



General Assembly

**Substitute Bill No. 7277**

January Session, 2019



**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 as set forth pursuant to subdivision (3) of subsection (b) of this section.

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

46 (B) No board member, and no staff as described in subsection (d) of  
47 this section, may acquire any interest in any real property held by such  
48 authority or in any real property to be acquired by or from such

49 authority. No board member and no such staff may have any interest  
50 in any contract or proposed contract for materials or services to be  
51 furnished or used by such authority. The board of directors of such  
52 authority may adopt additional bylaws to address actual and potential  
53 conflicts of interest and ethical guidelines for such board members and  
54 staff.

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

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

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

80 (d) (1) The board of directors of a land bank authority may hire an

81 executive director, legal counsel and any other staff such board deems  
82 qualified to serve such authority. Such board may contract with one or  
83 more municipalities for the staffing of such authority or of any  
84 department or agency of any such municipality.

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

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

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

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

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

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

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

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

108 (G) To enter into any contract or other instrument necessary,

109 incidental or convenient for carrying out the purposes of this section;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

169 investments, and (vi) any other asset or activity provided for under  
170 this section.

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

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

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

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

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

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

214 (B) Any municipality that established a land bank authority may  
215 guarantee, insure or otherwise become primarily or secondarily  
216 obligated on the indebtedness of such authority, unless otherwise  
217 prohibited by any other provision of the general statutes.

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

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



233 municipalities, as applicable. If two or more municipalities established  
234 a land bank authority pursuant to this section, the withdrawal of one  
235 such municipality shall not dissolve such authority unless (A) the  
236 concurrent ordinances entering such municipalities into an  
237 intergovernmental cooperation agreement so provides, or (B) no such  
238 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 Legislative Commissioners:**

In Subsec. (c)(2), "in" was deleted in the last sentence for clarity and "(4)" was changed to "(3)" for accuracy; in Subsec. (e)(1)(B), "please" was changed to "plead" for accuracy; in Subsec. (e)(1)(J), "and" was changed to "or" for accuracy; in Subsec. (i)(1)(D), "more" was inserted before "board members" for accuracy; in Subsec. (i)(3)(B) "state law" was changed to "any provision of the general statutes", for clarity; and in Subsec. (j), "of" was inserted before "dissolution" in the penultimate sentence for clarity.

**PD**      *Joint Favorable Subst. -LCO*