

1 AN ACT relating to land bank authorities.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 65.350 is amended to read as follows:

4 ***As used in KRS 65.350 to KRS 65.375:***

- 5 (1) "Authority" means the land bank authority established pursuant to KRS 65.210 to  
6 65.300 and KRS 65.350 to 65.375;
- 7 (2) "Agreement" means the interlocal cooperation agreement entered into by the parties  
8 pursuant to KRS 65.210 to 65.300 and KRS 65.350 to 65.375;
- 9 (3) "Local government" means every city, regardless of classification, every county, and  
10 every consolidated local government and urban-county government;
- 11 (4) **"Party" or "parties"** means **one (1) or more**~~the~~ parties to **an**~~the~~ agreement,  
12 **which**~~that~~ shall include any local government, the local school district, which may  
13 include county and independent school districts, within the county and the  
14 Commonwealth of Kentucky;
- 15 (5) "Property" means real property, including any improvements thereon;~~and~~
- 16 (6) "Tax delinquent property" means any property on which the taxes levied and  
17 assessed by any party remain in whole or in part unpaid on the date due and  
18 payable; **and**
- 19 **(7) "Local government lien" means any lien established by or in favor of a local**  
20 **government under KRS Chapter 65, 82, 91, 91A, or 134.**

21 ➔Section 2. KRS 65.355 is amended to read as follows:

- 22 (1) Any local government, the county or independent school district within the county,  
23 and the Commonwealth of Kentucky may enter into an interlocal cooperation  
24 agreement pursuant to KRS 65.210 to 65.300 for the purpose of establishing a land  
25 bank authority pursuant to KRS 65.350 to 65.375.
- 26 (2) The authority shall be a public body corporate and politic with the power to sue and  
27 be sued, issue deeds in its name, and any other powers necessary and convenient to

1 carry out these powers or that may be granted to the authority by the parties.

2 (3) The authority shall be established to acquire the tax delinquent properties of the  
 3 parties, **properties that have become blighted or deteriorated as defined by KRS**  
 4 **99.705 and properties that have local government liens filed against them,** ~~in~~  
 5 ~~order~~ to **facilitate** ~~foster~~ the public purpose of returning **property** ~~land~~ that is in a  
 6 non-revenue generating, non-tax producing status to effective utilization, **including**  
 7 **but not limited to providing** ~~in order to provide~~ housing, new industry, and jobs  
 8 for the citizens of the county. The authority shall have the powers provided in KRS  
 9 65.370 and 65.375 and in the interlocal cooperation agreement.

10 ➔Section 3. KRS 65.365 is amended to read as follows:

11 ~~{(1)}~~ Upon the creation of a land bank authority, the authority shall maintain a ~~mailing~~  
 12 ~~}~~ list of **electronic mail addresses for all** city, county, or regional housing authorities, and  
 13 the Kentucky Housing Corporation, that have requested to be notified prior to any action  
 14 by the authority to dispose of property in its inventory. It shall be the responsibility of an  
 15 interested housing authority to provide the authority with the following information:

16 ~~(1)~~ ~~{(a)}~~ **The** name of the organization;

17 ~~(2)~~ ~~{(b)}~~ **The electronic** mailing address for the organization; and

18 ~~(3)~~ ~~{(c)}~~ The name and title of a contact person for the organization.

19 ➔Section 4. KRS 65.370 is amended to read as follows:

20 (1) The authority shall hold in its own name, for the benefit of the parties, all properties  
 21 conveyed to it by the parties, all tax delinquent properties **or properties having**  
 22 **local government liens** acquired by it pursuant to **Section 5 of this Act** ~~this~~  
 23 ~~section~~, and all properties otherwise acquired **by other means**.

24 (2) ~~It shall be the duty of~~ The authority **shall** ~~to~~ administer the properties  
 25 **held** ~~acquired~~ by it, as follows:

26 (a) All property **held** ~~acquired~~ by the authority shall be inventoried, ~~and~~  
 27 ~~appraised~~ and the inventory shall be maintained as a public record;

