

Purdon's Pennsylvania Statutes and Consolidated Statutes Currentness
Title 68 Pa.C.S.A. Real and Personal Property (Refs & Annos)
Part II. Real Property
Subpart A. Preliminary Provisions
➔ Chapter 21. Land Banks (Refs & Annos)
§ 2101. Scope of chapter

This chapter relates to land banks.

§ 2102. Legislative findings and purpose

The General Assembly finds and declares that:

- (1) Strong communities are important to the social and economic vitality of this Commonwealth. Whether urban, suburban or rural, many communities are struggling to cope with vacant, abandoned and tax-delinquent properties.
- (2) Citizens of this Commonwealth are affected adversely by vacant, abandoned and tax-delinquent properties, including properties which have been vacated or abandoned due to mortgage foreclosure.
- (3) Vacant, abandoned and tax-delinquent properties impose significant costs on neighborhoods, communities and municipalities by lowering property values, increasing fire and police protection costs, decreasing tax revenues and undermining community cohesion.
- (4) There is an overriding public need to confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of new tools to enable municipalities to turn vacant, abandoned and tax-delinquent spaces into vibrant places.
- (5) Land banks are one of the tools that municipalities may use to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use.

§ 2103. Definitions

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Board.” The board of directors of a land bank.

“Department.” The Department of Community and Economic Development of the Commonwealth.

“Financial institution.” A bank, savings association, operating subsidiary of a bank or savings association, credit union, association licensed to originate mortgage loans or an assignee of a mortgage or note originated by such an institution.

“Land bank.” A public body and a body corporate and politic established under this chapter.

“Land bank jurisdiction.”

(1) a county, a city, a borough, a township and an incorporated town with a population of more than 10,000; or

(2) two or more municipalities with populations less than 10,000 that enter into an intergovernmental cooperation agreement to establish and maintain a land bank.

“Low income.” A household with total income at or below 80% of the area median income, adjusted for household size, as defined annually by the United States Department of Housing and Urban Development.

“Municipality.” A county, city, borough, incorporated town, township or home rule municipality.

“Owner-occupant.” A natural person with a legal or equitable ownership interest in property which was the primary residence of the person for at least three consecutive months at any point in the year preceding the date of initial delinquency.

“Real property.” Land and all structures and fixtures thereon and all estates and interests in land, including easements, covenants and leaseholders.

“School district.” Any of the classifications of school districts specified in section 202 of the act of March 10, 1949 (P.L. 30, No. 14), [FN1] known as the Public School Code of 1949. The term includes, as to any real property acquired, owned or conveyed by a land bank, the school district within whose geographical jurisdiction the real property is located.

[FN1] 24 P.S. § 2-202.

§ 2104. Creation and existence

(a) Authority.—Subject, in a city of the first class, to the home rule charter, a land bank jurisdiction may elect to create a land bank by the adoption of an ordinance to create a binding legal obligation. The ordinance must specify the following:

(1) The name of the land bank.

(2) The number of members of the board.

(3) The names of individuals to serve as initial members of the board and the length of terms which they will serve.

(4) The qualifications, manner of selection or appointment and terms of office of members of the board.

(5) The manner by which residents will be provided an opportunity to have input into the land bank decision-making process.

(6) Policies regarding former owner-occupants who are occupying homes acquired by the land bank. These policies shall show a preference for keeping the former owner-occupants in their homes, whenever feasible.

(7) Additional terms and conditions the land bank jurisdiction deems reasonable and necessary for operation of the land bank.

(b) Filing.--The governing body of the land bank jurisdiction which creates a land bank shall file a copy of the ordinance with the department and with the Department of State. After receipt of the ordinance, the Secretary of the Commonwealth shall issue a certificate of incorporation.

(c) Combinations.--

(1) The authority under subsection (a) may be exercised in combination pursuant to an intergovernmental cooperation agreement by:

- (i) more than one land bank jurisdiction; or
- (ii) a land bank jurisdiction and one or more municipalities.

(2) If a land bank is established under paragraph (1), the intergovernmental cooperation agreement must specify matters identified in subsection (a).

(d) Limitation.--Except as set forth in subsection (c), if a county establishes a land bank, the land bank shall have the power to acquire real property only in those portions of the county located outside of the geographical boundaries of any other land bank established by another land bank jurisdiction located partially or entirely within the county.

(e) Participation by school district.--A school district may participate in a land bank pursuant to an intergovernmental cooperation agreement. The agreement must specify the membership, if any, of the school district on the board of the land bank and the actions of the land bank which are subject to approval by the school district.

(f) Legal status of land bank.--A land bank shall:

- (1) be a public body corporate and politic; and
- (2) have duration until terminated and dissolved under section 2114 (relating to dissolution of land bank).

