

**REAL AND PERSONAL PROPERTY (68 PA.C.S.) - CREATION OF LAND BANKS
FOR THE CONVERSION OF VACANT OR TAX-DELINQUENT PROPERTIES INTO
PRODUCTIVE USE**

Act of Oct. 24, 2012, P.L. 1239, No. 153

Cl. 68

Session of 2012

No. 2012-153

HB 1682

AN ACT

Amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, providing for the creation of land banks for the conversion of vacant or tax-delinquent properties into productive use.

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

Section 1. Part II of Title 68 of the Pennsylvania Consolidated Statutes is amended by adding a subpart to read:

SUBPART A

PRELIMINARY PROVISIONS

Chapter

21. Land Banks

**CHAPTER 21
LAND BANKS**

Sec.

- 2101. Scope of chapter.
- 2102. Legislative findings and purpose.
- 2103. Definitions.
- 2104. Creation and existence.
- 2105. Board.
- 2106. Staff.
- 2107. Powers.
- 2108. Eminent domain.
- 2109. Acquisition of property.
- 2110. Disposition of property.
- 2111. Financing of land bank operations.
- 2112. Borrowing and issuance of bonds.
- 2113. Public records and public access.
- 2114. Dissolution of land bank.
- 2115. Conflicts of interest.
- 2116. Construction, intent and scope.
- 2117. Delinquent property tax enforcement.
- 2118. Expedited quiet title proceedings.
- 2119. Annual audit and report.
- 2120. Determination on procedural revision.

§ 2101. Scope of chapter.

This chapter relates to land banks.

§ 2102. Legislative findings and purpose.

The General Assembly finds and declares that:

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

(2) Citizens of this Commonwealth are affected adversely by vacant, abandoned and tax-delinquent properties, including properties which 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 to enable municipalities to turn vacant, abandoned and tax-delinquent spaces into vibrant places.

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

§ 2103. Definitions.

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

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

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

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

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

"Land bank jurisdiction."

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

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

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

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

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

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

"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.

§ 2104. Creation and existence.

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

(1) The name of the land bank.

(2) The number of members of the board.

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

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

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

(6) Policies regarding former owner-occupants who are occupying homes acquired by the land bank. These policies shall

show a preference for keeping the former owner-occupants in their homes, whenever feasible.

(7) Additional terms and conditions the land bank jurisdiction deems reasonable and necessary for operation of the land bank.

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

(c) Combinations.--

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

(i) more than one land bank jurisdiction; or

(ii) a land bank jurisdiction and one or more municipalities.

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

(d) Limitation.--Except as set forth in subsection (c), if 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 another 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. The agreement must specify the membership, if any, of the school district on the board of the land bank and 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:

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

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

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

§ 2105. Board.

(a) Membership.--A board shall consist of an odd number of members and be not less than five members nor more than 11 members. Unless restricted by the actions or agreements specified in section 2104 (relating to creation and existence) 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.

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

(3) An 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.

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

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