- 1 (b) The authority shall organize and classify the property on the basis of  
2 suitability for use;
- 3 (c) The authority shall maintain all property held by it in accordance with  
4 applicable laws and codes; and
- 5 (d) The authority shall have the power to manage, maintain, protect, rent, lease,  
6 repair, insure, alter, sell~~[sale]~~, trade, exchange, or otherwise dispose of any  
7 property on terms and conditions as determined by KRS 65.350 to 65.375 and  
8 by the authority. The authority may assemble tracts or parcels of property~~[for~~  
9 ~~public parks or other public purposes]~~, and ~~[to that end]~~ may exchange  
10 parcels, and may otherwise effectuate the purposes of the agreement and of  
11 KRS 65.350 to 65.375~~[by agreement with any party]~~.
- 12 (3) Before the authority may rent, lease, sell, trade, exchange, or otherwise dispose of  
13 any property it shall:
- 14 (a) Establish a price for rent or lease purposes;
- 15 (b) Establish a purchase price for sale purposes; or
- 16 (c) Establish the conditions for sale, rent, trade, exchange, or other disposal of  
17 the property.
- 18 (4) The authority shall publish pursuant to KRS Chapter 424, the information required  
19 pursuant to subsection (3) of this section, at least seven (7)~~[thirty (30)]~~ days before  
20 any property may be disposed of from the inventory. Immediately following  
21 publication the authority shall notify by electronic~~[first-class]~~ mail all housing  
22 authorities on the mailing list required pursuant to KRS 65.365 of the authority's  
23 intent to dispose of a specified property and the established price to rent, lease, or  
24 purchase the property, and~~[or the]~~ conditions for ~~[trade, exchange, or other~~  
25 ~~]disposal of the property.~~
- 26 (5) No property shall be acquired pursuant to KRS 65.350 to 65.375 by any entity for  
27 investment purposes only and with no intent to use the property other than to

1 transfer the property at a future date for monetary gain.

2 (6) **When a property is acquired by the authority, all state, county, city, and school**  
 3 **district taxes shall be extinguished**~~[No property acquired by a housing authority~~  
 4 ~~pursuant to KRS 65.350 to 65.375 shall be transferred to a similar group without~~  
 5 ~~prior approval of the authority].~~

6 (7) **When the authority sells or otherwise disposes of property, except property**  
 7 **acquired and disposed of pursuant to Section 5 of this Act, all proceeds shall be**  
 8 **retained by the authority**~~[The acquisition and disposal of property by the authority~~  
 9 ~~shall not be governed or controlled by any regulations or laws of the parties, unless~~  
 10 ~~specifically provided in the agreement].~~

11 (8) **For the first five (5) years following conveyance of the property by the authority**  
 12 **to an owner that is subject to ad valorem property taxes, fifty percent (50%) of the**  
 13 **ad valorem property taxes collected from the property by all parties to the**  
 14 **agreement, except school districts, shall be remitted to the authority**~~[No property~~  
 15 ~~located within the boundaries of a local government may be sold, traded,~~  
 16 ~~exchanged, or otherwise disposed of, unless the transaction is approved by the~~  
 17 ~~member appointed by the affected local government].~~

18 ➔Section 5. KRS 65.375 is amended to read as follows:

19 (1) If any party obtains a judgment against a tax delinquent property within the county  
 20 for the taxes and, to satisfy the judgment, the property is ordered sold at a tax sale  
 21 pursuant to KRS 91.504 or other provision of the Kentucky Revised Statutes, if no  
 22 person bids an amount equal to the full amount of all tax bills, interest, and costs  
 23 owing on the property at the sale, the authority shall be deemed to have bid the full  
 24 amount of all tax bills, interest, and costs due to all parties of the authority  
 25 regardless of whether or not they are all parties to the lawsuit. The authority shall  
 26 not be required to make actual payment to the court for the amount deemed to have  
 27 been bid. The court, notwithstanding any other provision of law, shall treat the

1 amount deemed to have been bid as cash received. Upon proper motion by the  
2 authority, the court shall make a deed of the property to the "Land Bank Authority."  
3 The title to the property shall be an absolute estate in fee simple, free and clear of  
4 all tax bills, interests, and costs owing to the parties of the authority but shall be  
5 subject to rights of way of public utilities on which tax has otherwise been paid and  
6 subject to any right of redemption of the United States of America, if any.

7 (2) ~~[When a property is acquired by the authority, all state, county, city, and school~~  
8 ~~district taxes shall be extinguished.~~

9 (3) ~~]~~At the time that the authority sells or otherwise disposes of property ***obtained***  
10 ***pursuant to this section*** as part of its land bank program, the proceeds from the sale  
11 shall be distributed as follows:

12 (a) The party or parties bringing the action that resulted in the acquisition of the  
13 property by the land bank authority shall be reimbursed, to the extent proceeds  
14 are available, for all costs incurred; and

15 (b) Any remaining proceeds shall be distributed to the parties in proportion to  
16 their respective tax bills. Conveyance of a property to a party shall not  
17 constitute disposal.