



General Assembly

January Session, 2019

Raised Bill No. 7277

LCO No. 5054



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

***AN ACT CONCERNING THE CREATION OF LAND BANK
AUTHORITIES.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:

2 (1) "Land bank authority" means a charitable nonstock corporation
3 established by a municipality, or by two or more municipalities, for the
4 purposes of acquiring real property, maintaining any such real
5 property and disposing of any such real property within such
6 municipality or municipalities, as applicable;

7 (2) "Board of directors" means the board of directors for a land bank
8 authority;

9 (3) "Municipality" means any town, city or borough, consolidated
10 town and city or consolidated town and borough; and

11 (4) "Real property" means land, subterranean or subsurface rights,
12 structures, any and all easements, air rights and franchises and every
13 estate, right or interest therein.

14 (b) The legislative body of any municipality, by ordinance, or the
15 legislative bodies of two or more municipalities, by concurrent
16 ordinances entering into an intergovernmental cooperation agreement,
17 may establish a land bank authority. Any such ordinance or concurrent
18 ordinances, as applicable, shall set forth (1) the name of the land bank
19 authority, (2) the size of the board of directors, provided such board
20 shall consist of five, seven, nine or eleven members, (3) the
21 qualifications, manner of appointment and terms of office of such
22 board's members, and (4) the members initially appointed to serve on
23 such board, any of which may, notwithstanding any provision of the
24 general statutes, be an individual elected to an office or otherwise
25 employed by any such municipality.

26 (c) (1) Annually, the members of the board of directors of a land
27 bank authority shall (A) select from among themselves a chairperson,
28 vice-chairperson, treasurer and any other officer as such board may
29 deem necessary to carry out the purposes of this section, and (B) adopt
30 bylaws for the conduct of business in carrying out such purposes.

31 (2) Bylaws adopted by such board of directors shall establish
32 procedures relative to the attendance and participation of board
33 members at any meeting of such board, which procedures may
34 provide for removal of a member from such board for failure to
35 comply with such bylaws by a majority vote of the total membership
36 of such board, provided any individual so removed shall be ineligible
37 for reappointment to such board unless such reappointment is
38 unanimously confirmed by such board. Any such removal shall create
39 a vacancy on such board effective the first day of the month
40 immediately following such removal. Any such vacancy shall be filled
41 in as set forth pursuant to subdivision (4) of subsection (b) of this
42 section.

43 (3) (A) Each member of such board of directors shall serve without
44 compensation, except that such board may reimburse any such
45 member for expenses incurred in the performance of such member's
46 duties on behalf of such authority.

47 (B) No board member, and no staff as described in subsection (d) of
48 this section, may acquire any interest in any real property held by such
49 authority or in any real property to be acquired by or from such
50 authority. No board member and no such staff may have any interest
51 in any contract or proposed contract for materials or services to be
52 furnished or used by such authority. The board of directors of such
53 authority may adopt additional bylaws to address actual and potential
54 conflicts of interest and ethical guidelines for such board members and
55 staff.

56 (C) No board member shall be personally liable on any bond or
57 obligation of such authority, and any right of a creditor shall be against
58 such authority only.

59 (4) (A) Regular meetings of such board of directors shall be held in
60 accordance with a schedule adopted by such board. Special meetings
61 of such board shall be held upon the call of the chairperson or upon a
62 signed petition of a majority of the total membership of such board. A
63 majority of the total membership of such board of directors shall
64 constitute a quorum for the transaction of any business. Except as
65 provided in subparagraph (B) of this subdivision and subsection (j) of
66 this section, approval of any board action shall be by a majority vote of
67 the members of such board present and voting. No board member may
68 vote by proxy. Any board member may request a roll-call vote on any
69 action taken by such authority. Such board shall cause minutes and a
70 record to be kept of each meeting.

71 (B) The following board actions shall be approved by a majority
72 vote of the total membership of such board: (i) Adoption of bylaws for
73 the conduct of business; (ii) hiring or firing of any employee or
74 contractor of such land bank authority, except that such board may
75 delegate the exercise of any such action to an officer of such authority
76 and to an extent as may be specified by such board in such delegation;
77 (iii) incurrence of debt; (iv) adoption or amendment of an annual
78 budget; and (v) sale, lease, encumbrance or alienation of any real
79 property, improvements thereto or personal property valued in an

80 amount exceeding fifty thousand dollars.

