

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1905

By: Bass

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 3108, as amended by Section 1, Chapter 177, O.S.L. 2004 (68 O.S. Supp. 2005, Section 3108), which relates to delinquent taxes; authorizing land bank authority to make bid under specified circumstances; authorizing bid subject to certain agreement; defining terms; authorizing interlocal cooperation agreements for purpose of establishing land bank authority; providing for powers and purpose of authority; providing method of dissolution of authority; providing for membership, terms, qualifications, vacancies, meetings, quorum, election of chair and staff for governing board; providing for acquisition administrator of property held by authority; providing authority certain powers with respect to properties held; establishing status of certain regulations or laws; requiring majority approval of certain actions; authorizing authority to extinguish certain taxes on specified property under certain conditions; providing for allocation of proceeds from sale; giving authority discretion in determining sale price of property; and providing for foreclosure of the right of redemption in specified manner; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2001, Section 3108, as amended by Section 1, Chapter 177, O.S.L. 2004 (68 O.S. Supp. 2005, Section 3108), is amended to read as follows:

Section 3108. ~~The~~ A. Except as provided in subsection B of this section, the first person who offers to pay the full amount due on any parcel of land shall be considered to be the successful purchaser. In the event that more than one such person shall so appear at the same time the county treasurer shall decide the issue by fair and impartial drawing. Parcels of land shall be sold to prospective purchasers on a first-come, first-served basis. When a

parcel of land is made available for sale pursuant to this section,
a land bank authority established pursuant to this act may tender
one bid at such sale, and such bid shall comprise the authority's
commitment to pay not more than the amount of taxes, penalty,
interest and costs due and unpaid; and, if there is no other bid,
the county treasurer shall accept the authority's bid and make a
deed of the property to the authority. The county treasurer is
hereby authorized at all tax sales made under the laws of this
state, in case there are no other purchasers offering the amount
due, to purchase all or any real estate offered at the sale for the
amount of taxes, penalty, interest and costs due and unpaid thereon,
in the name of the county in which the sale takes place, the county
acquiring all the rights both legal and equitable that any other
purchaser could acquire by reason of the purchase. Whenever the
county treasurer of any county shall purchase any real estate in the
name of the county, the county treasurer shall note the purchase
upon the sale record and show the same in the return of sale.

B. A land bank authority may tender a bid for a parcel of land
based on an agreement between a land bank authority and a county
treasurer which provides for a payment schedule not to exceed five
(5) years.

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 3135.1 of Title 68, unless there
is created a duplication in numbering, reads as follows:

As used in this act:

1. "Agreement" means:

- a. an interlocal cooperation agreement entered into by
the parties pursuant to this act, or
- b. a resolution of a consolidated government establishing
an authority pursuant to this act;

2. "Authority" means the land bank authority established
pursuant to this act;

3. "Parties" means the parties to the agreement, which shall include one or more cities within a single county and the county containing such cities;

4. "Property" means real property, including any improvements thereon; and

5. "Tax delinquent property" means any property on which the taxes levied and assessed by any party remain in whole or in part unpaid on the date due and payable.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3135.2 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. One or more cities and the county containing such cities may enter into an interlocal cooperation agreement for the purpose of establishing a land bank authority.

B. The authority shall be a public body corporate and politic with the power to sue and be sued, to accept and issue deeds in its name, and to institute quia timet actions and shall have any other powers necessary and incidental to carry out the powers granted by this act.

C. The authority shall be established to acquire the tax delinquent properties of the parties in order to foster the public purpose of returning land which is in a nonrevenue-generating, nontax-producing status to an effective utilization status in order to provide housing, new industry, and jobs for the citizens of the county. The authority shall have the powers provided in this act and those necessary and incidental to the exercise of such powers.

D. Any authority established pursuant to this act may be dissolved by any party to the agreement or, where multiple cities are involved, any city may withdraw from the agreement which established the authority, or such authority may be dissolved by legislative action.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3135.3 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. The authority shall be governed by a board composed in such a manner as to provide two members to represent each party: two appointed by the mayor of each party city and two appointed by the board of county commissioners of the party county. Each member shall serve at the pleasure of the respective appointing authority for a term of four (4) years and shall serve without compensation. The members shall be residents of the county and may be employees of the parties. Any vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment.

B. The board of the authority shall meet at least once each quarter, and the presence of either:

1. Three members, if there are only two parties to the agreement; or

2. Fifty percent (50%) of the members then in office, if there are more than two parties to the agreement, shall constitute a quorum.

Approval by a majority of the membership then in office shall be necessary for any action to be taken by the authority. All meetings shall be open to the public, and a written record shall be maintained of all meetings. A chair shall be elected from among the members, and the chair shall execute all deeds, leases, and contracts of the authority when authorized by the board.

