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Proposed Amendment (v.2) for Representative Hasenfus to
LD 1694
An Act To Create the Maine Redevelopment Land Bank Authority

Be it enacted by the People of the State of Maine as follows:

Strike everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 5 MRSA §12004-G, sub-§7-G is enacted to read:

7-G.

Maine Redevelopment Land
Bank Authority

Expenses Only

30-A MRSA §5153

Sec. 2. 5 MRSA §12004-I, sub-§6-J is enacted to read:

Economic
Development

Development Ready
Advisory Committee

Expenses Only

30-A MRSA §5162

Sec. 3. 30-A MRSA c. 204 is enacted to read:

CHAPTER 204

MAINE REDEVELOPMENT LAND BANK AUTHORITY

§5151. Title

This chapter may be known and cited as "the Maine Redevelopment Land Bank Act."

§5152. Maine Redevelopment Land Bank Authority established; purpose

The Maine Redevelopment Land Bank Authority, as established in Title 5, section 12004-G, subsection 7-G and referred to in this chapter as "the redevelopment authority," is a body corporate and politic and a public instrumentality of the State.

The purpose of the redevelopment authority is to assist municipalities and other entities in this State in the redevelopment of properties identified as eligible under section 515, subsection 1 in order to return those properties to productive use.

The purposes of this chapter are public and the redevelopment authority is performing a governmental function in carrying out this chapter.

§5153. Appointment; qualifications and tenure

1. Members appointed by the Governor. The Governor shall appoint 9 members to serve as commissioners of the redevelopment authority subject to review by the joint standing committee of the Legislature having jurisdiction over economic and community development matters. These members must include:

- A. A resident of the State who is a designated broker member of a statewide real estate commission;
- B. A resident of the State who is responsible for community redevelopment as an employee of a state-chartered bank;
- C. A resident of the State from each of the 2 congressional districts;
- D. A full-time municipal economic and community development director in the State;
- E. A full-time planning professional employed by an urban or regional planning organization in the State;
- F. A person with experience in the field of preservation of historic property;
- G. A person with experience in environmental remediation of commercial property; and
- H. A person with experience in the development of residential communities and housing development.

2. Term of office. The commissioners of the redevelopment authority appointed under subsection 1 serve 3-year terms, except that the Governor shall initially appoint 2 commissioners for a term of one year, 3 commissioners for a term of 2 years and 4 commissioners for a term of 3 years. A vacancy is filled by appointment for the remainder of the unexpired term of that commissioner. Commissioners whose terms expire serve until their successors are appointed and confirmed. Commissioners may serve no more than 2 full consecutive terms.

3. Ex officio members. The following serve as ex officio, nonvoting members of the redevelopment authority:

- A. The Commissioner of Economic and Community Development or the commissioner's designee;
- B. The Commissioner of Environmental Protection or the commissioner's designee;
- C. The Commissioner of Transportation or the commissioner's designee;
- D. The Director of the Maine State Housing Authority or the director's designee; and
- E. The Director of the Maine Historic Preservation Commission or the director's designee.

4. Organization. The redevelopment authority shall select a chair and a vice-chair from among its voting members and adopt bylaws to govern procedures. The redevelopment authority may hire an executive director and may hire staff and employ counsel as necessary.

§5154. Community Redevelopment Land Bank Fund; sources of funding

The Community Redevelopment Land Bank Fund, referred to in this chapter as "the fund," is established as a dedicated nonlapsing fund to support the purposes of the redevelopment authority. Fees collected pursuant to Title 38, section 2203-A, subsection 2-A must be deposited into the fund. Other sources of funding may include, but are not limited to, state or federal funds received by the redevelopment authority to support community redevelopment. Unless otherwise specified, money received by the redevelopment authority for the express purpose of acquiring or developing property in accordance with this chapter must be deposited into the fund.