81 (d) (1) The board of directors of a land bank authority may hire an
82 executive director, legal counsel and any other staff such board deems
83 qualified to serve such authority. Such board may contract with one or
84 more municipalities for the staffing of such authority or of any
85 department or agency of any such municipality.

86 (2) Such board may (A) organize and reorganize the executive,
87 administrative, clerical and other responsibilities of such authority,
88 and (B) fix the duties, powers and compensation of each employee,
89 agent and consultant of such authority.

90 (e) (1) The board of directors of a land bank authority may exercise
91 any power necessary to carry out the purposes of this section,
92 including:

93 (A) To adopt, amend and repeal bylaws for the conduct of its
94 business;

95 (B) To sue and be sued in its own name, to please and be impleaded
96 in any civil action, including, but not limited to, any such action to
97 clear title to property of such authority;

98 (C) To adopt a seal and to alter such seal;

99 (D) To borrow from private lenders, municipalities, the state or the
100 federal government any moneys necessary for the operation of such
101 authority;

102 (E) To issue negotiable revenue bonds and notes in accordance with
103 this section;

104 (F) To procure (i) insurance or guarantees from the state or the
105 federal government for the payment of any debt or part thereof
106 incurred by such authority, and to pay any premium in connection
107 therewith, and (ii) insurance against any loss in connection with any
108 real property, asset or activity of such authority;

109 (G) To enter into any contract or other instrument necessary,
110 incidental or convenient for carrying out the purposes of this section;

111 (H) To invest moneys of such authority in any instrument,
112 obligation, security or property deemed proper, and to name and use
113 any depository for any such moneys;

114 (I) To design, develop, construct, demolish, reconstruct, rehabilitate,
115 renovate, relocate and otherwise improve any real property or any
116 right or interest therein;

117 (J) To fix, charge and collect any rent, fee and charge for the use of
118 any real property of such authority and for any service provided by
119 such authority;

120 (K) To grant or acquire any license, easement, lease or option with
121 respect to any real property of such authority; and

122 (L) To enter into any collaborative relationship with any
123 municipality and other public and private entities for the ownership,
124 management, development and disposition of any real property.

125 (2) The board of directors of a land bank authority shall neither
126 possess nor exercise the power of eminent domain.

127 (f) (1) Notwithstanding any provision of the general statutes, a land
128 bank authority (A) may, on terms and conditions and in a manner
129 deemed proper by the board of directors of such authority, acquire any
130 real property or interest thereof by gift, devise, transfer, exchange,
131 foreclosure, purchase or other means, (B) shall hold in its own name
132 any property so acquired, and (C) shall create and make available for
133 public inspection an inventory of any property held by such authority.

134 (2) Such authority shall not hold any real property or interest
135 thereof located outside of the municipality or municipalities, as
136 applicable, that established such authority, and shall maintain all of its
137 real property in accordance with the laws of the municipality or
138 municipalities in which such property is located. Such authority may,

139 pursuant to an intergovernmental cooperation agreement with a
140 municipality, maintain real property located within such municipality.

141 (3) Any real property or interest thereof held by such authority, and
142 any income derived therefrom, shall be exempt from taxation by the
143 state and by any political subdivision thereof.

144 (g) (1) A land bank authority may convey, exchange, sell, transfer,
145 lease, grant, release, demise, mortgage or otherwise pledge or
146 hypothecate any interest in any real property held by such authority.
147 Except as may be provided in subdivision (3) of this subsection, the
148 board of directors of such authority may delegate to its staff the power
149 to contract with a legal entity for the conveyance of any such interest.

150 (2) Such board of directors shall set forth in such board's bylaws the
151 terms and conditions of any consideration to be received by such
152 authority for the conveyance of any interest in any real property held
153 by such authority, provided such consideration shall be in a form
154 deemed by such board to be in the best interest of such authority.

155 (3) The ordinance or concurrent ordinances, as applicable, adopted
156 pursuant to subsection (b) of this section may (A) establish an order of
157 priorities for the use of any interest in any real property conveyed by
158 such authority, and (B) require that certain means of disposing of any
159 such interest, or that the disposition of any such interest in certain
160 locations, be subject to different requirements for approval by the
161 board of directors of such authority.

