sHB-7277
AN ACT CONCERNING THE CREATION OF LAND BANK
AUTHORITIES.

As Amended by House "A" (LCO 9096)
House Calendar No.: 370

OFA Fiscal Note

State Impact:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 20 $</th>
<th>FY 21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources of the General Fund</td>
<td>GF - Revenue</td>
<td>Potential</td>
<td>Potential</td>
</tr>
<tr>
<td></td>
<td>Loss</td>
<td></td>
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</tbody>
</table>

Note: GF=General Fund

Municipal Impact: See Below

Explanation

This bill establishes a framework for municipalities, either on their
own or jointly with other municipalities, to create nonprofit land bank
authorities to acquire, maintain, and dispose of real property.

The bill results in a potential grand list reduction to municipalities
that establish land bank authorities by exempting properties owned by
land banks from property taxes. Any grand list reduction would vary
based on the value of the property before it was purchased by the land
bank.

The bill also results in a potential revenue loss to the state and
municipalities by 1) requiring municipalities to remit 50% of any real
estate conveyance taxes collected on property conveyed by a land bank
authority and 2) exempting any income derived from properties held
by land banks from state taxes. Any revenue loss would vary based on
the number of properties acquired by land banks, their value, and any
related income generated.

Primary Analyst: DD
Contributing Analyst(s):
The bill allows a municipality that establishes a land bank to guarantee or insure the indebtedness of the authority. A municipality that chose to do this would incur debt service costs in the out years if the authority ever disbanded.

House “A” reduces the revenue loss to the state as a result of the bill. It does so by eliminating a provision requiring the state to remit to land banks 50% of any real estate conveyance tax collected on property conveyed by land banks.

House “A” also makes other changes regarding the administration of land bank authorities which have no fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of land banks established and their associated activities.