

## HB 707 -- Land Bank Agency

Sponsor: Brown (50)

This bill allows the City of Kansas City to establish a land bank agency for the management, sale, transfer, and other disposition of tax delinquent lands and other lands in its possession in order to return it to effective use to provide housing, new industry, and jobs and to create new revenue for the city. The agency must be established by order or ordinance as provided by the city's charter and will only have authority over tax delinquent lands and other lands in its possession located within the city.

The agency is authorized to accept the grant of any interest in real property made to it or to accept gifts and grant-in-aid assistance. It is to exercise all powers that are conferred by Sections 141.210 - 141.982, RSMo, relating to the Land Tax Collection Law, and be deemed a public corporation acting in a governmental capacity.

Beneficiaries of the agency will be the taxing authority that held or owned tax bills against the respective parcel of real estate sold to the agency at a sheriff's foreclosure sale, and each taxing authority's respective interests in the parcel will be to the extent and in the proportion and according to the priorities determined by the court based on the principal amount of their respective tax bills bore to the total principal amount of all the tax bills described in the judgment.

The agency will be composed of three commissioners appointed by specified officials; and each commissioner must furnish a surety bond, if the bond is not already covered by a governmental surety bond, in an amount of up to \$25,000 to be paid out of city funds.

The agency is authorized to sue and issue deeds in its name and operate as any other corporate body. It can convey title to any real estate it has sold or conveyed by general or special warranty deed. A deed must include the selling price and whether the selling price represents a value equal to or greater than two-thirds of the appraised value of the real estate. If the selling price is less than two-thirds of the appraised value, the commissioners must first procure the consent of at least two appointing authorities. Every effort must be made to sell a property at a price as close to its appraised value as soon as possible. Any property transferred at no cost to a public agency must be agreed to unanimously by the three commissioners; and if the property is sold or disposed of within 10 years by the public agency, the proceeds from the sale or disposal must be returned to the commissioners for distribution.

The agency must maintain a perpetual inventory of all acquired real estate and classify it as for private use, for use by a public agency, or not usable in its current condition. All land owned by the agency can be used as it sees fit including consolidating the land or grouping it for economy, utility, or convenience.

The annual budget of the agency must be prepared by December 10 and delivered to the governing body of each county or city that appointed commissioners for its review and approval. The bill specifies the procedure if one of the governing bodies does not approve the proposed budget.

If at any time there are not enough funds available to pay the salaries and other expenses of the agency, sufficient funds will be advanced and paid to the agency upon its requisition from the governing bodies of which 50% will be paid by the county commissions and 50% from the cities that appointed commissioners. The amount cannot exceed 25% of the agency's annual budget unless agreed to and approved by the county commissions and the cities. These funds will be considered advances and subject to repayment from funds subsequently collected by the agency.

A commissioner or salaried agency employee is prohibited from receiving any compensation, emolument, or other profit from the disposition of any lands held by the agency other than the salaries, expenses, and emoluments provided by law. Anyone convicted of violating this provision will be guilty of a felony and upon conviction be sentenced to between two and five years in the state penitentiary.