(g) Collaboration.--A land bank, a political subdivision and another municipal entity may enter into an intergovernmental cooperation agreement relative to the operations of a land bank.

§ 2105. Board

(a) Membership.--A board shall consist of an odd number of members and be not less than five members nor more than 11 members. Unless restricted by the actions or agreements specified in section 2104 (relating to creation and existence) and subject to the limits stated in this section, the size of the board may be adjusted in accordance with bylaws of the land bank.

(b) Eligibility to serve on board.--

- (1) Notwithstanding any law to the contrary, a public officer shall be eligible to serve as a board member, and the acceptance of the appointment shall neither terminate nor impair that public office.
- (2) A municipal employee shall be eligible to serve as a board member.
- (3) An established land bank board shall include at least one voting member who:

(i) is a resident of the land bank jurisdiction;

(ii) is not a public official or municipal employee; and

(iii) maintains membership with a recognized civic organization within the land bank jurisdiction.

(4) A member removed under subsection (d)(3) shall be ineligible for reappointment to the board unless the reappointment is confirmed unanimously by the board.

(5) As used in this subsection, the term "public officer" means an individual who is elected to a municipal office.

(c) Officers.--The members of the board shall select annually from among their members a chair, vice chair, secretary, treasurer and other officers as the board determines.

(d) Rules.--The board shall establish rules on all of the following:

(1) Duties of officers under subsection (c).

(2) Attendance and participation of members in its regular and special meetings.

(3) A procedure to remove a member by a majority vote of the other members for failure to comply with a rule.

(4) Other matters necessary to govern the conduct of a land bank.

(e) Vacancies.--A vacancy on the board shall be filled in the same manner as the original appointment. Upon removal under subsection (d)(3), the position shall become vacant.

(f) Compensation.--Board members shall serve without compensation. The board may reimburse a member for expenses actually incurred in the performance of duties on behalf of the land bank.

(g) Meetings.--

(1) The board shall meet as follows:

(i) In regular session according to a schedule adopted by the board.

(ii) In special session:

(A) as convened by the chair; or

(B) upon written notice signed by a majority of the members.

(2) A majority of the board, excluding vacancies, constitutes a quorum. Physical presence is required under this paragraph.

(h) Voting.--

(1) Except as set forth in paragraph (2) or (3), action of the board must be approved by the affirmative vote of a majority of the board present and voting.

(2) Action of the board on the following matters must be approved by a majority of the entire board membership:

(i) Adoption of bylaws.

(ii) Adoption of rules under subsection (d).

(iii) Hiring or firing of an employee or contractor of the land bank. This function may, by majority vote of the entire board membership, be delegated by the board to a specified officer or committee of the land bank.

(iv) Incurring of debt.

(v) Adoption or amendment of the annual budget.

(vi) Sale, lease, encumbrance or alienation of real property or personal property with a value of more than \$50,000.

(3) A resolution under section 2114 (relating to dissolution of land bank) must be approved by two-thirds of the entire board membership.

(4) A member of the board may not vote by proxy.

(5) A member may request a recorded vote on any resolution or action of the land bank.

(i) Immunity.--A land bank jurisdiction which establishes a land bank and a municipality and a school district which are parties to an intergovernmental cooperation agreement establishing a land bank shall not be liable personally on the bonds or other obligations of the land bank. Rights of creditors of a land bank shall be solely against the land bank.

§ 2106. Staff

(a) Employees.--A land bank may employ or enter into a contract for an executive director, counsel and legal staff, technical experts and other individuals and may determine the qualifications and fix the compensation and benefits of those employees.

(b) Contracts.--A land bank may enter into a contract with a municipality for:

(1) the municipality to provide staffing services to the land bank; or

(2) the land bank to provide staffing services to the municipality.

§ 2107. Powers

A land bank constitutes a public body, corporate and politic, exercising public powers of the Commonwealth necessary or appropriate to carry out this chapter, including the following powers:

- (1) To adopt, amend and repeal bylaws for the regulation of its affairs and the conduct of its business.
- (2) To sue and be sued in its own name and be a party in a civil action. This paragraph includes an action to clear title to property of the land bank.
- (3) To adopt a seal and to alter the same at pleasure.
- (4) To borrow from Federal Government funds, from the Commonwealth, from private lenders or from municipalities, as necessary, for the operation and work of the land bank.
- (5) To issue negotiable revenue bonds and notes according to the provisions of this chapter.
- (6) To procure insurance or guarantees from the Federal Government or the Commonwealth of the payment of debt incurred by the land bank and to pay premiums in connection with the insurance or guarantee.
- (7) To enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers. This paragraph includes intergovernmental cooperation agreements under 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental cooperation) for the joint exercise of powers under this chapter.
- (8) To enter into contracts and intergovernmental cooperation agreements with municipalities for the performance of functions by municipalities on behalf of the land bank or by the land bank on behalf of municipalities.
- (9) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the land bank. Any contract or instrument signed shall be executed by and for the land bank if the contract or instrument is signed, including an authorized facsimile signature, by:
 - (i) the chair or vice chair of the land bank; and
 - (ii) either:
 - (A) the secretary or assistant secretary of the land bank; or
 - (B) the treasurer or assistant treasurer of the land bank.
- (10) To procure insurance against losses in connection with the real property, assets or activities of the land bank.
- (11) To invest money of the land bank at the discretion of the board in instruments, obligations, securities or property determined proper by the board and to name and use depositories for its money.
- (12) To enter into contracts for the management of, the collection of rent from or the sale of real property of the land bank.
- (13) To design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate and otherwise improve real property or rights or interests in real property.

(14) To fix, charge and collect rents, fees and charges for the use of real property of the land bank and for services provided by the land bank.

(15) To grant or acquire licenses, easements, leases or options with respect to real property of the land bank.

(16) To enter into partnerships, joint ventures and other collaborative relationships with municipalities and other public and private entities for the ownership, management, development and disposition of real property.

(17) To organize and reorganize the executive, administrative, clerical and other departments of the land bank and to fix the duties, powers and compensation of employees, agents and consultants of the land bank.

(18) To do all other things necessary or convenient to achieve the objectives and purposes of the land bank or other law related to the purposes and responsibility of the land bank.

§ 2108. Eminent domain

A land bank does not possess the power of eminent domain.

§ 2109. Acquisition of property

(a) Title to be held in its name.--A land bank shall hold in its own name all real property it acquires.

(b) Tax exemption.--

(1) Except as set forth in paragraph (2), the real property of a land bank and its income and operations are exempt from State and local tax.

(2) Paragraph (1) does not apply to real property of a land bank after the fifth consecutive year in which the real property is continuously leased to a private third party. However, real property shall continue to be exempt from State and local taxes if it is leased to a nonprofit or governmental agency at substantially less than fair market value.

(c) Methods of acquisition.--A land bank may acquire real property or interests in real property by any means on terms and conditions and in a manner the land bank considers proper.

(d) Acquisitions from municipalities.--

(1) A land bank may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts and land contracts and may accept transfers from municipalities upon terms and conditions as agreed to by the land bank and the municipality.

(2) A municipality may transfer to a land bank real property and interests in real property of the municipality on terms and conditions and according to procedures determined by the municipality as long as the real property is located within the jurisdiction of the land bank.

(3) A redevelopment authority located within a land bank jurisdiction established under this chapter may, with the consent of the local governing body and without a redevelopment contract, convey property which it acquired before the effective date of this paragraph to the land bank. A conveyance under this paragraph shall be with fee simple title, free of all liens and encumbrances.

(e) Maintenance.--A land bank shall maintain all of its real property in accordance with the statutes and ordinances of the jurisdiction in which the real property is located.

(f) Prohibition.--

(1) Subject to the provisions of paragraph (2), a land bank may not own or hold real property located outside the jurisdictional boundaries of the entities which created the land bank under section 2104(c)(relating to creation and existence).

(2) A land bank may be granted authority pursuant to an intergovernmental cooperation agreement with a municipality to manage and maintain real property located within the jurisdiction of the municipality.

(g) Tax claim bureaus.--A tax claim bureau may transfer to a land bank real property of the county held by the tax claim bureau, as trustee for the county, in a repository for unsold property under section 626 of the act of July 7, 1947 (P.L. 1368, No. 542), [FN1] known as the Real Estate Tax Sale Law.

(h) Acquisition of tax delinquent properties.--If authorized by the land bank jurisdiction which created a land bank or otherwise by intergovernmental cooperation agreement, a land bank may accept donations of real property and extinguish delinquent claims for taxes as to the property under section 5.1 of the act of May 16, 1923 (P.L. 207, No. 153), [FN2] referred to as the Municipal Claim and Tax Lien Law, or section 303 of the Real Estate Tax Sale Law. [FN3] For the purposes of this subsection, the land bank shall have all rights and obligations of the municipality provided for in section 5.1 of the Municipal Claim and Tax Lien Law and of a local taxing authority provided for in section 303 of the Real Estate Tax Sale Law.

[FN1] 72 P.S. § 5860.626.

[FN2] 53 P.S. § 7108.1.

[FN3] 72 P.S. § 5860.303.

§ 2110. Disposition of property

(a) Public access to inventory.--A land bank shall maintain and make available for public review and inspection an inventory of real property held by the land bank.

