

An Act To Create the Maine Redevelopment Land Bank Authority

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

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

7-G.

<u>Economic Development</u>	<u>Community Redevelopment Land Bank Authority</u>	<u>Expenses Only</u>	<u>30-A MRSA §5153</u>
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Sec. 2. 30-A MRSA c. 204 is enacted to read:

CHAPTER 204

COMMUNITY REDEVELOPMENT LAND BANK AUTHORITY

SUBCHAPTER 1

ESTABLISHMENT AND ORGANIZATION

§5151. Title

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

§5152. Findings and declaration of necessity

The Legislature finds and declares that:

1. Blighted, abandoned, environmentally hazardous or functionally obsolete property burdens public resources. There exist areas in the State in need of economic revitalization where blighted, abandoned or environmentally hazardous property and property that is both functionally obsolete and unfit to be repurposed for another use present burdens on municipal revenues and public health and safety;

2. Need for revitalization. In order to strengthen and revitalize the economy of the State and municipalities, it is in the best interest of the State to assemble and seek to repurpose blighted, abandoned and environmentally hazardous property including historic buildings and property that is both functionally obsolete and unfit to be repurposed for another use in a coordinated manner to foster development or rehabilitation of that property and promote economic growth;

3. Coordinated development of blighted, abandoned, environmentally hazardous and functionally obsolete property serves the public interest. The planning and preparation of revitalizing the economy through the acquisition of blighted, abandoned and environmentally hazardous property and property that is both functionally obsolete and unfit to be repurposed for another use using public money are a governmental concern and serve a valid public purpose; and

4. Facilitate coordinated redevelopment of blighted, abandoned, environmentally hazardous and functionally obsolete property. The establishment of the redevelopment authority is necessary to facilitate the relief of the conditions described in this section by assisting local, state and federal agencies and private entities in the redevelopment of blighted, abandoned and environmentally hazardous property and property

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that is both functionally obsolete and unfit to be repurposed for another use into economically productive use. This includes rehabilitation of historic properties.

§5153. Community Redevelopment Land Bank Authority established; purpose

The Community Redevelopment Land Bank Authority, referred to in this chapter as "the redevelopment authority," is established and is a body corporate and politic and an instrumentality of the State.

The purpose of the redevelopment authority is to assist municipalities in the assembly and clearance of title to, and acquisition of, property identified as blighted, abandoned, environmentally hazardous or functionally obsolete that has documented potential to be used, rehabilitated or developed in a way that will promote economic growth within the municipality and the State. The transfer of property to the redevelopment authority by a municipality may be facilitated through its legislative body or through a municipal development authority.

§5154. 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 Director of the Maine State Housing Authority or the director's designee;
- D. [The Commissioner of Transportation or the commissioner'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 shall hire an executive director and may hire staff and employ counsel as necessary.

§5155. 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 or municipal redevelopment authorities 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.

§5156. Creation of municipal authorities

1. Creation of authorities. In each municipality in the State there may be created a public body corporate and politic to be known as "the municipal redevelopment authority" of the municipality. A municipal redevelopment authority may not exercise any powers under this chapter unless the municipal legislative body declares by resolution that there is a need for a municipal redevelopment authority to function in that municipality.

2. Procedure. A municipal legislative body shall consider the need for a municipal redevelopment authority on its own motion or upon the filing of a petition signed by 25 residents registered to vote in the municipality requesting that the municipal legislative body declare the need for a municipal redevelopment authority.

3. Standard. A municipal legislative body shall adopt a resolution declaring that there is a need for a municipal redevelopment authority in the municipality if it finds that:

A. Blighted, abandoned, environmentally hazardous or functionally obsolete property exists in the municipality, burdening municipal resources; and

B. Redevelopment of blighted, abandoned, environmentally hazardous or functionally obsolete property could provide opportunity for economic development.

4. Appointment of commissioners. Upon the adoption of a resolution by a municipal legislative body under subsection 3, the mayor of the city or the chair of the municipal legislative body shall appoint commissioners to the municipal redevelopment authority. The municipal redevelopment authority is composed of 5 local commissioners to be appointed as follows.

A. Of the commissioners initially appointed under this subsection, 4 serve for terms of one, 2, 3 and 4 years, respectively, from the date of their appointment and the remaining appointee serves a 5-year term. Thereafter, the commissioners are appointed for terms of 5 years, except that all vacancies must be filled for the unexpired terms. All subsequent appointments and appointments to fill a vacancy must be made as provided in this subsection.

B. The commissioners must be residents of the municipality, some of whom have experience in real estate development, historic building rehabilitation, banking or finance and community planning.

5. Organization. A municipal redevelopment authority shall elect a chair and a vice-chair from among its commissioners and adopt bylaws governing the municipal redevelopment authority's procedures. A municipal redevelopment authority may employ a secretary, who is the executive director of the municipal redevelopment authority, and may employ its own counsel and legal staff. A commissioner is not entitled to compensation except for reimbursement of travel expenses incurred in the discharge of duties.

§5157. Application; exemption of certain properties

1. Application. All blighted, abandoned, environmentally hazardous, or functionally obsolete property, including but not limited to property identified as historic, is subject to the provisions of this subchapter except as specifically exempt pursuant to subsection 2.

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.