162 (h) (1) A land bank authority may receive (A) grants or loans from
163 (i) the municipality or municipalities, as applicable, that established
164 such authority, (ii) any other municipality, (iii) the state, (iv) the
165 federal government, or (v) any other public or private source, and (B)
166 payment for (i) any service rendered, (ii) any rent or leasehold, (iii) any
167 consideration related to the disposition of any interest in real or
168 personal property held by such authority, (iv) any proceeds of
169 insurance coverage for any loss incurred, (v) any income from
170 investments, and (vi) any other asset or activity provided for under

171 this section.

172 (2) Commencing on October first immediately following the
173 conveyance of any interest in real property by a land bank authority,
174 and annually thereafter for five years, fifty per cent of the taxes
175 collected by a municipality or the state pursuant to state law on any
176 such interest so conveyed shall be remitted to such authority by such
177 municipality or the state.

178 (3) The municipality or municipalities, as applicable, that
179 established a land bank authority may provide for a supplemental fee,
180 penalty or charge to be imposed for the nonpayment by citizens of
181 such municipality or municipalities liable for property taxes assessed
182 against them. Any such supplemental fee, penalty or charge collected
183 by such municipality or municipalities shall be remitted to such
184 authority.

185 (i) (1) A land bank authority may issue limited obligation bonds,
186 pursuant to resolution of the board of directors of such authority, to
187 carry out the purposes of this section. Such resolution shall set forth
188 (A) the form and denomination of any such bond, (B) the manner of
189 sale at public sale or private sale and of delivery of such bond, (C) the
190 manner in which such bond bears interest and matures, (D) the
191 execution of such bond by one or board members, and (E) any option
192 of such board to redeem any such bond and the manner of such
193 redemption. Such board shall publish such resolution in a newspaper
194 having general circulation within the municipality or municipalities, as
195 applicable, that established such authority.

196 (2) Such authority may pay the principal and interest of any such
197 bond, as well as the cost of issuance and any other incidental cost of
198 such bond, solely from revenues derived from the disposition of any
199 asset of such authority, except that for any refunding bond issued by
200 such board of directors, such authority may also make such payment
201 from the investment of any proceeds of such refunding bond. Any
202 such bond may be secured by a mortgage of any interest in any

203 property of such authority or by pledge of any such revenues,
204 including grants or contributions from the state or any agency thereof
205 or the federal government or any agency thereof. Any such refunding
206 bond shall not constitute under state law an indebtedness or pledge of
207 the general credit of any municipality, and shall contain a recital to
208 that effect. Any such bond shall be a negotiable instrument under state
209 law and law merchant.

210 (3) (A) Except as provided in subparagraph (B) of this subdivision,
211 (i) any such bond shall not be a debt of any municipality or of the state,
212 (ii) such bond shall contain a recital to that effect, and (iii) any
213 revenues and any interest of real property of any municipality or of the
214 state shall not be liable for any such bond.

215 (B) Any municipality that established a land bank authority may
216 guarantee, insure or otherwise become primarily or secondarily
217 obligated on the indebtedness of such authority, unless otherwise
218 prohibited by state law.

219 (4) Any bond issued by such authority, and any income derived
220 therefrom, shall be exempt from taxation by the state and by any
221 political subdivision of the state.

222 (j) The board of directors of a land bank authority may, by
223 resolution adopted by two-thirds of the total membership of such
224 board, dissolve such authority, provided such dissolution shall take
225 effect sixty days after the adoption of such resolution. Sixty days prior
226 to such board's consideration of such resolution, such board shall (1)
227 give written notice thereof to the municipality or municipalities, as
228 applicable, that established such authority, (2) publish notice thereof in
229 a newspaper having general circulation in such municipality or
230 municipalities, and (3) send notice thereof by certified mail to the
231 trustee of any outstanding bond of such authority. Each interest in real
232 or personal property and each asset of such authority at the time
233 dissolution shall inure to the benefit of such municipality or
234 municipalities, as applicable. If two or more municipalities established

235 a land bank authority pursuant to this section, the withdrawal of one
236 such municipality shall not dissolve such authority unless (A) the
237 concurrent ordinances entering such municipalities into an
238 intergovernmental cooperation agreement so provides, or (B) no such
239 municipality wishes to continue the existence of such authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Purpose:

To permit municipalities to establish land bank authorities for the purposes of acquiring real property, maintaining any such real property and disposing of any such real property within such municipalities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]