(b) Power.--A land bank may convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the land bank in the form and by the method determined to be in the best interests of the land bank.

(c) Consideration.--

(1) A land bank shall determine the amount and form of consideration necessary to convey, exchange, sell, transfer, lease as lessor, grant or mortgage interests in real property.

(2) Consideration may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of the property, contractual commitments of the

transferee and other forms of consideration as determined by the board to be in the best interest of the land bank.

(d) Policies and procedures.--

(1) A board shall determine and state in the land bank policies and procedures the general terms and conditions for consideration to be received by the land bank for the transfer of real property and interests in real property.

(2) Requirements which may be applicable to the disposition of real property and interests in real property by municipalities shall not be applicable to the disposition of real property and interests in real property by a land bank.

(e) Ranking of priorities.--

(1) A land bank jurisdiction may establish a hierarchical ranking of priorities for the use of real property conveyed by a land bank, including use for:

(i) Purely public spaces and places.

(ii) Affordable housing.

(iii) Retail, commercial and industrial activities.

(iv) Conservation areas.

(2) The priorities established may be for the entire land bank jurisdiction or may be set according to the needs of different neighborhoods, municipalities or other locations within the land bank jurisdiction, or according to the nature of the real property.

(f) Land use plans.--A land bank shall consider all duly adopted land use plans and make reasonable efforts to coordinate the disposition of land bank real property with such land use plans.

(g) Specific voting and approval requirements.--

(1) A land bank jurisdiction may, in its ordinance creating a land bank or, in the case of multiple land bank jurisdictions and municipalities creating a single land bank in the applicable intergovernmental cooperation agreement, require that a particular form of disposition of real property or a disposition of real property located within specified jurisdictions be subject to specified voting and approval requirements of the board.

(2) Except as restricted or constrained under paragraph (1), the board may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and other related documents pertaining to the conveyance of real property by the land bank.

§ 2111. Financing of land bank operations

(a) General rule.--A land bank may receive funding through grants and loans from:

(1) the Federal Government;

- (2) the Commonwealth;
- (3) a municipality;
- (4) the land bank jurisdiction which created the land bank; and
- (5) private sources.

(b) Funding.--A land bank may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments and for an asset and activity lawfully permitted to a land bank under this chapter.

(c) Allocated real property taxes.--

(1) A taxing jurisdiction may authorize the remittance or dedication of a portion of real property taxes collected pursuant to the laws of this Commonwealth to a land bank on real property conveyed by a land bank.

(2) Allocation of property tax revenues in accordance with this subsection, if authorized by the taxing jurisdiction, shall commence with the first taxable year following the date of conveyance and continue for a period of up to five years and may not exceed a maximum of 50% of the aggregate property tax revenues generated by the property.

(3) Remittance or dedication of real property taxes shall include the real property taxes of a school district only if the school district enters into an agreement with the land bank for the remittance or dedication.

§ 2112. Borrowing and issuance of bonds

(a) Authority.--

(1) A land bank may issue a bond for any of its corporate purposes.

(2) The principal and interest of a bond shall be payable from the land bank's general revenue.

(3) The bond may be secured by any of the following:

(i) A pledge of revenue. This subparagraph includes a grant or contribution from:

(A) The Federal Government or a Federal agency or instrumentality.

(B) The Commonwealth, a Commonwealth agency or an instrumentality of the Commonwealth.

(ii) A mortgage of property of the land bank.

(b) Nature.--The bond must meet the requirements of 13 Pa.C.S. § 3104 (relating to negotiable instrument).

(c) Tax exempt.--A bond and the income from the bond is exempt from taxation by:

- (1) the Commonwealth; or
- (2) a political subdivision.

(d) Procedure.—

(1) A bond must be authorized by resolution of the board and shall be a limited obligation of the land bank.

(2) The principal and interest, costs of issuance and other costs incidental to the bond shall be payable solely from the income and revenue derived from the sale, lease or other disposition of the assets of the land bank. The land bank may secure the bond by a mortgage or other security device covering all or part of the project from which the pledged revenues may be derived.

(3) A refunding bond issued under this section:

(i) shall be payable from:

(A) a source described in this chapter; or

(B) the investment of the proceeds of the refunding bonds; and

(ii) shall not constitute an indebtedness or pledge of the general credit of a political subdivision within the meaning of a constitutional or statutory limitation of indebtedness and shall contain a recital to that effect.

(4) A bond must comply with the authorizing resolution as to:

(i) form;

(ii) denomination;

(iii) interest rate;

(iv) maturity; and

(v) execution.

(5) A bond may be subject to redemption at the option of and in the manner determined by the board in the authorizing resolution.

(e) Powers of municipalities.—A municipality may elect to guarantee, insure or otherwise become primarily or secondarily obligated on the indebtedness of a land bank, subject, however, to all other provisions of law of this Commonwealth applicable to municipal indebtedness.

(f) Sale.—

(1) A bond shall be issued, sold and delivered in accordance with the terms and provisions of the authorizing resolution. The board, to effectuate its best interest, may determine the manner of sale, public or private, and the price of the bond.

(2) The resolution issuing a bond must be published in a newspaper of general circulation within the jurisdiction in which the land bank is located.

(g) Liability.--

(1) Neither the members of a land bank nor a person executing the bond shall be liable personally on the bonds by reason of the issuance of the bond.

(2) The bond or other obligation of a land bank related to a bond shall not be a debt of a municipality or of the Commonwealth. A statement to this effect shall appear on the face of the bond or obligation.

(3) On the bond or other obligation of a land bank related to a bond, all of the following apply:

(i) The Commonwealth has no liability. This subparagraph applies to the revenue and property of the Commonwealth.

(ii) A municipality has no liability. This subparagraph applies to the revenue and property of a municipality.

§ 2113. Public records and public access

(a) Public records.--A board shall keep minutes and a record of its proceedings.

(b) Public access.--A land bank is subject to:

(1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and

(2) the act of February 14, 2008 (P.L. 6, No. 3), [FN1] known as the Right-to-Know Law.

[FN1] 65 P.S. § 67.101 et seq.

§ 2114. Dissolution of land bank

(a) General rule.--A land bank may be dissolved as a public body corporate and politic upon compliance with all of the following:

(1) Sixty calendar days' advance written notice of consideration of a resolution to request dissolution must:

(i) be given to the land bank jurisdiction which created the land bank;

(ii) be published in a local newspaper of general circulation; and

(iii) be sent by certified mail to the trustees of outstanding bonds of the land bank.

(2) A resolution requesting dissolution must be approved under section 2105(h)(3) (relating to board).

(b) Authority.--Upon receipt of a proper resolution described in subsection (a)(1), the land bank jurisdiction which created the land bank may dissolve the land bank by adoption of an ordinance subject to the approval of the mayor in a city or the county executive in a home rule county. If approved, the

governing body of the land bank jurisdiction which created the land bank shall file a certified copy of the ordinance with the Department of State, and the Secretary of the Commonwealth shall cause the termination of the existence of the land bank to be noted on the record of incorporation. Upon such filing, the land bank shall cease to function. The Secretary of the Commonwealth shall also notify the department of the dissolution of the land bank.

(c) Transfer of assets.--Upon dissolution of the land bank, real property, personal property and other assets of the land bank shall become the assets of the municipality in which the property is located. The following shall apply:

(1) Personal property, including financial assets, of the land bank shall be divided among participating land bank jurisdictions in proportion to the population of each jurisdiction.

(2) The municipality in which real property is located shall approve the transfer of title to the municipality.

(d) Multiple jurisdictions.--If multiple land bank jurisdictions create a land bank under section 2104(c) (relating to creation and existence), the withdrawal of one or more land bank jurisdictions shall not require dissolution of the land bank unless:

(1) the intergovernmental cooperation agreement provides for dissolution in this event; and

(2) there is no land bank jurisdiction which desires to continue the existence of the land bank.

§ 2115. Conflicts of interest

(a) State Adverse Interest Act.--The acts and decisions of members of a board and of employees of a land bank shall be subject to the act of July 19, 1957 (P.L. 1017, No. 451), [FN1] known as the State Adverse Interest Act.

(b) Ethical standards.--Board members and land bank employees are subject to 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure).

(c) Supplemental rules and guidelines.--The board may adopt:

(1) supplemental rules addressing potential conflicts of interest; and

(2) ethical guidelines for members of the board and land bank employees.

[FN1] 71 P.S. § 776.1 et seq.

§ 2116. Construction, intent and scope

This chapter shall be construed liberally to effectuate the legislative intent and the purposes as complete and independent authorization for the implementation of this chapter, and all powers granted shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

§ 2117. Delinquent property tax enforcement

(a) Power to discharge liens and claims.--

(1) Except as set forth in paragraph (2), a land bank may, by resolution of the board, discharge a lien or claim to its real property for tax owed to the members of the land bank.

(2) For a land bank to discharge a lien or claim to its real property under paragraph (1) for tax owed to a school district, the governing body of the school district must approve the discharge.

(3) The land bank must file evidence of the extinguishment and dissolution of liens or claims with the county tax claim bureau, including copies of the resolution by the board, the intergovernmental agreement, receipt of payment and other necessary and appropriate documentation. This requirement must be satisfied no later than the earlier of:

(i) ten days prior to the conveyance of the property; or

(ii) within 30 days after the discharge.

(b) Remittance of payments.--To the extent that a land bank receives payments attributable to a lien or claim for real property taxes owed to a municipality or school district on property acquired by the land bank, the land bank shall remit the full amount of the payments to the municipality or school district.

(c) Procedure relating to Real Estate Tax Sale Law.--For a land bank located in a municipality which follows the act of July 7, 1947 (P.L. 1368, No. 542), [FN1] known as the Real Estate Tax Sale Law, all of the following apply:

(1) Depending upon the time of filing, the following apply:

(i) For a tax claim filed under the Real Estate Tax Sale Law, the municipality:

(A) may direct the county tax claim bureau to assign the claim or lien to the land bank under terms mutually acceptable to the municipality and land bank; and

(B) shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee under section 316 of the Real Estate Tax Sale Law. [FN2]

(ii) For a tax claim to be filed under the Real Estate Tax Sale Law, a municipality which has complied with section 26 of the act of May 25, 1945 (P.L. 1050, No. 394), [FN3] known as the Local Tax Collection Law, and section 306 of the Real Estate Tax Sale Law: [FN4]

(A) may assign and transfer the claim to the land bank upon terms and conditions mutually acceptable to the municipality and the land bank; and

(B) shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee under section 316 of the Real Estate Tax Sale Law.

(iii) For tax liens assigned to the land bank under subparagraph (i) or (ii), the land bank shall adopt policies providing for plans and agreements by which low-income, owner-occupant households may pay their delinquent taxes. Such plans and agreements shall take into account the household's ability to pay and shall be designed to promote the continued occupancy by that household whenever feasible.

(2) All of the following apply to upset sales:

(i) The land bank and the plaintiff in the claim may enter into an agreement for the land bank to purchase the property at the minimum amount described in section 605 of the Real Estate Tax Sale Law [FN5] in the event there is no bid tendered for a higher amount than the minimum amount.

(ii) If there is an agreement under subparagraph (i) and no one bids a higher price than the minimum amount described in section 605 of the Real Estate Tax Sale Law, the property shall be sold to the land bank upon payment by the land bank for the upset sale costs and all liens, claims and subordinate encumbrances shall be discharged by the sale.

(3) All of the following apply to judicial sales:

(i) Notwithstanding section 612 of the Real Estate Tax Sale Law, [FN6] the form, substance and timing of the land bank's payment of the sales price may be according to the agreement as is mutually acceptable to the plaintiff and the land bank if all of the following apply:

(A) A judicial sale is ordered pursuant to a judgment on a tax claim.

(B) The purchaser of the property is the land bank.

(C) The sales price is an amount agreed to by the land bank and the plaintiff in the claim.

(ii) The obligation of the land bank to perform in accordance with the agreement under subparagraph (i) shall be deemed to be in full satisfaction of the tax claim which was the basis for the judgment.

(iii) The land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.

(4) The notice and return under sections 602 and 607(a) of the Real Estate Tax Sale Law [FN7] must contain reference to a potential bid by the land bank.

(5) The deed to the land bank under sections 608 and 615 of the Real Estate Tax Sale Law [FN8] shall be delivered and acknowledged and recorded within 30 days of the date of confirmation.

(6) All of the following apply to judicial sales for multiple tracts:

(i) In a petition for a judicial sale, the municipality or the land bank, if it is the holder of municipal tax liens, may combine in a single petition multiple tracts of real property if the petition and accompanying affidavits provide all of the following:

(A) Identification of each tract of real property.

(B) The identities of each party having an interest in a tract of real property.

(C) The amount of the tax liens then due and owing, together with associated interest, costs and fees.

(D) The nature of the notice of the proposed sale provided to the interested parties.

(ii) The court may authorize in a single final judgment that all or part of the real properties identified in the petition be sold free and clear of tax and municipal claims, mortgages, liens, charges and estates and ground rents.

(d) Procedure relating to Municipal Claim and Tax Lien Law.--For a land bank located in a municipality which follows the act of May 16, 1923 (P.L. 207, No. 153), [FN9] referred to as the Municipal Claim and Tax Lien Law, all of the following apply:

(1) Regardless of the time of filing, the municipality:

(i) may assign and transfer a tax or municipal claim to the land bank upon terms and conditions mutually acceptable to the municipality and land bank;

(ii) shall otherwise confer upon the land bank the rights, privileges and remedies of an assignee as stated in section 33 of the Municipal Claim and Tax Lien Law; [FN10] and

(iii) for tax liens assigned to the land bank under this section, the land bank shall adopt policies providing for plans and agreements by which low-income, owner-occupant households may pay their delinquent taxes. Such plans and agreements shall take into account the household's ability to pay and shall be designed to promote the continued occupancy by that household whenever feasible.

