STATE OF NEW YORK

4094

2017-2018 Regular Sessions

IN ASSEMBLY

February 1, 2017

Introduced by M. of A. HOOPER -- read once and referred to the Committee on Local Governments

AN ACT to amend the county law and the New York state urban development corporation act, in relation to creating land banks for the acquisition, management, planning and reuse of vacant and abandoned property

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The county law is amended by adding a new section 55 to read as follows:

§ 55. Authorization to create a land bank. 1. As used in this section, a "land bank" is a public corporation established to assist or engage in the process of the effective conversion of vacant, abandoned and tax-delinquent properties to productive use. Vacant and/or abandoned property shall be deemed to be residential, commercial, and industrial buildings and empty lots that either threaten public safety including public nuisances; and/or have been subject to the neglect of fundamental duties of property ownership including, but not limited to, failure to pay taxes or utility bills, defaults on mortgages, and liens against property. Such process may, consistent with municipal land use and strategic plans include, but need not be limited to, acquisition of land, leasing and sales of land and structures, expedited foreclosure and title clearance, administration, inventory and assessment of existing parcels and structures, planning for reuse consistent with local plans and reinvestment strategies, property maintenance, rehabilitation and management, demolition, disassembly and salvage and providing for assistance for nonprofit organizations involved in the rehabilitation and redevelopment of properties.

2. The legislative body of any county may adopt a resolution calling upon the state urban development corporation to establish a subsidiary corporation to perform the functions of a land bank pursuant to section twelve of the New York state urban development corporation act. When

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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authorized by resolution of a county legislative body, the municipality may transfer vacant and/or abandoned property to such a land bank corporation operating within its jurisdiction.

§ 2. Section 3 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new subdivision 31 to read as follows:

(31) "Land bank" is a public corporation established to assist or engage in the process of the effective conversion of vacant, abandoned and tax-delinquent properties to productive use. Vacant and/or abandoned property shall be deemed to be residential, commercial, and industrial buildings and empty lots that either threaten public safety including public nuisances; and/or have been subject to the neglect of fundamental duties of property ownership including but not limited to failure to pay taxes or utility bills, defaults on mortgages, and liens against property. Such process may, consistent with municipal land use and strategic plans, include, but need not be limited to acquisition of land, leasing and sales of land and structures, expedited foreclosure and title clearance, administration, inventory and assessment of existing parcels and structures, planning for reuse consistent with local plans and reinvestment strategies, property maintenance, rehabilitation and management, demolition, disassembly and salvage and providing for assistance for nonprofit organizations involved in the rehabilitation and redevelopment of properties.

§ 3. Section 12 of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new subdivision 1-a to read as follows:

(1-a) (a) Upon receipt of a resolution approved by a majority of the legislative body of any county, the corporation shall establish a subsidiary corporation to perform the functions of a land bank pursuant to subdivision thirty-one of section three of this act. The directors of such subsidiary shall include two appointees by both the chief elected officer and legislative body of the county petitioning for the creation of the subsidiary corporation. Members of the subsidiary shall be persons who have demonstrated special interest, experience, or education in urban and/or regional planning, real estate, community development, neighborhood preservation, historic preservation, finance or related areas. The corporation may condition the creation of a subsidiary land bank on an agreement from the petitioning county to deed not less than fifty percent of the vacant and abandoned property held by the municipality to the subsidiary land bank.

(b) Notwithstanding any other provision of law, a subsidiary land bank may institute a proceeding pursuant to article 19-A of the real property actions and proceedings law.

(c) Notwithstanding any other provision of law, a subsidiary land bank with agreement therefor from the county where property is located, may borrow against future tax revenue increases. In addition, upon receiving such agreement a subsidiary land bank may also borrow against future savings associated with the decrease in costs on a block or multiple blocks cleared and reverting to green space.

(d) Notwithstanding any other provision of law, a subsidiary land bank may, upon such terms as it deems appropriate, convey title to any property to which it obtains title pursuant to a proceeding pursuant to the provisions of paragraph (a) of this subdivision or of article 19-A of the real property actions and proceedings law to a private purchaser provided such purchaser resides at the property as his or her primary residence for a period of no less than two years. During the initial two

years after the conveyance to the private purchaser, the property shall be exempt from ad valorem real estate taxes, provided the purchaser continues to reside at the property as provided in this paragraph. Thereafter, or earlier if the purchaser ceases to reside at the property as his or her primary residence, the property shall be placed back on the tax rolls and shall be subject to full taxation, unless it is otherwise eligible for credits against such taxation.

§ 4. This act shall take effect immediately.