

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1682 Session of 2011

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AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, FEBRUARY 14, 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.
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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) ~~Every~~ A county and ~~every~~, A city, A borough, A ←
2 township and AN incorporated town with a population of more ←
3 than 10,000; or

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

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

11 "Municipality." ~~Every~~ A county, city, borough, incorporated ←
12 town, township and OR home rule municipality. ←

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

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

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

26 § 2104. Creation and existence.

27 (a) Authority.--~~A~~ SUBJECT, IN A CITY OF THE FIRST CLASS, TO ←
28 THE HOME RULE CHARTER, A land bank jurisdiction may elect to
29 create a land bank by the adoption of an ordinance, ~~subject to~~ ←
30 the approval of the mayor in a city of the first class under the

1 ~~provisions of the home rule charter or the county executive in a~~
2 ~~home rule county,~~ to create a binding legal obligation. The
3 ordinance must specify the following:

4 (1) The name of the land bank.

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

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

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

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

13 (6) Policies regarding former owner-occupants who are
14 still occupying homes acquired by the land bank. These ←
15 policies shall show a preference for keeping the former
16 owner-occupants in their homes, whenever feasible.

17 (7) Additional terms and conditions the municipality ←
18 LAND BANK JURISDICTION deems reasonable and necessary for ←
19 operation of the land bank.

20 (b) Filing.--The governing body of the land bank
21 jurisdiction which creates a land bank shall file a copy of the
22 ordinance with the department and with the Department of State.
23 After receipt of the ordinance, the Secretary of the
24 Commonwealth shall issue a certificate of incorporation.

25 (c) Combinations.--

26 (1) The authority under subsection (a) may be exercised
27 in combination pursuant to an intergovernmental cooperation
28 agreement by:

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

30 (ii) a land bank jurisdiction and one or more

1 municipalities.

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

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

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

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

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

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

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

24 § 2105. Board.

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

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

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

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

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

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

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

12 and

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

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

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

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

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

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

27 (2) Attendance and participation of members in its
28 regular and special meetings.

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

1 (4) Other matters necessary to govern the conduct of a
2 land bank.

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

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

10 (g) Meetings.--

11 (1) The board shall meet as follows:

12 (i) In regular session according to a schedule
13 adopted by the board.

14 (ii) In special session:

15 (A) as convened by the chair; or

16 (B) upon written notice signed by a majority of
17 the members.

18 (2) A majority of the board, excluding vacancies,
19 constitutes a quorum. Physical presence is required under
20 this paragraph.

21 (h) Voting.--

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

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

27 (i) Adoption of bylaws.

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

29 (iii) Hiring or firing of an employee or contractor
30 of the land bank. This function may, by majority vote of

1 the entire board membership, be delegated by the board to
2 a specified officer or committee of the land bank.

3 (iv) Incurring of debt.

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

5 (vi) Sale, lease, encumbrance or alienation of real
6 property or personal property with a value of more than
7 \$50,000.

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

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

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

14 (i) Immunity.--A member of a board LAND BANK JURISDICTION ←
15 WHICH ESTABLISHES A LAND BANK AND A MUNICIPALITY AND A SCHOOL
16 DISTRICT WHICH ARE PARTIES TO AN INTERGOVERNMENTAL COOPERATION
17 AGREEMENT ESTABLISHING A LAND BANK shall not be liable
18 personally on the bonds or other obligations of the land bank.
19 Rights of creditors of a land bank shall be solely against the
20 land bank.

21 § 2106. Staff.

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

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

29 (1) the municipality to provide staffing services to the
30 land bank; or

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

3 § 2107. Powers.

4 A land bank constitutes a public body, corporate and politic,
5 exercising public powers of the Commonwealth necessary or
6 appropriate to carry out this chapter, including the following
7 powers:

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

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

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

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

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

19 (6) To procure insurance or guarantees from the Federal
20 Government or the Commonwealth of the payment of debt
21 incurred by the land bank, and to pay premiums in connection
22 with the insurance or guarantee.