§5155. Eligible properties; Exemption of certain properties

1. Eligible properties. The redevelopment authority may not acquire property through an agreement under section 5156, subsection 4, unless the redevelopment authority determines that the property is:

A. Blighted property, which means a property on which buildings or improvements are detrimental or are a threat to the public health, safety or welfare in its present condition and use because of:

- (1) Dilapidation, deterioration, age or obsolescence;
- (2) Inadequate provision for ventilation, light, air, sanitation or open spaces;
- (3) High density of population and overcrowding;
- (4) Tax or special assessment delinquency exceeding the fair value of the land;
- (5) The existence of conditions that endanger life or property by fire and other causes; or
- (6) Any combination of these factors;

B. Abandoned property, which means a property that is vacant and the occupant has no intent to return as demonstrated by evidence including, but not limited to, the following:

- (1) Doors and window on the property are continuously boarded up, broken or left unlocked;
- (2) Rubbish, trash or debris has observably accumulated on the property;
- (3) Furnishing and personal property are absent from the property;
- (4) The buildings or improvements on the property are deteriorating so as to constitute a threat to public health or safety;

(5) Gas, electric or water service to the property has been terminated or utility consumption is so low that it indicates the property is not regularly occupied;

(6) A mortgagee has changed the locks on the property and neither the mortgagor nor anyone on the mortgagor's behalf has requested entrance to, or taken other steps to gain entrance to, the property;

(7) Reports of trespassers, vandalism or other illegal acts being committed on the mortgaged premises have been made to local law enforcement authorities;

(8) A code enforcement officer or other public official has made a determination or finding that the property is abandoned or unfit for occupancy;

(9) The mortgagor is deceased and there is no evidence that an heir or personal representative has taken possession of the property; and

(10) Other reasonable indicia of abandonment;

C. Property designated as an uncontrolled hazardous substance site under Title 38, section 1365;

D. Functionally obsolete property, which means a property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property; or

E. Property a municipality or county has determined is not within the municipalities or counties capacity to redevelop and the municipality or county has requested the assistance of the redevelopment authority.

2. Exemption. Notwithstanding any provision of this chapter to the contrary, the redevelopment authority may not:

A. Acquire any real property owned by a federally recognized Indian tribe or land owned by a federally recognized Indian tribe, including reservation land and land held in trust;

B. Acquire land the majority of which is unimproved or is not integral to the redevelopment of the property; or

C. Acquire property that is an active or former military facility that qualifies for inclusion in the Defense Environmental Restoration Program under 10 United States Code, Section 2701.

§5156. Powers and duties generally

The Maine Redevelopment Land Bank Authority has the following powers and duties:

1. Suit. To sue and be sued;

2. Seal. To adopt and have an official seal and alter that seal at pleasure;

3. Office. To maintain an office at a place designated by it within the State;

4. Agreements with public entities. To enter into agreements with any public entity, including, but not limited to, municipalities, counties, regional planning organization and state agencies in order to effectuate the purposes of this chapter. Agreements may include the acquisition of property or rights in that property from a municipality or county whose governing unit declares the need for such an agreement;

5. Agreements with federal agencies. To enter into agreements with federal agencies related to funding of the redevelopment of property acquired in accordance with this chapter;

6. Assistance. To provide assistance, by request, to entities in the State engaged in redevelopment activities, by utilizing the best practices adopted by the Development Ready Advisory Committee under section 5159;

7. Application for funding. To apply for grants, loans and other financial assistance from state or federal government programs for redevelopment projects consistent with this chapter;

8. Bonds. Issue revenue bonds as provided in this chapter;

9. Eminent domain. To acquire in a municipality, through an agreement with a municipality or county as described in subsection 1, any real property which the redevelopment authority considers necessary for the purposes of this chapter. The redevelopment authority must first adopt a resolution declaring that the acquisition of the real property described in the resolution is necessary for those purposes. The redevelopment authority shall exercise the power of eminent domain in the manner provided in section 5108, but references in section 5108 to an urban renewal project and a renewal project area and the like do not apply;

10. Rules. Adopt rules, including its bylaws, for the purposes of carrying out this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A; and

