



# House of Representatives

General Assembly

**File No. 477**

*January Session, 2011*

House Bill No. 5921

*House of Representatives, April 7, 2011*

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT AUTHORIZING THE CREATION OF LAND BANKS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2011*) As used in this section  
2 and sections 2 and 3 of this act:

3 (1) "Member municipality" means a municipality that is a member  
4 of an authority established pursuant to section 2 of this act;

5 (2) "Authority" means a regional land bank authority established  
6 pursuant to section 2 of this act and having the power to acquire,  
7 assemble, dispose of and bring an action to quiet title to real property  
8 for the purpose of advancing the long-term growth, planning and  
9 economic development goals of the member municipalities; and

10 (3) "Board" means the managing body of the authority.

11 Sec. 2. (NEW) (*Effective October 1, 2011*) (a) Any two or more  
12 municipalities within the same planning region of the state, as defined

13 by the Secretary of the Office of Policy and Management or said  
14 secretary's designee pursuant to section 8-31a of the general statutes,  
15 may, by concurrent resolutions duly adopted by the legislative bodies  
16 of each municipality, establish a regional land bank authority. Such  
17 authority shall be established under the name and style of "the ... land  
18 bank authority", with some identifying phrase inserted. The area of  
19 operation of such authority shall be coterminous with the boundaries  
20 of its member municipalities.

21 (b) The managing body of the authority shall be a board that shall  
22 be charged with carrying out the corporate purposes and powers of  
23 the authority. The resolutions adopted pursuant to subsection (a) of  
24 this section shall specify the number of representatives to be appointed  
25 at any time for full terms of office. After such resolutions take effect,  
26 the legislative bodies of the member municipalities shall appoint the  
27 representatives to the land bank authority board. The qualification,  
28 terms of office for the original representatives and their successors and  
29 compensation, if any, of such representatives shall be prescribed by the  
30 legislative body of each member municipality.

31 (c) After the creation of an authority pursuant to this section, any  
32 other municipality in the same planning region as the member  
33 municipalities may join the authority if (1) such municipality files with  
34 the authority a resolution, duly adopted by its legislative body,  
35 requesting to join such authority, and (2) the legislative body of each  
36 member municipality duly adopts a resolution approving membership  
37 of such municipality in the authority.

38 (d) A member municipality may withdraw from the authority if (1)  
39 such member municipality has no outstanding debt or obligations for  
40 which the authority has entered into a contract with respect to or  
41 otherwise become legally obligated to provide payment for, (2) the  
42 member municipality files a resolution, duly adopted by its legislative  
43 body, approving the withdrawal, and (3) the other member  
44 municipalities approve of such withdrawal by a resolution duly  
45 adopted by the legislative body of each such member municipality.

46 (e) Upon appointment of its representatives, the board shall  
47 organize, select its chairperson and vice-chairperson from among the  
48 representatives on said board and proceed to consider those matters  
49 that have been recommended to it by the member municipalities. The  
50 board shall adopt bylaws for the conduct of its business. The board  
51 may hold such meetings and public hearings as it deems desirable and  
52 the powers of the authority shall be vested in the representatives  
53 thereof in office from time to time. A majority of the entire authorized  
54 number of representatives of the board shall constitute a quorum at  
55 any meeting thereof. Actions may be taken, motions voted and  
56 resolutions adopted by the board at any meeting of the board by vote  
57 of a majority of the representatives present, unless in any case the  
58 bylaws of the authority shall require a larger number for adoption.

59 (f) Any contract for sale, lease or other transfer of real property shall  
60 be approved by the legislative bodies of the member municipalities  
61 before its final approval by the authority.

