## Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

## **Part I: Measure Information**

Bill Request #: 1016
Bill #: HB 219
Bill Subject/Title: AN ACT relating to land bank authorities.
Sponsor: Rep Joni Jenkins
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: Land Bank Authorities
Requirement: Mandatory _X Optional
Effect on  Powers & Duties: X Modifies Existing X Adds New Eliminates Existing

## **Part II: Purpose and Mechanics**

The proposed legislation amends the statutes governing the formation and operation of land banks to clarify and expand on the functions and duties of land bank authorities. The proposed legislation also changes the method for a land bank authority to obtain property offered at a foreclosure sale when one of the land bank parties is the initial plaintiff in an action against the property. Finally land bank authorities are permitted to retain the proceeds from the sale of property owned by the land bank authority, and are also entitled to receive 50% of the ad valorem taxes from the property for 5 years.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The proposed legislation provides new funding sources to support land banks, which may encourage more cities and counties to establish land bank authorities to address blighted and abandoned property within their jurisdictions. To the extent that land bank authorities can help to bring vacant, abandoned, and blighted properties back to productive use, local jurisdictions will receive additional tax revenues, and will have reduced code enforcement responsibilities. There are no mandatory provisions in the proposed legislation, so there are no expenditures or costs that will be incurred by local

jurisdictions as a result of the legislation that are not taken into account by the local jurisdiction in deciding whether to establish a land bank authority.			
Data Source(s):			
<b>Preparer:</b> Pam Thomas	Reviewer: MCY	<b>Date:</b> 2/6/15	