SUBCHAPTER 2

POWERS AND DUTIES

§5161. Powers and duties generally

In the performance of its duties, the Community Redevelopment Landbank Authority shall provide primary attention and service to smaller municipalities and rural communities. The Community Redevelopment Land Bank Authority has the following powers and duties:

1. Intergovernmental agreements. To enter into intergovernmental agreements with municipalities or municipal redevelopment authorities for transfer to the redevelopment authority property for title clearance, disposal of property and the return of property under the control of the redevelopment authority to the municipal redevelopment authority for redevelopment or rehabilitation purposes;

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

3. Interagency agreements. To enter into agreements with other state agencies for the purpose of redevelopment or rehabilitation of property acquired in accordance with this chapter;

4. Issuance of bonds and application for funding. To issue bonds and other obligations and apply for grants, loans and other financial assistance from state or federal government programs for redevelopment or rehabilitation projects consistent with this chapter;

5. Eminent domain. To acquire in a municipality with a municipal redevelopment authority all or any part of a property that is blighted, abandoned, environmentally hazardous or functionally obsolete by the exercise of the power of eminent domain in the same manner as described by section 5108, to the extent necessary to fulfill the purposes of this subchapter; and

6. Legislation. To submit legislation to carry out the purposes of this chapter, including but not limited to creating an expedited foreclosure process for property appropriate for transfer to the redevelopment

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authority and the purposes of the chapter and to implement statewide community development guidelines established pursuant to section 5162.

§5162. Development Ready Community Planning Committee

1. Committee established; membership. The redevelopment authority shall establish the Development Ready Community Planning Committee for the purposes of developing guidelines and practices in community development for communities which request them. ~~establishing statewide guidelines and practices in community development.~~ 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 the Department of Transportation or the commissioner's designee;](#)

D. A representative of the Department of Environmental Protection;

E. [The Commissioner of Department of Agriculture, Conservation and Forestry or the commissioner's designee;](#)

F. A representative of the Maine State Housing Authority;

[G. A representative of the Maine Historic Preservation Commission;](#)

H. A representative of the Maine Municipal Association;

I. A representative from each regional planning organization in the State;

[J. A representative from an organization that advocates for the rights low-income renters and homeowners;](#)

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

L. Two residents of the State with experience in real estate development appointed by the executive director of the redevelopment authority.

2. Community development guidelines. The committee created under subsection 1 shall develop ~~establish~~ community development guidelines intended to support ~~achieve~~ 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 or rehabilitation efforts are achievable by communities and based on the merit of the redevelopment or rehabilitation project and community commitment toward the redevelopment or rehabilitation project.

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Sec. 3. 38 MRSA §569-C, sub-§1, as enacted by PL 2011, c. 206, §18, is amended to read:

1. Limited exemption from liability. Liability under section 570 does not apply to the State or any political subdivision, including the Community Redevelopment Land Bank Authority established under Title 30-A, chapter 204, that acquired ownership or control of an oil storage facility through tax delinquency proceedings pursuant to Title 36, or through any similar statutorily created procedure for the collection of governmental taxes, assessments, expenses or charges, or involuntarily through abandonment, or in circumstances in which the State or political subdivision involuntarily acquired ownership or control by virtue of its function as a sovereign. The exemption from liability provided under this subsection does not apply if:

A. The State or political subdivision causes, contributes to or exacerbates a discharge or threat of discharge from the facility; or

B. After acquiring ownership of the facility and upon obtaining knowledge of a release or threat of release, the State or political subdivision does not:

(1) Notify the department within a reasonable time after obtaining knowledge of a discharge or threat of discharge;

(2) Provide reasonable access to the department and its authorized representatives so that necessary response actions may be conducted; and

(3) Undertake reasonable steps to control access and prevent imminent threats to public health and the environment.

Sec. 4. 38 MRSA §1367-B, sub-§1, as enacted by PL 1991, c. 811, §4 and affected by §7, is amended to read:

1. Limited exemption from liability. Liability under section 1367 does not apply to the State or any political subdivision, including the Community Redevelopment Land Bank Authority established under Title 30-A, chapter 204, that acquired ownership or control of an uncontrolled hazardous substance site through tax delinquency proceedings pursuant to Title 36, or through any similar statutorily created procedure for the collection of governmental taxes, assessments, expenses or charges, or involuntarily through abandonment, or in circumstances in which the State or political subdivision involuntarily acquired ownership or control by virtue of its function as a sovereign. The exemption from liability provided under this subsection does not apply to the State or any political subdivision that has caused, contributed to or exacerbated a release or threatened release of a hazardous substance on or from the uncontrolled site.

Sec. 5. 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.

SUMMARY

This bill establishes the Community Redevelopment Land Bank Authority to coordinate the acquisition of blighted, abandoned and environmentally hazardous or functionally obsolete property for redevelopment or rehabilitation, including property identified as historic but not including real property owned by a federally recognized Indian tribe, unimproved land or an active or former military facility. The bill establishes a fund to support the purpose of the authority, which includes as a source of revenue a fee on the disposal of construction and demolition debris. The bill also authorizes the creation of municipal redevelopment

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authorities to work with the Community Redevelopment Land Bank Authority for the purpose of transferring property and coordinating redevelopment. The Community Redevelopment Land Bank Authority is required to establish a Development Ready Community Planning Committee for the purposes [of developing guidelines and practices in community development for communities which request them.](#) ~~of establishing statewide community redevelopment guidelines.~~