality may,
25 by ordinance, or the electors of the municipality may, by
26 petition, cause to be submitted to the qualified voters of the
27 municipality the question of whether the municipality should
28 terminate an established land bank program, an established
29 affordable housing program, or both.

30 (b) Petition.--A petition by the electors shall be in the

1 same manner as provided for the establishment of such programs
2 in section 3, and the ordinance or petition shall be filed in
3 the same manner as provided in section 4.

4 (c) Question.--The question of whether to terminate an
5 established land bank program or an affordable housing program
6 shall be in substantially the following form:

7 "Do you favor the termination of the existing
8 program?"

9 This question shall be followed by a brief statement of the
10 original purpose of the program. If both programs are to be
11 considered for termination, the questions may be appropriately
12 combined into one question.

13 (d) Election.--If a majority of the electors voting on the
14 question vote in favor of termination, the governing body of the
15 municipality shall, within 90 days following certification of
16 the results of the election, adopt any ordinances necessary to
17 terminate the program or programs.

18 Section 17. Effective date.

19 This act shall take effect immediately.