11. Other functions. Perform other function necessary or useful for carrying out any of its powers, duties or purposes.

§5157. Bonds

1. Authorization. The redevelopment authority may provide by resolution for the issuance of bonds for the purpose of funding the Maine Redevelopment Land Bank Fund, or any successor to the fund. The bonds of the redevelopment authority do not constitute a debt of the State or of any agency or political subdivision of the State other than the redevelopment authority but are payable solely from the revenue of the redevelopment authority, and neither the faith nor credit nor taxing power of the State or any political subdivision of the State other than the redevelopment authority is pledged to payment of the bonds. Notwithstanding any other provision of law, any bonds issued pursuant to this subchapter are fully negotiable. If any commissioner of the redevelopment authority whose signature appears on the bond or coupons ceases to be a commissioner of the redevelopment authority before the delivery of those bonds, that signature is valid and sufficient for all purposes as if that commissioner of the redevelopment authority had remained a commissioner of the redevelopment authority until delivery.

2. General characteristics. The redevelopment authority may, by resolution, provide:

- A. The manner of executing bonds and coupons;
- B. The form and denomination of bonds or coupons;
- C. Maturity dates;
- D. Interest rates on bonds or coupons;
- E. For redemption prior to maturity and the premium payable;
- F. The place or places for the payment of interest and principal;
- G. For registration if the redevelopment authority determines it be desirable;
- H. For the pledge of all or any of the revenue for securing payment;
- I. For the replacement of lost, destroyed or mutilated bonds;
- J. For the setting aside and the regulation and disposition of reserve and sinking funds;
- K. For limitation on the issuance of additional bonds;
- L. For the procedure, if any, by which the contract with a bondholder may be abrogated or amended;
- M. For the manner of sale and purchase of bonds;
- N. For the issuance of bonds in a series; and
- O. Any other matter relating to the bonds that the redevelopment authority determines appropriate.

3. Liability. No member or employee of the authority nor any person executing the bonds may be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

4. Trust indenture. In the discretion of the commissioner of the redevelopment authority, bonds may be secured by a trust indenture by and between the redevelopment authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company, located either within or outside the State. Such a trust indenture may pledge or assign the revenues of the redevelopment authority or any part of it. Any trust indenture may set forth the rights and remedies of the bondholders and the trustee, restrict the individual right of action of bondholders and contain such other provisions as the commissioners of the redevelopment authority may consider reasonable and proper for the security of bondholders. Expenses incurred in carrying out any trust indenture may be treated as a part of maintenance.

5. Rights of bondholders. Provisions may be made for protecting and enforcing the rights and remedies of bondholders, including covenants as to acquisition of property, construction, maintenance, operation and repair, insurance and the custody, security and application of all money.

6. Depositories. Any trust company or bank having the powers of a trust company and located either within or outside the State may act as a depository of the proceeds of bonds and revenue and may furnish such indemnity or pledge such securities as may be required by the authority.

7. Tax free. The purposes of this subchapter being public and for the benefit of the people of the State, bonds of the authority are free from taxation by the State.

8. Revenue refunding bonds. The authority may issue revenue refunding bonds for the purpose of refunding revenue bonds issued under this subchapter. The issuance of any refunding bonds is the same as provided for in this subchapter relating to revenue bonds.

9. Default. In the event of default on bonds and in the event the default continues for a period of 3 months, action may be brought to enforce the rights of the bondholders by insuring that the operation by the commissioners be in conformity with the covenants of the bonds or trust indenture.

§5158. Development Ready Advisory Committee

The Development Ready Advisory Committee, referred to in this section as “the committee” is established pursuant to Title 5, section 12004-I, subsection 6-J to develop and maintain best practices for community development.