(2) All of the following apply to upset sales:

(i) The land bank and the plaintiff in the claim may enter into an agreement for the land bank to purchase the property at the minimum amount described in section 29 of the Municipal Claim and Tax Lien Law [FN11] in the event there is no bid tendered for a higher amount than the minimum amount.

(ii) If there is an agreement under subparagraph (i) and no one bids a higher price than the minimum amount described in section 29 of the Municipal Claim and Tax Lien Law, the property shall be sold to the land bank upon payment by the land bank for the upset sale costs and liens, and claims and subordinate encumbrances shall be discharged by the sale.

(3) All of the following apply to judicial sales:

(i) Notwithstanding section 31 of the Municipal Claim and Tax Lien Law, [FN12] the form, substance and timing of the land bank's payment of the sales price may be according to the agreement mutually acceptable to the plaintiff and the land bank if all of the following apply:

(A) A judicial sale is ordered pursuant to a judgment on a tax or municipal claim.

(B) The purchaser of the property is the land bank.

(C) The sales price is an amount agreed to by the land bank and the plaintiff.

(ii) The obligation of the land bank to perform in accordance with the agreement under subparagraph (i) shall be deemed to be in full satisfaction of the municipal claim which was the basis for the judgment.

(iii) The land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.

(4) Notwithstanding sections 31.1 and 31.2 of the Municipal Claim and Tax Lien Law [FN13] and sections 4 and 6 of the act of March 1, 1956 (1955 P.L. 1196, No. 372), [FN14] entitled "An act authorizing the sale of vacant land located in areas certified as conservation areas in counties of the first class, under a judgment obtained on a tax claim, by the sheriff of the county; providing for the discharge

of all liens, mortgages, ground rents, estates and claims against the property by sale; and limiting the right of redemption," all of the following apply:

(i) The land bank may tender a bid at the sale in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment. Upon tender under this subparagraph, the property shall be deemed sold to the land bank regardless of bids by other parties.

(ii) The bid of the land bank shall be paid as to its form, substance and timing according to an agreement that is mutually acceptable to the plaintiff and the land bank. The obligation of the land bank to perform in accordance with the agreement shall be deemed to be in full satisfaction of the tax or municipal claim which was the basis for the judgment.

(iii) The land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.

(iv) The deed to the land bank shall be executed, acknowledged and delivered within 30 days of the sale.

(5) All of the following apply to judicial sales for multiple tracts:

(i) In a petition for a judicial sale, a municipality or a land bank, if it is the holder of municipal tax liens, may combine in a petition multiple tracts of real property if the petition and accompanying affidavits provide all of the following:

(A) Identification of each tract of real property.

(B) The identities of each party having an interest in a tract of real property.

(C) The amount of the taxes then due and owing.

(D) The nature of the notice of the proposed sale provided to the interested parties.

(ii) The court may authorize in a single final judgment that all or part of the real properties identified in the petition be sold free and clear of tax and municipal claims, mortgages, liens, ground rents, charges and estates.

(e) Procedure relating to Second Class City Treasurer's Sale and Collection Act.--For a land bank located in a municipality which follows the act of October 11, 1984 (P.L. 876, No. 171), [FN15] known as the Second Class City Treasurer's Sale and Collection Act, all of the following apply:

(1) Regardless of the time of filing, a municipality:

(i) may assign and transfer a tax or municipal claim to the land bank under the Second Class City Treasurer's Sale and Collection Act upon terms and conditions mutually acceptable to the municipality and the land bank; and

(ii) shall otherwise confer upon the land bank the rights, privileges and remedies of the municipality under the Second Class City Treasurer's Sale and Collection Act.

(iii) For tax liens assigned to the land bank under this section, the land bank shall adopt policies providing for plans and agreements by which low-income, owner-occupant households may pay their delinquent

taxes. Such plans and agreements shall take into account the household's ability to pay and shall be designed to promote the continued occupancy by that household whenever feasible.

(2) All of the following apply to upset sales:

(i) The land bank and the plaintiff in the claim may enter into an agreement for the land bank to purchase the property for the minimum amount of the upset sale price described in section 301 of the Second Class City Treasurer's Sale and Collection Act [FN16] in the event there is no bid tendered for a higher amount than the minimum amount.

(ii) The land bank may tender a bid for the mutually agreed upset sale price.

(iii) Notwithstanding section 301 of the Second Class City Treasurer's Sale and Collection Act, the bid of the land bank shall be paid as to its form, substance and timing according to an agreement between the municipality and land bank. The obligation of the land bank to perform in accordance with the agreement shall be deemed to be in full satisfaction of the tax or claim which was the basis for the sale.

