



HB 1128

Land Bank Authorities - Powers and Authority

Hearing before the House Environment and Transportation Committee

Feb. 25, 2025

POSITION: Favorable

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including to prevent and remediate property vacancy and abandonment.

CLC supports HB 1128 in making changes to the power of Land Bank Authorities.

Through CLC's work with community organizations in Maryland, we have seen the devastating impact that vacant properties have on communities – threatening the safety of residents and passersby and the structural integrity of neighboring buildings; requiring more code enforcement, fire, police, and other municipal services; attracting crime, rodents, and illegal dumping; and lowering nearby property values and municipal property tax revenue. One proven, successful tool to address significant vacant property issues is a land bank. Other states and municipalities have created land banks to acquire, manage, and transfer vacant properties to new owners, returning the properties to productive use.

Maryland law allows for municipal Land Bank Authorities, but the law is missing key provisions that are necessary for a land bank's success. HB 1128 would amend the law to allow land banks in Maryland to:

- Create a special fund to raise revenue for land bank operations;
- Make loans or grants and enter into partnerships to finance development projects;
- Acquire vacant properties through in rem foreclosure; and
- Set terms on the sale, lease, or transfer of properties, requiring maintenance and certain outcomes and uses of the properties, to ensure that properties transferred by the land bank are appropriately rehabbed and maintained.

Giving these additional powers to land banks in Maryland would ensure that they are equipped with the tools they need to transform vacant and blighted properties back to productive use, to the benefit of their communities and the state overall. We urge a favorable report on HB 1128. Thank you for the opportunity to testify.

For the above reasons,

CLC urges a FAVORABLE VOTE ON HB 1128.

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.

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