

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 1214

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2018

The Senate Economic Growth Committee reports favorably Senate Bill No. 1214.

As reported, this bill allows municipalities to designate non-profit entities, and redevelopment entities, including the municipality itself when it serves as its own redevelopment entity, to act as land bank entities on behalf of the municipality.

This bill requires a land bank entity to develop and maintain an online database of land bank properties that is accessible to the public, and that provides comprehensive information on the ownership and sales prices of those properties. The bill further encourages the land bank entity to incorporate into the database a list of all vacant and abandoned properties within the municipality, a mechanism to allow the public to offer suggestions concerning what properties should be labeled as vacant and abandoned, and an interactive mapping feature to allow the public to visualize the impact of land banking and the extent of vacant and abandoned properties within the municipality.

Under the bill, a municipality may convey municipal-owned properties and assign municipal-owned liens to the land bank entity. The land bank entity may also acquire properties for the land bank through gift or purchase, and act as the municipality's agent to purchase liens at tax sale, and carry out lien foreclosures and individual abandoned property takings.

A land bank entity designation is accomplished through a formal agreement adopted by the municipality and the entity after community input. The agreement establishes the terms and conditions by which the entity may acquire and may sell, lease, or convey a property, a mechanism for sharing costs and revenues between the municipality and the entity, and the level of municipal oversight. The agreement can be amended at any time by mutual consent, and terminated by the municipality by giving one year's notice to the entity.

Non-profit land bank entities are to allow the chief financial officer of the municipality to serve on the board of the entity as an ex officio member.

The municipality may exempt the land bank properties held by the land bank entity from property taxes.

A land bank entity is to 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. The community advisory board is to report on the accuracy, integrity, accessibility, and comprehensiveness of the online mapping database on at least an annual basis. If a land bank entity fails to comply with the database requirement, the community advisory board is to prominently note that failure in each annual report. A land bank entity must also submit an annual report on its land banking activities to the municipal governing body and the public.

Once designated by a municipality, land bank entities may serve the same function for other municipalities, subject to a shared services agreement between the designated municipality and any other municipalities. A municipality also may adopt an ordinance to remit to the land bank entity an amount equaling up to 50 percent of the property taxes or payments in lieu of taxes collected for up to 10 years on parcels sold or conveyed, but not leased, by the land bank entity to private entities, provided that property taxes were not paid on the parcel for at least two years preceding the date when the parcel became a land bank property.