

House Bill 2734

Sponsored by Representative READ, Senator HANSELL, Representative FREDERICK; Representative HUFFMAN, Senator ROBLAN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes city or county to organize land bank authority by act of incorporation adopted by special ordinance.

Authorizes land bank to take ownership of real property with immunity from legal liability for legacy contamination.

Exempts land bank from state and local taxation.

A BILL FOR AN ACT

1
2 Relating to remediation of contaminated property.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 5 of this 2015 Act:**

5 (1) **"Brownfield" has the meaning given that term in ORS 285A.185.**

6 (2) **"Lot" has the meaning given that term in ORS 92.010.**

7 (3) **"Parcel" has the meaning given that term in ORS 215.010.**

8 **SECTION 2. (1) A city or county, by special ordinance, may establish a land bank au-**
9 **thority as provided in this section. The purpose of the land bank authority is to acquire, re-**
10 **habilitate and reutilize environmentally impacted real property within the boundaries of the**
11 **city or county that organizes the land bank.**

12 (2) **Articles of incorporation adopted in an ordinance under this section must set forth:**

13 (a) **A corporate name for the land bank authority in the form, "Land Bank Authority of**
14 **(city)" or "Land Bank Authority of (county)";**

15 (b) **The purpose for which the land bank is formed;**

16 (c) **The community benefits the land bank intends to provide to, and prioritize within, the**
17 **city or county;**

18 (d) **The number of board members, which must be an odd number not less than 5 or more**
19 **than 11, and the procedures for the appointment and removal of board members; and**

20 (e) **A policy requiring the disclosure of relationships or financial situations that may**
21 **create a direct or indirect conflict of interest for a board member or a member of a**
22 **stakeholders advisory committee established by the land bank.**

23 (3) **A land bank authority is a body politic and corporate that shall:**

24 (a) **Have, and may exercise, the corporate duties and functions declared by this section**
25 **or otherwise imposed by law.**

26 (b) **Make all contracts, hold, receive and dispose of real or personal property and do all**
27 **other acts and things that are requisite, necessary or convenient in carrying out the objects**
28 **of the corporation or exercising the powers conferred upon it.**

29 (c) **Sue and be sued, plead and be impleaded in all actions, suits or proceedings brought**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 by or against it.

2 (4) The land bank authority and all real or personal property owned by the land bank is
3 exempt, during the period of ownership, from taxation by this state and any political subdi-
4 vision of this state.

5 **SECTION 3.** (1) The board of a land bank authority may:

6 (a) Adopt bylaws for the conduct of business of the land bank.

7 (b) Borrow moneys or issue revenue bonds.

8 (c) Invest moneys of the land bank into property, securities or other instruments.

9 (d) Obtain insurance.

10 (e) Solicit and accept grants, gifts or other assistance from a public or private source.

11 (f) Develop and prepare plans or reports to evaluate the progress of the land bank and
12 to guide future improvements to the processes and operations of the land bank.

13 (g) Prioritize the use of property of the land bank, including, but not limited to, public
14 use, affordable housing, open space and commercial or industrial development.

15 (2) A land bank authority may establish a stakeholders advisory committee to provide
16 additional community representation. If the committee is established, a member of the
17 committee shall serve as a liaison between the board of the land bank and a community of
18 interest affected by a decision of the board.

19 (3) The land bank authority may:

20 (a) Acquire ownership of real property with immunity under state law from liability as-
21 sociated with legacy contamination issues, known or unknown at the time of acquisition;

22 (b) Conduct cleanup activity on real property owned by the land bank; or

23 (c) Enter into a prospective purchaser agreement with a potential purchaser that limits
24 or eliminates the liability of the purchaser for legacy contamination issues.

25 (4) The land bank authority may not:

26 (a) Exercise the power of eminent domain; or

27 (b) Acquire real property that is located outside of the city or county that organized the
28 land bank by special ordinance.

29 (5) The land bank authority:

30 (a) May acquire real property only if the lot or parcel is a brownfield or is enrolled by
31 the Department of Environmental Quality in a cleanup program.

32 (b) Shall, for real property acquired by the land bank, provide at least 60 days for public
33 notice and comment and post responses to comments before the land bank may finalize a
34 transfer of ownership, a rental or a lease of the real property.

35 **SECTION 4.** (1) The board of a land bank authority must be appointed as provided in the
36 bylaws.

37 (2) Board members must include:

38 (a) One member that represents the city or county that organized the land bank au-
39 thority by special ordinance;

40 (b) One member that represents the largest municipal corporation within the city or
41 county that is not a school district;

42 (c) One member that represents the largest school district within the city or county; and

43 (d) Subject to the maximum number of members allowed by this section, one public
44 member for each of the community benefits stated in the articles of incorporation, who is
45 also a member of a civic organization for which achievement of the same community benefit

1 is a part of the mission of the organization.

2 (3) The term of a member is four years. However, a member serves at the pleasure of
3 the appointing authority.

4 (4) The members of the board of the land bank authority shall select annually from
5 among the members a chair, vice chair, secretary, treasurer and other officers as the board
6 determines.

7 (5) A member is not entitled to compensation for service on the board of a land bank
8 authority.

9 (6) Notwithstanding subsection (1)(a) of this section, the members first appointed to the
10 board must be appointed by the governing body of the city or county that organized the land
11 bank authority by special ordinance.

12 (7) Notwithstanding subsection (3) of this section, the term of office of a member first
13 appointed to the board is:

14 (a) For members described in subsection (2)(a) or (b) of this section, one year.

15 (b) For a member described in subsection (2)(c) of this section, two years.

16 (c) For members described in subsection (2)(d) of this section, staggered over one, two
17 and three years to ensure that experienced members remain on the board when the terms
18 of members expire.

19 (8) When a vacancy occurs for any reason, the appointing authority, specified in the by-
20 laws, that made the original appointment shall appoint a member to fill the vacancy.

21 **SECTION 5.** (1) Meetings of the board of a land bank authority are open to the public.
22 Notice of a meeting, including a copy of the agenda, must be made available on a website
23 established by the land bank authority.

24 (2) Minutes of a meeting must be posted on the website established by the land bank
25 authority within seven calendar days after each meeting.

26 (3) A member of the board of a land bank authority or a member of a stakeholders ad-
27 visory committee who may have a vested interest in an outcome of a real property trans-
28 action involving the land bank authority shall declare a potential conflict of interest to the
29 board and refrain from participating in discussions or decisions pertaining to the real prop-
30 erty or the transaction.

31 (4) Annually, the land bank authority shall prepare a report, upload the report to the
32 website established by the land bank, submit the report to the Governor and, in the manner
33 described in ORS 192.245, submit the report to the Legislative Assembly. The report must
34 summarize the activity of the land bank, including a list of lots or parcels acquired or
35 transferred by the land bank, the method of acquisition, the price paid or received for each
36 lot or parcel and additional information requested by the Governor, the President of the
37 Senate or the Speaker of the House of Representatives.

38 (5) The Secretary of State, as the State Auditor, shall audit the land bank authority at
39 least every other year. The audit must include a review of the compliance of the land bank
40 with subsection (3) of this section.

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