

September 14, 2010

The Honorable Gene Yaw
Chair, Senate Urban Affairs and Housing Committee
Senate Box 203023
Harrisburg, PA 17120

The Honorable Shirley Kitchen
Minority Chair, Senate Urban Affairs and Housing Committee
Senate Box 203003
Harrisburg, PA 17120

Dear Senator Yaw and Senator Kitchen:

On behalf of the County Commissioners Association of Pennsylvania, a nonprofit and nonpartisan association representing all 67 counties in the commonwealth, I am writing to offer comments to the Senate Urban Affairs and Housing Committee for its hearing on September 16 regarding House Bill 712. This bill would provide counties, cities and other municipalities with a population of more than 10,000 the ability to create land banks. The CCAP Energy, Environment and Land Use committee has voted to offer support for this option as another tool for dealing with blighted, abandoned and tax delinquent property issues. The committee believes it will be useful in both rural and urban communities.

The land banks are an appealing option in addition to the tools that already exist in Pennsylvania because land banks do not have eminent domain power but can move properties through the system more quickly than the normal tax collection process in order to return them to the tax rolls. Counties, municipalities and school districts who opt into the land bank concept will forego property tax revenue in order to achieve the objective of returning properties to the productive tax rolls. But this tool is entirely appropriate as an option for those who want to take advantage of another avenue to enhance the vitality of their communities.

CCAP worked with the House on amending language that will preserve the integrity of the tax records that are maintained at the county level. It is important that counties remain the one-stop source for a complete and accurate record of the tax status of properties. This is what was envisioned by the Real Estate Tax Sale law, the local tax collection law, and the Municipal Claim and Tax Lien Act. This is also integral to the business of title and deed searchers and the real estate industry. As amended in the House, we believe the bill will now assure that land banks comply with reporting requirements that would be followed for other properties through the tax sale process.

There is a remaining issue with the legislation as drafted that we raised in a recent meeting of interested stakeholders regarding whether it is appropriate for a land bank board to be able to dissolve itself. The land bank is created as an instrumentality of local government. Looking at the model for municipal

authorities, the governing body(s) that created the authorities must approve a certificate terminating the authority. This legislation does authorize land banks to initiate bonds and incur indebtedness but it also allows the land bank board to vote to dissolve the land bank. We would be supportive of amendments to the bill that would alter the process of dissolution to be consistent with the process in place for municipal authorities, and to assure that all bonds and debts are extinguished prior to the dissolution of the land bank.

The county tax claim bureaus are the primary places where collection of delinquent taxes occurs. There are some remaining questions from the tax claim bureaus about how the process envisioned for the land banks model would interact and overlap with the work already underway in tax claim bureaus. As this process moves forward, we encourage continued cooperation between the bill's sponsors, advocates and others in implementation assistance for the county tax claim bureaus.

Thank you for the opportunity to offer these comments. If you have any questions or would like to discuss the issues raised here, please contact Kristen Goshorn of my staff at (717) 232-7554 x3113, or email kgoshorn@pacounties.org.

Sincerely,

A handwritten signature in black ink, appearing to read "D E Hill". The signature is stylized and cursive.

Douglas E. Hill,
Executive Director