1. Membership. The members of the committee are as follows:

A. The executive director of the redevelopment authority;

B. The Commissioner of Economic and Community Development or the commissioner's designee;

C. The Commissioner of Transportation or the commissioner's designee;

D. The Commissioner of Environmental Protection or the commissioner's designee;

E. The Commissioner of Agriculture, Conservation and Forestry or the commissioner's designee;

F. The Director of the Maine State Housing Authority or the director's designee;

G. The Director of the Maine Historic Preservation Commission or the director's designee; and

H. The following members, selected by and serving at the pleasure of the executive director of the redevelopment authority:

(1) A representative of the Maine Municipal Association;

(2) A representative from each regional planning organization in the State;

(3) A representative of an organization that advocates for the rights of low-income renters and homeowners;

(4) A representative of a local or statewide organization promoting civil rights that has racial justice or racial equity as its primary mission; and

(5) Two residents of the State with experience in real estate development.

2. Duties. The committee created under subsection 1 shall develop best practices for community development intended to support the following goals:

A. Assisting communities in preparing for new investment and development that maximize financial return for state and local economies, improve quality of life for local residents, address housing needs for households of all income levels, and advance environmental protection and transportation goals and specific locally identified priority needs;

B. Assisting communities in designating priority investment areas in consultation with regional planning organizations, including but not limited to village centers, downtowns and adjacent neighborhoods, rural crossroads, high-impact corridors, working waterfronts and rural farmsteads; and

C. Ensuring that redevelopment efforts are achievable by communities and based on the merit of the redevelopment project and community commitment toward the redevelopment project.

3. Terms; vacancies. Members of the committee serve 3-year staggered terms and may be reappointed. A vacancy occurring other than by expiration of a term must be filled by appointment for the unexpired portion of the term. Members may continue to serve until their replacements are designated. The ex officio members or their designees serve for their terms of office. A vacancy may not impair the right of the remaining members to exercise all of the powers of the committee.

4. Chair and officers. The members of the committee shall annually elect one of its members as chair and one of its members as vice chair to set the agenda and schedule meetings. The committee may elect other officers and designate their duties.

5. Voting rights. Each member of the committee has a vote.

6. Meetings. The committee shall meet at least twice a year.

7. Quorum. A majority of the members of the committee constitutes a quorum.

8. Staff support. The redevelopment authority shall provide staff support to the committee to carry out the purposes of this section.

§5159. Biennial Report.

1. Biennial report. The redevelopment authority shall submit biennially, beginning with the second regular session of the 131st Legislature, to the joint standing committee having jurisdiction over economic development matters a complete report on the activities of the redevelopment authority. The report must include the following.

A. A description of the redevelopment authority's operations;

B. A listing of all property acquired pursuant to section 5156, subsection 4;

C. An accounting of all activities related to the Maine Redevelopment Land Bank Fund under section 5154.

D. A listing of any bonds issued during the fiscal year under section 5157;

E. A statement of the redevelopment authority's proposed and projected activities for the ensuing year; and

F. Recommendations regarding further actions that may be suitable for achieving the purposes of this chapter.

Sec. 4. 38 MRSA §2203-A, sub-§2-A is enacted to read:

2-A. Community Redevelopment Land Bank Authority fee. Beginning January 1, 2023, in addition to the per ton fee required in subsection 1, commercial, municipal, state-owned and regional association landfills shall collect a \$3 per ton fee for the disposal of construction and demolition debris and residue from the processing of construction and demolition debris for transfer to the Community Redevelopment Land Bank Fund established by Title 30-A, section 5155.

Sec. 5. Report. The Maine Redevelopment Land Bank Authority shall, in consultation with the Department of the Attorney General, the Department of Environmental Protection and other entities as necessary, examine issues related to liability when acquiring properties designated as uncontrolled hazardous substance sites or an oil storage facility. The Maine Redevelopment Land Bank Authority shall submit a report to the joint standing committee of the Legislature with jurisdiction over economic and development matters by January 15, 2024. The report may include suggested legislation. After reviewing the report, the committee may submit legislation relating to the report to the 131st Legislature in 2024.

SUMMARY

This amendment replaces the bill. The amendment does the following: