



LAND BANKING BILL (A.1648/S.583) SUMMARY

Purpose: This proposal will give communities more control over underutilized properties and can be an essential tool in neighborhood revitalization efforts across the state.

Bill Status: The bill has been introduced in both houses, and is sponsored by Assemblyman Coutinho and Senator Ruiz. In the Assembly, it was referred to the Housing and Local Government Oversight Committee, and in the Senate, it was referred to the Community and Urban Affairs Committee.

Bill Summary:

- This bill allows municipalities to designate redevelopment entities (redevelopment agencies, housing authorities or county improvement authorities) and nonprofit entities to act as a land bank on their behalf.
- The municipality may convey city-owned properties and assign city-owned liens to the land bank entity, which may also acquire properties for the land bank through:
 - Gift or purchase
 - Acting as the municipality's agent to purchase liens at tax sale
 - Carrying out lien foreclosures
 - Employing existing eminent domain laws
- Land bank designation is accomplished through a formal agreement adopted by the municipality and the entity after community input. The agreement will spell out how the land bank will acquire and dispose of property, and how costs and revenues will be shared. It can be terminated by the municipality by giving one year's notice to the land bank.
- If the land bank is a non-profit, rather than a governmental entity, the municipality may exempt the properties the land bank holds on its behalf from property taxes.
- The land bank is required to do the following:
 - Keep a registry of properties it holds as a land bank separate from other properties it might own, and make the registry publically available.
 - Submit an annual report on its land banking activities to the municipal governing body and the public.
 - Create a community advisory board, and adopt procedures to ensure the advisory board has access to information and opportunity to provide input into the entity's decisions.
- Once designated by a municipality, land bank entities may serve the same function for other municipalities subject to a shared services agreement between the two municipalities.
- A municipality may remit to the land bank up to 50 percent of the property taxes or payments in lieu of taxes collected for up to 10 years on parcels conveyed by the land bank to private entities, when the parcel has not paid taxes for two years preceding conveyance.