(3) The notice and advertisement under sections 203 and 204 of the Second Class City Treasurer's Sale and Collection Act [FN17] must contain reference to a potential bid by the land bank.

(4) Subject to redemption under section 304 of the Second Class City Treasurer's Sale and Collection Act [FN18] and confirmation under section 305 of the Second Class City Treasurer's Sale and Collection Act, [FN19] the land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.

(5) The deed to the land bank under section 307 of the Second Class City Treasurer's Sale and Collection Act [FN20] shall be delivered, acknowledged and recorded within 30 days of the date of confirmation.

(e.1) Land bank.—Notwithstanding subsections (d) and (e), in counties of the second class containing a city of the second class, a land bank may not engage in any of the following absent an agreement with a county, city, borough, incorporated town, township, school district or body politic and corporate created as a municipal authority pursuant to law whose claims comprise the upset sales price:

(1) Purchase property for less than the upset sales price described in section 29 of the Municipal Claim and Tax Lien Law or section 301 of the Second Class City Treasurer's Sale and Collection Act.

(2) Alter the form, substance or timing of the payment of the sales price by the land bank.

(f) Involuntary transfers.—A land bank which acquires real property under this section shall be deemed to have acquired the real property as an involuntary transfer within the meaning of section 701(b)(1)(vi)(B) of the act of October 18, 1988 (P.L. 756, No. 108), [FN21] known as the Hazardous Sites Cleanup Act.

(g) Expiration.—This section shall expire upon publication of the notice under section 2120 (relating to determination on procedural revision).

[FN1] 72 P.S. § 5860.101 et seq.

[FN2] 72 P.S. § 5860.316.

[FN3] 72 P.S. § 5511.26.

[FN4] 72 P.S. § 5860.306.

[FN5] 72 P.S. § 5860.605.

[FN6] 72 P.S. § 5860.612.
[FN7] 72 P.S. §§ 5860.602, 5860.607.
[FN8] 72 P.S. §§ 5860.608, 5860.615.
[FN9] 53 P.S. § 7101 et seq.
[FN10] 53 P.S. § 7147.
[FN11] 53 P.S. § 7279.
[FN12] 53 P.S. § 7281.
[FN13] 53 P.S. §§ 7282, 7283.
[FN14] 53 P.S. §§ 7287, 7289.
[FN15] 53 P.S. § 27101 et seq.
[FN16] 53 P.S. § 27301.
[FN17] 53 P.S. §§ 27203, 27204.
[FN18] 53 P.S. § 27304.
[FN19] 53 P.S. § 27305.
[FN20] 53 P.S. § 27307.
[FN21] 35 P.S. § 6020.701.
§ 2118. Expedited quiet title proceedings

(a) Authorization.--

- (1) A land bank may file an action to quiet title to real property in which the land bank has an interest.
- (2) A land bank may join in a single complaint to quiet title to one or more parcels of real property.
- (3) For purposes of an action under this section, the land bank shall be deemed to be the holder of sufficient legal and equitable interests and possessory rights so as to qualify the land bank as an adequate complainant in the action.

(b) Procedural requirements.--

- (1) Prior to the filing of an action to quiet title, the land bank must conduct an examination of title to determine the identity of any person possessing a claim or interest in or to the real property.
- (2) Service of the complaint to quiet title shall be provided to interested parties as follows:
 - (i) By first class mail to the identity and address reasonably ascertainable by an inspection of public records.
 - (ii) In the case of occupied real property, by first class mail, addressed to "Occupant."
 - (iii) By posting a copy of the notice on the real property.
 - (iv) By publication.
 - (v) As ordered by the court.
- (3) As part of the complaint to quiet title, the land bank must file an affidavit identifying:
 - (i) persons discovered under paragraph (1); and

(ii) the form of service under paragraph (2).

(c) Hearing.--

(1) The court shall schedule a hearing on the complaint within 90 days following filing of the complaint and as to all matters upon which an answer was not filed by an interested party.

(2) The court shall issue its final judgment within 120 days of the filing of the complaint.

§ 2119. Annual audit and report

The following shall apply:

(1) The land bank shall annually, within 120 days after the end of the fiscal year, submit an audit of income and expenditures, together with a report of its activities for the preceding year, to the department.

(2) A duplicate of the audit and the report shall be filed with the governing body of:

(i) the land bank jurisdiction which created the land bank; and

(ii) each political subdivision which opted to participate in the land bank pursuant to an intergovernmental agreement.

§ 2120. Determination on procedural revision

If the department determines that comprehensive reform legislation on property-tax foreclosure has been enacted revising procedure under the statutory provisions referred to in section 2117 (relating to delinquent property tax enforcement), the department shall transmit notice of the determination to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

Current through end of the 2012 Regular Session
END OF DOCUMENT