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

30 (8) To enter into contracts and intergovernmental

1 cooperation agreements with municipalities for the
2 performance of functions by municipalities on behalf of the
3 land bank or by the land bank on behalf of municipalities.

4 (9) To make and execute contracts and other instruments
5 necessary or convenient to the exercise of the powers of the
6 land bank. Any contract or instrument signed shall be
7 executed by and for the land bank if the contract or
8 instrument is signed, including an authorized facsimile
9 signature, by:

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

11 (ii) either:

12 (A) the secretary or assistant secretary of the
13 land bank; or

14 (B) the treasurer or assistant treasurer of the
15 land bank.

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

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

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

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

30 (14) To fix, charge and collect rents, fees and charges

1 for the use of real property of the land bank and for
2 services provided by the land bank.

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

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

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

13 (18) To do all other things necessary or convenient to
14 achieve the objectives and purposes of the land bank or other
15 law related to the purposes and responsibility of the land
16 bank.

17 § 2108. Eminent domain.

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

19 § 2109. Acquisition of property.

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

22 (b) Tax exemption.--

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

26 (2) Paragraph (1) does not apply to real property of a
27 land bank after the fifth consecutive year in which the real
28 property is continuously leased to a private third party.
29 However, real property shall continue to be exempt from State
30 and local taxes if it is leased to a nonprofit or

1 governmental agency at substantially less than fair market
2 value.

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

6 (d) Acquisitions from municipalities.--

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

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

17 (3) A REDEVELOPMENT AUTHORITY LOCATED WITHIN A LAND BANK ←
18 JURISDICTION ESTABLISHED UNDER THIS CHAPTER MAY, WITH THE
19 CONSENT OF THE LOCAL GOVERNING BODY AND WITHOUT A
20 REDEVELOPMENT CONTRACT, CONVEY PROPERTY WHICH IT ACQUIRED
21 BEFORE THE EFFECTIVE DATE OF THIS PARAGRAPH TO THE LAND BANK.
22 A CONVEYANCE UNDER THIS PARAGRAPH SHALL BE WITH FEE SIMPLE
23 TITLE, FREE OF ALL LIENS AND ENCUMBRANCES.

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

27 (f) Prohibition.--

28 (1) Subject to the provisions of paragraph (2), a land
29 bank may not own or hold real property located outside the
30 jurisdictional boundaries of the entities which created the

1 land bank under section 2104(c) (relating to creation and
2 existence).

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

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

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

24 § 2110. Disposition of property.

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

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

1 the best interests of the land bank.

2 (c) Consideration.--

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

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

13 (d) Policies and procedures.--

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

18 (2) Requirements which may be applicable to the
19 disposition of real property and interests in real property
20 by municipalities shall not be applicable to the disposition
21 of real property and interests in real property by a land
22 bank.

23 (e) Ranking of priorities.--

24 (1) A land bank jurisdiction may, ~~in its ordinance~~ ←
25 ~~creating a land bank or, in the case of multiple land bank~~
26 ~~jurisdictions creating a single land bank, in the applicable~~
27 ~~intergovernmental cooperation agreement, establish a~~
28 hierarchical ranking of priorities for the use of real
29 property conveyed by a land bank, including use for:

30 (i) Purely public spaces and places.

1 (ii) Affordable housing.

2 (iii) Retail, commercial and industrial activities.

3 (iv) Conservation areas.

4 (2) The priorities established may be for the entire
5 land bank jurisdiction or may be set according to the needs
6 of different neighborhoods, municipalities or other locations
7 within the land bank jurisdiction, or according to the nature
8 of the real property.

9 (f) Land use plans.--A land bank shall consider all duly
10 adopted land use plans and make reasonable efforts to coordinate
11 the disposition of land bank real property with such land use
12 plans.

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

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

22 (2) Except as restricted or constrained under paragraph
23 (1), the board may delegate to officers and employees the
24 authority to enter into and execute agreements, instruments
25 of conveyance and other related documents pertaining to the
26 conveyance of real property by the land bank.

27 § 2111. Financing of land bank operations.

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

30 (1) the Federal Government;

- 1 (2) the Commonwealth;
2 (3) a municipality;
3 (4) the land bank jurisdiction which created the land
4 bank; and
5 (5) private sources.

6 (b) Funding.--A land bank may receive and retain payments
7 for services rendered, for rents and leasehold payments
8 received, for consideration for disposition of real and personal
9 property, for proceeds of insurance coverage for losses
10 incurred, for income from investments and for an asset and
11 activity lawfully permitted to a land bank under this chapter.

12 (c) Allocated real property taxes.--

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

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

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

27 § 2112. Borrowing and issuance of bonds.

28 (a) Authority.--

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

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

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

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

6 (A) The Federal Government or a Federal agency
7 or instrumentality.

8 (B) The Commonwealth, a Commonwealth agency or
9 an instrumentality of the Commonwealth.

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

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

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

15 (1) the Commonwealth; or

16 (2) a political subdivision.

17 (d) Procedure.--

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

20 (2) The principal and interest, costs of issuance and
21 other costs incidental to the bond shall be payable solely
22 from the income and revenue derived from the sale, lease or
23 other disposition of the assets of the land bank. THE LAND ←
24 BANK MAY SECURE THE BOND BY A MORTGAGE OR OTHER SECURITY
25 DEVICE COVERING ALL OR PART OF THE PROJECT FROM WHICH THE
26 PLEDGED REVENUES MAY BE DERIVED.

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

28 (i) shall be payable from:

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

30 (B) the investment of the proceeds of the

1 refunding bonds; and
2 (ii) shall not constitute an indebtedness or pledge
3 of the general credit of a political subdivision within
4 the meaning of a constitutional or statutory limitation
5 of indebtedness and shall contain a recital to that
6 effect.

7 (4) A bond must comply with the authorizing resolution
8 as to:

9 (i) form;

10 (ii) denomination;

11 (iii) interest rate;

12 (iv) maturity; and

13 (v) execution.

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

17 (e) Powers of municipalities.--A municipality may elect to
18 guarantee, insure or otherwise become primarily or secondarily
19 obligated on the indebtedness of a land bank subject, however,
20 to all other provisions of law of this Commonwealth applicable
21 to municipal indebtedness.

22 (f) Sale.--

23 (1) A bond shall be issued, sold and delivered in
24 accordance with the terms and provisions of the authorizing
25 resolution. The board, to effectuate its best interest, may
26 determine the manner of sale, public or private, and the
27 price of the bond.

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

1 (g) Liability.--

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

5 (2) The bond or other obligation of a land bank related
6 to a bond shall not be a debt of a ~~political subdivision~~ ←
7 MUNICIPALITY or of the Commonwealth. A statement to this ←
8 effect shall appear on the face of the bond or obligation.

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

11 (i) The Commonwealth has no liability. This
12 subparagraph applies to the revenue and property of the
13 Commonwealth.

14 (ii) A ~~political subdivision~~ MUNICIPALITY has no ←
15 liability. This subparagraph applies to the revenue and
16 property of a ~~political subdivision~~ MUNICIPALITY. ←

17 § 2113. Public records and public access.

18 (a) Public records.--A board shall keep minutes and a record
19 to be kept of its proceedings. ←

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

21 (1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and

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

24 § 2114. Dissolution of land bank.

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

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

30 (i) be given to the land bank jurisdiction which

1 created the land bank;

2 (ii) be published in a local newspaper of general
3 circulation; and

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

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

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

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

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

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

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

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

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

10 § 2115. Conflicts of interest.

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

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

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

19 (1) supplemental rules addressing potential conflicts of
20 interest; and

21 (2) ethical guidelines for members of the board and land
22 bank employees.

23 § 2116. Construction, intent and scope.

24 This chapter shall be construed liberally to effectuate the
25 legislative intent and the purposes as complete and independent
26 authorization for the implementation of this chapter, and all
27 powers granted shall be broadly interpreted to effectuate the
28 intent and purposes and not as a limitation of powers.

29 ~~Nothing in sections 2101 (relating to scope of chapter), 2102~~
30 ~~(relating to legislative findings and purpose), 2103 (relating~~



~~1 to definitions), 2104 (relating to creation and existence), 2105
2 (relating to board), 2106 (relating to staff), 2107 (relating to
3 powers), 2108 (relating to eminent domain), 2109 (relating to
4 acquisition of property), 2110 (relating to disposition of
5 property), 2111 (relating to financing of land bank operations),
6 2112 (relating to borrowing and issuance of bonds), 2113
7 (relating to public records and public access), 2114 (relating
8 to dissolution of land bank) and 2115 (relating to conflicts of
9 interest) shall apply to real property subject to a mortgage,
10 lien, security interest or claim held by a financial
11 institution, except to the extent a land bank enters into an
12 agreement with such financial institution relative to title,
13 possession or control of such property and satisfaction of such
14 mortgage, lien, security interest or claim.~~

15 § 2117. Delinquent property tax enforcement.

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

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

21 (2) For a land bank to discharge a lien or claim to its
22 real property under paragraph (1) for tax owed to a school
23 district, the governing body of the school district must
24 approve the discharge.

25 (3) The land bank must file evidence of the
26 extinguishment and dissolution of liens or claims with the
27 county tax claim bureau, including copies of the resolution
28 by the board, the intergovernmental agreement, receipt of
29 payment and other necessary and appropriate documentation.

30 This requirement must be satisfied no later than the earlier

1 of:

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

4 (ii) within 30 days after the discharge.

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

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

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

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

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

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

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

1 (A) may assign and transfer the claim to the
2 land bank upon terms and conditions mutually
3 acceptable to the municipality and the land bank; and

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

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

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

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

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

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

29 (i) Notwithstanding section 612 of the Real Estate
30 Tax Sale Law, the form, substance and timing of the land

1 bank's payment of the sales price may be according to the
2 agreement as is mutually acceptable to the plaintiff and
3 the land bank if all of the following apply:

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

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 tax
13 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) The notice and return under sections 602 and 607(a)
19 of the Real Estate Tax Sale Law must contain reference to a
20 potential bid by the land bank.

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

25 (6) All of the following apply to judicial sales for
26 multiple tracts:

27 (i) In a petition for a judicial sale, the
28 municipality or the land bank, if it is the holder of
29 municipal tax liens, may combine in a single petition
30 multiple tracts of real property if the petition and

1 accompanying affidavits provide all of the following:

2 (A) Identification of each tract of real
3 property.

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

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

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

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

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

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

21 (i) may assign and transfer a tax or municipal claim
22 to the land bank upon terms and conditions mutually
23 acceptable to the municipality and land bank;

24 (ii) shall otherwise confer upon the land bank the
25 rights, privileges and remedies of an assignee as stated
26 in section 33 of the Municipal Claim and Tax Lien Law;
27 and

28 (iii) for tax liens assigned to the land bank under
29 this section, the land bank shall adopt policies
30 providing for plans and agreements by which low-income,

1 owner-occupant households may pay their delinquent taxes.
2 Such plans and agreements shall take into account the
3 household's ability to pay and shall be designed to
4 promote the continued occupancy by that household
5 whenever feasible.

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

7 (i) The land bank and the plaintiff in the claim may
8 enter into an agreement for the land bank to purchase the
9 property at the minimum amount described in section 29 of
10 the Municipal Claim and Tax Lien Law in the event there
11 is no bid tendered for a higher amount than the minimum
12 amount.

13 (ii) If there is an agreement under subparagraph (i)
14 and no one bids a higher price than the minimum amount
15 described in section 29 of the Municipal Claim and Tax
16 Lien Law, the property shall be sold to the land bank
17 upon payment by the land bank for the upset sale costs
18 and liens, claims and subordinate encumbrances shall be
19 discharged by the sale.

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

21 (i) Notwithstanding section 31 of the Municipal
22 Claim and Tax Lien Law, the form, substance and timing of
23 the land bank's payment of the sales price may be
24 according to the agreement mutually acceptable to the
25 plaintiff and the land bank if all of the following
26 apply:

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

29 (B) The purchaser of the property is the land
30 bank.

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

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

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

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

21 (i) The land bank may tender a bid at the sale in an
22 amount equal to the total amount of all municipal claims
23 and liens which were the basis for the judgment. Upon
24 tender under this subparagraph, the property shall be
25 deemed sold to the land bank regardless of bids by other
26 parties.

27 (ii) The bid of the land bank shall be paid as to
28 its form, substance and timing according to an agreement
29 that is mutually acceptable to the plaintiff and the land
30 bank. The obligation of the land bank to perform in

1 accordance with the agreement shall be deemed to be in
2 full satisfaction of the tax or municipal claim which was
3 the basis for the judgment.

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

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

10 (5) All of the following apply to judicial sales for
11 multiple tracts:

12 (i) In a petition for a judicial sale, a
13 municipality or a land bank, if it is the holder of
14 municipal tax liens, may combine in a petition multiple
15 tracts of real property if the petition and accompanying
16 affidavits provide all of the following:

17 (A) Identification of each tract of real
18 property.

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

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

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

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

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

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

7 (i) may assign and transfer a tax or municipal claim
8 to the land bank under the Second Class City Treasurer's
9 Sale and Collection Act upon terms and conditions
10 mutually acceptable to the municipality and the land
11 bank; and

12 (ii) shall otherwise confer upon the land bank the
13 rights, privileges and remedies of the municipality under
14 the Second Class City Treasurer's Sale and Collection
15 Act.

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

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

25 (i) The land bank and the plaintiff in the claim may
26 enter into an agreement for the land bank to purchase the
27 property for the minimum amount of the upset sale price
28 described in section 301 of the Second Class City
29 Treasurer's Sale and Collection Act in the event there is
30 no bid tendered for a higher amount than the minimum

1 amount.

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

4 (iii) Notwithstanding section 301 of the Second
5 Class City Treasurer's Sale and Collection Act, the bid
6 of the land bank shall be paid as to its form, substance
7 and timing according to an agreement between the
8 municipality and land bank. The obligation of the land
9 bank to perform in accordance with the agreement shall be
10 deemed to be in full satisfaction of the tax or claim
11 which was the basis for the sale.

12 (3) The notice and advertisement under sections 203 and
13 204 of the Second Class City Treasurer's Sale and Collection
14 Act must contain reference to a potential bid by the land
15 bank.

16 (4) Subject to redemption under section 304 of the
17 Second Class City Treasurer's Sale and Collection Act and
18 confirmation under section 305 of the Second Class City
19 Treasurer's Sale and Collection Act, the land bank, as
20 purchaser at the sale, shall have an absolute title to the
21 property sold, free and discharged of tax and municipal
22 claims, liens, mortgages, ground rents, charges and estates.

23 (5) The deed to the land bank under section 307 of the
24 Second Class City Treasurer's Sale and Collection Act shall
25 be delivered, acknowledged and recorded within 30 days of the
26 date of confirmation.

27 ~~(6) All of the following apply to judicial sales for~~ ←
28 ~~multiple tracts:~~

29 ~~(i) In a petition for a judicial sale, the~~
30 ~~municipality or the 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 all of the following:~~

~~(A) Identification of each tract of real property.~~

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

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

~~(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 tax and municipal claims, mortgages, liens, charges and estates and ground rents.~~

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

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

~~§ 2118. Expedited quiet title proceedings.~~

~~(a) Authorization.--~~

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

~~(2) A land bank may join in a single complaint to quiet~~

1 title to one or more parcels of real property.

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

7 (b) Procedural requirements.--

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

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

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

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

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

21 (iv) By publication.

22 (v) As ordered by the court.

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

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

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

27 (c) Hearing.--

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

1 interested party.

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

4 § 2119. Annual audit and report.

5 The following shall apply:

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

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

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

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

17 § 2120. Determination on procedural revision.

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

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