

HB 821 -- LAND BANK ACT

SPONSOR: Solon

This bill creates the "Land Bank Act" which allows certain cities to establish a land bank agency for the management, sale, transfer, and other disposition of interests in real estate owned by the land bank (Sections 140.980 and 140.981, RSMo). The powers and duties given to the land bank agency are specified in the bill (Sections 140.982 and 140.983). The bill specifies that a land bank agency shall not possess the power of eminent domain or the power to tax (Section 140.1015).

The beneficiaries of the land bank agency shall be the taxing authorities that held or owned tax bills against the real estate acquired by the agency (Section 140.981). The agency shall notify the county assessor and collector upon acquisition or sale of any real estate and such real estate shall be exempt from all taxation during the agency's ownership. Upon issuance of a deed of a delinquent land tax auction, the agency shall pay the amount of the land bank agency's bid that exceeds the amount of all tax bills included in the judgment, interest, penalties, attorney's fees, taxes, and costs due. The county collector shall mark the tax bills included in the judgment as "canceled by sale to the land bank" and shall take credit for the full amount of such tax bills (Section 140.984).

A land bank agency shall maintain and make available for public review and inspection an inventory and history of all real property the land bank agency holds or formerly held. A city may establish a hierarchical ranking of priorities for the use of real property conveyed by such land bank agency. When any parcel of real estate acquired by the agency is sold or otherwise disposed of, the proceeds shall be distributed as specified in the bill (Section 140.985).

A land bank agency shall either sell, put to a productive use, or show significant progress toward selling or putting to a productive use a parcel of real property within two years from the date it acquired the property. The governing body of the city may grant the agency a one-year extension if the body believes unforeseen circumstances have delayed the sale or productive use of the property. If the agency owns a property that does not have a productive use after two years or receive an extension, the property shall be offered for public sale using procedures specified in the bill (Section 140.986).

A land bank agency may receive funding through grants, gifts, and loans and may receive and retain payments for services rendered,

rents and leasehold payments, consideration for disposition of real and personal property, proceeds of insurance coverage for losses incurred, income from investments, and any other asset and activity lawfully permitted (Section 140.988).

There shall be an annual audit of the affairs, accounts, expenses, and financial transactions of a land bank agency annually by April 30th. The cost of such audit shall be paid by the land bank agency and copies shall be made available to the public and posted on the website within 30 days of the completion of the audit (Section 140.986).

The bill specifies that no employee of the land bank agency shall receive any compensation from or own any legal or equitable interest in any lands held by the land bank agency. A violation of this provision is a felony punishable by a term of imprisonment of two to five years (Section 140.1000).

If a land bank agency receives payments or credits attributable to liens or claims for real property taxes owed to a taxing authority, the land bank agency shall remit the full amount of the payments to the county collector for distribution to the appropriate taxing authority (Section 140.1006).

A land bank agency shall be authorized to file an action to quiet title as to any real property in which it has an interest. The procedure for service of the petition to quiet title is specified in the bill. The court shall schedule a hearing on the petition within 90 days following filing of the petition and shall issue its final judgment within 120 days of the filing (Section 140.1009).

The bill also specifies the procedures for dissolution of a land bank agency (Section 140.1012).

Currently, this bill only applies to the City of St. Joseph.