

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 957

(Senator Eckardt, *et al.*)

Budget and Taxation and Education, Health,
and Environmental Affairs

Environment and Transportation

Counties and Municipalities - Land Bank Authorities

This bill recodifies and expands current enabling power to establish, by ordinance, a land bank authority, granted originally only to individual municipalities, to apply to one or more local governments, defined under the bill as a municipality or county. Two or more local governments may enter into an intergovernmental cooperation agreement to create a single land bank to act on behalf of the local governments, which may include one or more water and sewer authorities. The bill provides for the continued operation of an authority that is created by an intergovernmental cooperation agreement if one of the parties decides to withdraw from the agreement. The bill specifies the various powers of a land bank authority, including the borrowing of money, issuing of bonds, investing of money, insuring real property assets against losses, improving real property, and raising revenue. The bill authorizes a land bank authority to quiet title or foreclose on specified property in a specified manner. The bill provides for the collection of specified delinquent water and sewer bills through liens by a land bank authority. The bill also specifies the mechanism for the disposition of property acquired by a local land bank authority, and exempts property held by an authority from specified taxes under specified circumstances.

Fiscal Summary

State Effect: None.

Local Effect: The fiscal effect on a county establishing a land bank authority depends on the guidelines that each county sets for the land bank authority. County revenues increase through fees, taxes, and the issuance of bonds.

Small Business Effect: None.

Analysis

Current Law: Chapter 468 of 2008 authorized Baltimore City to create a land bank authority. These provisions are currently found in the Article II, Section 65 of the Charter of Baltimore City. Chapter 739 of 2010 granted similar authority to municipalities under Title 5, Subtitle 4 of the Local Government Article.

Background: Generally, local land bank authorities are public or community-owned entities that are created for the purpose of acquiring, managing, maintaining, and repurposing vacant, abandoned, and foreclosed properties.

Local Fiscal Effect: If a county creates a land bank authority to oversee and manage the county's vacant and abandoned property, the fiscal effect will depend on the organization and financing structure set up by each county for the land bank authority. Presumably, a land bank authority fund for receiving revenues would need to be established to finance the acquisition and improvement of real property. The land bank authority would monitor the fund and coordinate the new improvements, uses, and disposition of any acquired property.

Additional Information

Prior Introductions: None.

Cross File: HB 1168 (Delegate Holmes) - Environment and Transportation.

Information Source(s): Carroll, Montgomery, Queen Anne's, and St. Mary's counties; Maryland Association of Counties; State Department of Assessments and Taxation; Maryland Department of the Environment; Judiciary (Administrative Office of the Courts); Department of Legislative Services

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