



Substitute House Bill No. 7277

Public Act No. 19-175

AN ACT CONCERNING THE CREATION OF LAND BANK AUTHORITIES.

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

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

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

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

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

(4) "Real property" means land, subterranean or subsurface rights, structures, any and all easements, air rights and franchises and every estate, right or interest therein, but does not include any brownfield, as defined in section 32-760 of the general statutes.

(b) The legislative body of any municipality, by ordinance, or the

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

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

(2) Bylaws adopted by such board of directors shall establish procedures relative to the attendance and participation of board members at any meeting of such board, which procedures may provide for removal of a member from such board for failure to comply with such bylaws by a majority vote of the total membership of such board, provided any individual so removed shall be ineligible for reappointment to such board unless such reappointment is unanimously confirmed by such board. Any such removal shall create a vacancy on such board effective the first day of the month immediately following such removal. Any such vacancy shall be filled as set forth pursuant to subdivision (3) of subsection (b) of this section.

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

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

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

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

(B) The following board actions shall be approved by a majority vote of the total membership of such board: (i) Adoption of bylaws for the conduct of business; (ii) hiring or firing of any employee or contractor of such land bank authority, except that such board may delegate the exercise of any such action to an officer of such authority and to an extent as may be specified by such board in such delegation; (iii) incurrence of debt; (iv) adoption or amendment of an annual

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budget; and (v) sale, lease, encumbrance or alienation of any real property, improvements thereto or personal property valued in an amount exceeding fifty thousand dollars.

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

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

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

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

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

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

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

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

(F) To procure (i) insurance or guarantees from the state or the

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federal government for the payment of any debt or part thereof incurred by such authority, and to pay any premium in connection therewith, and (ii) insurance against any loss in connection with any real property, asset or activity of such authority;

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

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

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

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

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

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

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

(f) (1) Notwithstanding any provision of the general statutes, a land bank authority (A) may, on terms and conditions and in a manner deemed proper by the board of directors of such authority, acquire any real property or interest thereof by gift, devise, transfer, exchange, foreclosure, purchase or other means, (B) shall hold in its own name

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any property so acquired, and (C) shall create and make available for public inspection an inventory of any property held by such authority.

(2) Such authority shall not hold any real property or interest thereof located outside of the municipality or municipalities, as applicable, that established such authority, and shall maintain all of its real property in accordance with the laws of the municipality or municipalities in which such property is located. Such authority may, pursuant to an intergovernmental cooperation agreement with a municipality, maintain real property located within such municipality.

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

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

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

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

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board of directors of such authority.

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

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

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

(2) Such authority may pay the principal and interest of any such bond, as well as the cost of issuance and any other incidental cost of such bond, solely from revenues derived from the disposition of any

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asset of such authority, except that for any refunding bond issued by such board of directors, such authority may also make such payment from the investment of any proceeds of such refunding bond. Any such bond may be secured by a mortgage of any interest in any property of such authority or by pledge of any such revenues, including grants or contributions from the state or any agency thereof or the federal government or any agency thereof. Any such refunding bond shall not constitute under state law an indebtedness or pledge of the general credit of any municipality, and shall contain a recital to that effect. Any such bond shall be a negotiable instrument under state law and law merchant.

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

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

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

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dissolution shall inure to the benefit of such municipality or municipalities, as applicable. If two or more municipalities established a land bank authority pursuant to this section, the withdrawal of one such municipality shall not dissolve such authority unless (A) the concurrent ordinances entering such municipalities into an intergovernmental cooperation agreement so provides, or (B) no such municipality wishes to continue the existence of such authority.

Approved July 12, 2019