STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 277 By: Pittman

AS INTRODUCED

An Act relating to Citizens Land Banks; creating the Citizens Land Banks Development Act; providing short title; creating the Citizens Land Banks Development Commission; stating purpose; stating membership; providing for appointments; stating procedures for Commission meetings; providing for travel reimbursement; stating powers and duties; providing for administration and staffing requirements by the Secretary of Commerce and the Oklahoma Department of Commerce; authorizing funding sources; creating revolving fund; requiring certain annual report by certain date; authorizing municipalities and counties to create Citizens Land Banks; defining term; stating procedures for local entities; stating powers of local Citizens Land Banks; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.1 of Title 60, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Citizens Land Banks Development Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.2 of Title 60, unless there is created a duplication in numbering, reads as follows:

The Citizens Land Banks Development Commission is hereby established as an advisory commission in the executive branch. The purpose of the Commission shall be to advise the Governor, Legislature, and other governmental entities regarding the development and use of Citizen Land Banks, as defined in this act.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.3 of Title 60, unless there is created a duplication in numbering, reads as follows:

A. The Citizens Land Banks Development Commission shall consist of nine (9) nonlegislative citizen members, three each to be appointed by the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives. After initial staggered terms, wherein each appointing authority shall determine members to serve one-, two- or three-year terms, all members shall be appointed for four-year terms. All members may be reappointed; provided, no member shall serve more than two consecutive four-year terms. Vacancies on the Commission shall be filled to serve the unexpired term by the original appointing authority.

B. The Governor shall annually designate a member of the Commission to serve as chair, and the Commission members may elect from its membership a vice chair and any other officers it deems

necessary. A majority of the Commission shall constitute a quorum. The Commission shall meet at the call of the chair, at the request of a majority of the voting members or as called by the Governor.

C. Members of the Commission shall receive no compensation for their service but may be reimbursed for actual and necessary travel expenses incurred in the performance of their duties as provided by the State Travel Reimbursement Act and paid by the member's appointing authority.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.4 of Title 60, unless there is created a duplication in numbering, reads as follows:

The Citizens Land Banks Development Commission shall have the power and duties to:

1. Recommend policies regarding Citizens Land Banks including, but not limited to, approval of Citizens Land Banks in this state and establishment of guidelines for local referenda to determine the participation plan for allocation, shareholder governance and ownership rights, the issuance and cancellation of shares of Citizens Land Banks, and the treatment of assets in the event of their dissolution;

2. Recommend establishment of tax reforms that encourage the use and effectiveness of Citizens Land Banks through exempting them from all state and local taxes on their holdings of land, natural resources, improvements, other tangible and intangible assets,

undistributed capital gains, and undistributed profits, provided at least ninety percent (90%) of their annual profits are distributed as taxable dividends, other forms of taxable distributions to shareholders and workers, and debt service payments on their loans;

3. Assist local entities with problems, concerns, and issues related to the development of Citizens Land Banks;

4. Undertake studies and gather information and data in order to accomplish its purposes pursuant to this act and to formulate and present its recommendations to the Governor and Legislature;

5. Apply for, accept, and expend gifts, grants, loans or donations from public, quasi-public, or private sources, including any matching funds, to enable it to carry out its purposes;

6. Encourage local or regional pilot programs involving the delegation of eminent domain powers over land, natural resources, and improvements in the community to the citizens residing in pilot program areas through Citizens Land Banks; and

7. Account annually on its fiscal activities, including any matching funds received or expended by the Commission.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.5 of Title 60, unless there is created a duplication in numbering, reads as follows:

A. The Citizens Land Banks Commission, as a vital part of its function, shall seek funding from local, state, federal, and private sources to make grants, loans, and otherwise enhance the development

of Citizens Land Banks. The Secretary of Commerce and the Oklahoma Department of Commerce shall advise the Commission regarding available sources of funding for economic development and shall assist the Commission in securing such funding. The Department of Commerce shall provide staffing and administrative functions as needed by the Commission and shall administer and account for any funds received or expended on behalf of the Commission.