C. The authority may employ its own staff or may utilize employees of the parties, as determined by the agreement.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3135.4 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. The authority shall hold in its own name, for the benefit of the parties, all properties conveyed to it by the parties, all tax

delinquent properties acquired by it pursuant to this act, and all properties otherwise acquired.

B. It shall be the duty of the authority to administer the properties acquired by it as follows:

1. All property acquired by the authority shall be inventoried and appraised, and the inventory shall be maintained as a public record;

2. The authority shall organize and classify the property on the basis of suitability for use;

3. The authority shall maintain all property held by it in accordance with applicable laws and codes; and

4. The authority shall have the power to manage, maintain, protect, rent, lease, repair, insure, alter, sell, trade, exchange, or otherwise dispose of any property on terms and conditions determined in the sole discretion of the authority. The authority may assemble tracts or parcels of property for public parks or other public purposes and to that end may exchange parcels and otherwise effectuate the purposes determined by agreement with any party.

C. The acquisition and disposal of property by the authority shall not be governed or controlled by any regulations or laws of the parties unless specifically provided in the agreement, and transfers of property by parties to the authority shall be treated as transfers to a body politic.

D. Property held by the authority may be sold, traded, exchanged, or otherwise disposed of by the authority so long as the disposition is approved by a majority of the membership, as required in subsection B of Section 4 of this act for any action by the authority, and approved as follows:

1. If the property is located within a party city and the party county, approved by both authority members appointed by the mayor of such city and one of the authority members appointed by the county commission;

2. If the property is located within the county party but outside all the party cities, approved by both authority members appointed by the county commission; or

3. If the property is located within a party city but outside the party county, approved by both authority members of such city.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3135.5 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. When a property is acquired by the authority, the authority shall have the power to extinguish all county and city taxes at the time it sells or otherwise disposes of property. In determining whether to extinguish taxes, the authority shall consider the public benefit to be gained by tax forgiveness with primary consideration given to purchasers who intend to build or rehabilitate low-income housing. The decision by the authority to extinguish taxes is subject to the vote requirements for dispositions of property under subsection D of Section 5 of this act.

B. At the time that the authority sells or otherwise disposes of property as part of its land bank program, the proceeds from the sale, if any, shall be allocated as determined by the authority among the following priorities:

1. Furtherance of authority operations;
2. Recovery of authority expenses; and
3. Distribution to the taxing jurisdictions in proportion to and to the extent of their respective revenue losses.

Any excess proceeds shall be distributed pursuant to the agreement of the parties.

C. The authority shall have full discretion in determining the sale price of the property. The agreement of the parties shall provide for a distribution of property that gives first priority to neighborhood nonprofit entities obtaining the land for low-income

housing and second priority to other entities intending to produce low-income or moderate-income housing.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3135.6 of Title 68, unless there is created a duplication in numbering, reads as follows:

The authority may foreclose the right of redemption to the property conveyed to the authority pursuant to a tax sale conducted in the following manner:

1. The record title to the property shall be examined and an abstract of title shall be prepared for the benefit of the authority;

2. The authority shall serve the prior owner whose interest was foreclosed upon and all persons having record title or interest in or lien upon the property with a notice of foreclosure of this right to redeem;

3. In the event persons entitled to service are located outside the county, they may be served in person by certified mail; or

4. In the event the sheriff is unable to perfect service or certified mail attempts are returned unclaimed, the authority shall conduct a search for the person with an interest in the property conveyed to the authority, which search must, at a minimum, have included the following:

- a. an examination of the addresses given on the face of the instrument vesting interest,
- b. a search of the current telephone directory for the county in which the property is located,
- c. a letter of inquiry to the person who sold the property to the defendant in the tax sale at the address shown in the telephone directory,
- d. a letter of inquiry to the attorney handling the closing prior to the tax sale if provided on the deed forms,

e. a sign being no less than four (4) feet by six (6) feet shall be erected on the property and maintained by the authority for a minimum of thirty (30) days reading as follows:

"THIS PROPERTY HAS BEEN CONVEYED TO THE _____ LAND BANK AUTHORITY BY VIRTUE OF A SALE FOR UNPAID TAXES. PERSONS WITH INFORMATION REGARDING THE PRIOR OWNER OF THE PROPERTY ARE REQUESTED TO CALL _____.", and

f. if the authority has made the search as required by this paragraph and been unable to locate those persons required to be served or, having located additional addresses of those persons through such search, attempted without success to serve those persons in either manner provided by paragraph 2 or 3 of this section, the authority shall make a written summary of the attempts made to serve the notice, in recordable form, and may authorize the foreclosure of the redemption rights of record.

SECTION 8. This act shall become effective November 1, 2006.

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