62 Sec. 3. (NEW) (*Effective October 1, 2011*) Any regional land bank  
63 authority established pursuant to section 2 of this act shall constitute a  
64 public body corporate and politic, and in furtherance of its purpose  
65 shall be deemed to be exercising an essential governmental function  
66 and shall have the following powers:

67 (1) To adopt and have a common seal and to alter the same;

68 (2) To sue and be sued;

69 (3) To contract and be contracted with;

70 (4) To do and perform any acts and things authorized by the general  
71 statutes under, through or by means of its board, officers, agents or  
72 employees;

73 (5) To acquire, own, use, lease, operate and dispose of real property  
74 and interests in real property;

75 (6) To foreclose municipal tax liens on behalf of any member

76 municipality in accordance with sections 12-181 to 12-195, inclusive, of  
77 the general statutes, provided such foreclosure by the authority is  
78 authorized by the legislative body of the member municipality;

79 (7) To acquire, hold, use and dispose of its income, revenues, funds  
80 and moneys;

81 (8) To acquire, own, hire, use, operate and dispose of personal  
82 property;

83 (9) To grant the use, by lease or otherwise, and to make charges for  
84 the use of any property owned or controlled by it;

85 (10) To borrow money and to issue its negotiable bonds or notes and  
86 to enter into any agreements with the purchasers or holders of such  
87 bonds or notes or with others for their benefit;

88 (11) Subject to any agreement with bondholders or noteholders, to  
89 invest moneys of the authority not required for immediate use,  
90 including proceeds from the sale of any bonds or notes, in such  
91 obligations, securities and other investments as the board of the  
92 authority deems prudent and in accordance with the laws of the state  
93 regarding the investment of public moneys;

94 (12) To procure insurance against any losses in connection with its  
95 property, operations or assets in such amounts and from such insurers  
96 as the board of the authority deems desirable;

97 (13) To mortgage any or all of its property or assets to secure the  
98 payment of its bonds, notes or other obligations;

99 (14) To submit to arbitration any dispute with others or among its  
100 members;

101 (15) To guarantee, in connection with any project, the punctual  
102 payment of the principal of and interest on the indebtedness or other  
103 contractual obligations of any of the participants in such project;

104 (16) To accept contributions, grants, gifts, donations, services or

105 other financial assistance from any governmental unit, public agency  
106 or the private sector;

107 (17) To appoint, employ or retain attorneys, accountants,  
108 architectural, engineering and financial consultants, assistants, agents  
109 and other employees as it may deem necessary or desirable and to fix  
110 their compensation; and

111 (18) To exercise all other powers not inconsistent with the state  
112 Constitution or the United States Constitution, which may be  
113 reasonably necessary or appropriate for or incidental to the  
114 effectuation of its authorized purposes or to the exercise of any of the  
115 foregoing powers, and generally to exercise in connection with its  
116 property and affairs, and in connection with property within its  
117 control, any and all powers which might be exercised by a natural  
118 person or a private corporation in connection with similar property  
119 and affairs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	New section
Sec. 3	<i>October 1, 2011</i>	New section

**PD**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** See Below

**Explanation**

To the extent that the bill's enactment leads to the establishment and operation of land bank programs that result in enhanced property values, a potential for grand list expansion in the constituent municipalities exists.

Allowing land banks to issue bonds has no state or municipal impact because the bonds would not be a direct or contingent liability of either entity.

**The Out Years**

**State Impact:** None

**Municipal Impact:** See Above

**OLR Bill Analysis****HB 5921*****AN ACT AUTHORIZING THE CREATION OF LAND BANKS.*****SUMMARY:**

This bill authorizes two or more municipalities in the same state planning region (see BACKGROUND) to establish a regional land bank authority through simultaneous resolutions. The bill defines “authority” to mean a regional land bank that has the power to acquire, assemble, dispose of, and bring legal action to resolve who owns real property (action to “quiet title” to real property) with the goal of advancing member municipalities’ long-term growth, planning, and economic development goals.

The bill establishes the composition of an authority’s board and gives it the broad powers of a public body corporate and politic (similar to a housing authority), such as suing, contracting, and borrowing money. But the bill requires a member municipality to (1) authorize any contract for the sale, lease, or transfer of real property by an authority before it gives final approval and (2) approve foreclosure of a municipal tax lien on its behalf.