B. Any funds received under this section or otherwise received by the Commission shall be deposited into the Citizens Land Banks Revolving Fund, created pursuant to Section 6 of this act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.6 of Title 60, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Citizens Land Banks Development Commission to be designated the "Citizens Land Banks Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission or the Oklahoma Department of Commerce on the Commission's behalf, from any source authorized by the provisions of the Citizens Land Banks Development Act. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commission or the Department of Commerce on its behalf for the purpose of implementing the provisions of the Citizens Land Banks Development

Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.7 of Title 60, unless there is created a duplication in numbering, reads as follows:

The chair shall submit to the Governor and the Legislature an annual executive summary of the activity and work of the Citizens Land Banks Development Commission no later than December 1 of each year. Such report shall include the Commission's findings and recommendations regarding the establishment and operation of Citizens Land Banks. The Commission may make interim reports to the Governor and Legislature as it deems necessary.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.8 of Title 60, unless there is created a duplication in numbering, reads as follows:

A. Any municipality or county or beneficiary public trust thereof may consider petitions for creation of Citizens Land Banks in accordance with the provisions of this act and requirements of the Citizens Land Banks Development Commission. Such entities shall be required to hold a public hearing prior to enacting any ordinance or considering any such petitions.

B. As used in this act, "Citizens Land Bank" means a for-profit, citizen-owned real estate planning and development land bank or corporation that may:

1. Receive title to land, natural resources, physical infrastructure, facility or funds donated by the not-for-profit organization, government entity or private donor;

2. Borrow money on behalf of its shareholders, who have their principal residence situated in a local or regional area whose future development will be controlled by a Citizens Land Bank, to purchase land, plan its use, and develop the land, natural resources and infrastructure for productive and environmentally suitable purposes; and

3. Enable each citizen in the area to acquire free as a right of citizenship an equal, lifetime, nontransferable private property ownership stake in local land use and development, share in appreciated land values and profit from land rentals, natural resource extractions and user fees, and have equal voting power and a voice as an owner in the governance of future land development in the community.

C. Fifty-one percent (51%) of the registered voters whose primary residence is within a district may, by petitioning the local governing body or bodies in which the tract is located, propose the creation of a Citizens Land Bank.

D. A petition for the creation of a Citizens Land Bank, as authorized in subsection C of this section, shall:

1. Set forth the name and describe the boundaries of the proposed district to be managed by the corporation;

2. Describe the activities to be undertaken by the Citizens Land Bank within the district;

3. Describe a proposed plan for providing and financing such activities within the district;

4. Describe the benefits that may be expected from the activities to be undertaken by the Citizens Land Bank;

5. Provide that the board members of the Citizens Land Bank shall be selected under the provisions of this act and the requirements of the Commission; and

6. Request the local governing body to establish the proposed Citizens Land Bank for the purposes set forth in the petition.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.9 of Title 60, unless there is created a duplication in numbering, reads as follows:

A. Any local governmental entity authorized to consider petitions under the provisions of this act may, by ordinance or resolution, create a Citizens Land Bank.

B. An ordinance or resolution creating a Citizens Land Bank shall not be adopted or approved until a public hearing has been held by the governing body on the question of its adoption and

approval. Notice of the public hearing shall be published once a week for three (3) successive weeks in a newspaper of general circulation within the locality. The petitioning registered voters shall bear the expense of publishing the notice. The hearing shall not be held sooner than ten (10) days after completion of the notice.

C. After the public hearing and before adoption of the ordinance or resolution, the local governing body shall mail a true copy of its proposed ordinance or resolution creating the Citizens Land Bank to the petitioning registered voters or their attorney in fact. Unless waived in writing, any petitioning registered voter shall have thirty (30) days from the mailing of the proposed ordinance or resolution only upon certification by the petitioners that the petition continues to meet the requirements of this act. If all petitioning registered voters waive the right to withdraw their signatures from the petition, the local governing body shall adopt the ordinance or resolution upon compliance with the provisions of this act and any other applicable provisions of law.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 859.10 of Title 60, unless there is created a duplication in numbering, reads as follows:

Each Citizens Land Bank created pursuant to this act, in addition to the powers provided in Section 8 of this act, may:

1. Subject to any statutory or regulatory jurisdiction and permitting authority of all applicable governmental bodies and agencies thereof having authority with respect to any area included therein, finance, fund, plan, establish, acquire, construct or reconstruct, enlarge, extend, equip, operate, and maintain the infrastructure improvements and other activities enumberated in the ordinance or resolution establishing the district, as necessary to meet the increased demands placed upon the locality as a result of development within the district.

2. Purchase development rights that will be dedicated as easements for conservation, open space or other purposes pursuant to state or local law. For purposes of this paragraph "development rights" means the level and quantity of development permitted by the zoning ordinance expressed in terms of housing units per acre, floor area ratio or equivalent local measure.

3. Subject to any statutory or regulatory jurisdiction and permitting authority of all applicable governmental bodies and agencies having authority with respect to any area included therein, finance and fund the acquisition of land within the district.

SECTION 11. This act shall become effective November 1, 2015.

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