The bill also establishes (1) the procedure for a municipality in the same state planning region to join an existing authority, (2) the process for withdrawing from an authority, and (3) the naming convention for and boundaries of an authority.

EFFECTIVE DATE: October 1, 2011

**LAND BANK AUTHORITIES*****Authority Board and Representatives***

Under the bill, an authority’s managing body is a board, which carries out the authority’s corporate purposes and powers. The

resolutions required to establish an authority must specify the number of members (representatives) to be appointed at any time for full terms of office. After the resolutions take effect, the member municipalities' legislative bodies must appoint the representatives on the board. Each member municipality's legislative bodies sets board members' (1) qualifications; (2) terms of office; and (3) compensation, if any.

***Board Leadership, Representatives, Bylaws, and Voting***

Under the bill, once member municipalities appoint a board's representatives, the board must (1) organize, (2) select a chairperson and vice-chairperson from among the representatives, and (3) consider the matters that the member municipalities recommended. The authority's powers are vested in the representatives. The board must adopt bylaws for conducting business and may hold meetings and public hearings.

A majority of the board's entire membership constitute a quorum at a meeting. The board may take actions, vote on motions, and adopt resolutions at any board meeting by majority vote of the representatives present, unless the authority's bylaws require a larger number.

***Powers***

Any regional land bank authority established under the bill constitutes a public body corporate and politic, is deemed to be exercising an essential governmental function, and has the power to:

1. adopt a common seal, sue and be sued, and contract and be contracted with;
2. foreclose municipal tax liens on behalf of any member municipality, with its approval;
3. acquire, own, use, lease, operate, and dispose of real property and interests in real property; (b) acquire, hold, use and dispose of its income, revenues, and funds; and (c) acquire, own, hire, use, operate, and dispose of personal property;

4. lease or otherwise grant and charge for the use of any property it owns or controls;
5. borrow money, issue bonds or notes, and enter into any agreements with the purchasers or holders of the bonds or notes, or with others for their benefit;
6. invest the authority's money that is not required for immediate use, including proceeds from the sale of any bonds or notes, in such obligations, securities, and other investments;
7. procure insurance against any losses in connection with its property, operations, or assets as the authority's board deems desirable;
8. mortgage any or all of its property or assets to secure the payment of its bonds, notes, or other obligations;
9. submit to arbitration any dispute with others or among its members;
10. guarantee, in connection with any project, the punctual payment of principal and interest on the indebtedness or other contractual obligations of any participants in a project;
11. accept contributions, grants, gifts, donations, services, or other financial assistance from any governmental unit, public agency, or the private sector;
12. appoint, employ, or retain and fix the compensation of attorneys and accountants; architectural, engineering, and financial consultants; assistants, agents, and other employees it deems necessary or desirable; and
13. exercise all other powers not inconsistent with the state or U.S. constitutions that may be reasonably necessary or appropriate to execute its authorized purposes or connected to its property and affairs.

***New Member Municipalities***

A municipality in the same planning region as an established authority may join it if:

1. the municipality files a resolution requesting to join the authority that its legislative body adopted and
2. the legislative body of each of an authority's member municipalities approves the request.

***Withdrawal by Authority Member***

A member municipality may withdraw from the authority if:

1. the municipality has no outstanding debt or obligations for which the authority is obligated to pay,
2. the member municipality's legislative body adopts and files a resolution approving the withdrawal, and
3. each of the other member municipalities' legislative bodies adopts a resolution approving the withdrawal.

***Name and Boundaries***

Under the bill, an authority must have the name and style of "the ... land bank authority," with some identifying phrase inserted, and its area of operation is coterminous with the member municipalities' boundaries.

**BACKGROUND*****Planning Regions***

By law, the Office of Policy and Management designates local planning regions within the state and has assigned towns to each of 15 designated planning regions, which include every town but Stafford. The law authorizes municipalities to create regional planning agencies in these regions.

**COMMITTEE ACTION**

Planning and Development Committee

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Joint Favorable

Yea 12 Nay 8 (03/23/2011)