

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

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No. 1694

H.P. 1259

House of Representatives, May 10, 2021

An Act To Create the Maine Redevelopment Land Bank Authority

Received by the Clerk of the House on May 6, 2021. Referred to the Committee on Innovation, Development, Economic Advancement and Business pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SACHS of Freeport.
Cosponsored by President JACKSON of Aroostook and
Representatives: BAILEY of Gorham, BERNARD of Caribou, CLOUTIER of Lewiston,
MATLACK of St. George, TALBOT ROSS of Portland, Senators: POULIOT of Kennebec,
VITELLI of Sagadahoc.

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

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

3 **7-G.**

4 <u>Economic</u>	<u>Community Redevelopment Land Expenses Only</u>	<u>30-A MRSA</u>
5 <u>Development</u>	<u>Bank Authority</u>	<u>§5153</u>

6

7 **Sec. 2. 30-A MRSA c. 204** is enacted to read:

8 **CHAPTER 204**

9 **COMMUNITY REDEVELOPMENT LAND BANK AUTHORITY**

10 **SUBCHAPTER 1**

11 **ESTABLISHMENT AND ORGANIZATION**

12 **§5151. Title**

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

15 **§5152. Findings and declaration of necessity**

16 The Legislature finds and declares that:

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

22 **2. Need for revitalization.** In order to strengthen and revitalize the economy of the
23 State and municipalities, it is in the best interest of the State to assemble and dispose of
24 blighted, abandoned and environmentally hazardous property and property that is both
25 functionally obsolete and unfit to be repurposed for another use in a coordinated manner to
26 foster development of that property and promote economic growth;

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

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

1 blighted, abandoned and environmentally hazardous property and property that is both
2 functionally obsolete and unfit to be repurposed for another use into economically
3 productive use. Properties identified as historic are not excluded from redevelopment as
4 described in this subchapter if they meet the other criteria described in this subchapter.

5 **§5153. Community Redevelopment Land Bank Authority established; purpose**

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

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

16 **§5154. Appointment, qualifications and tenure**

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

21 A. A resident of the State who is a designated broker member of a statewide real estate
22 commission;

23 B. A resident of the State who is responsible for community redevelopment as an
24 employee of a state-chartered bank;

25 C. A resident of the State from each of the 2 congressional districts;

26 D. A full-time municipal economic and community development director in the State;

27 E. A full-time planning professional employed by an urban or regional planning
28 organization in the State;

29 F. A person with experience in the field of preservation of historic property;

30 G. A person with experience in environmental remediation of commercial property;
31 and

32 H. A person with experience in the development of residential communities and
33 housing development.

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

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

1 A. The Commissioner of Economic and Community Development or the
2 commissioner's designee;

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

4 C. The Director of the Maine State Housing Authority or the director's designee; and

5 D. The Commissioner of Transportation or the commissioner's designee.

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

10 **§5155. Community Redevelopment Land Bank Fund; sources of funding**

11 The Community Redevelopment Land Bank Fund, referred to in this chapter as "the
12 fund," is established as a dedicated nonlapsing fund to support the purposes of the
13 redevelopment authority. Fees collected pursuant to Title 38, section 2203-A, subsection
14 2-A must be deposited into the fund. Other sources of funding may include, but are not
15 limited to, state or federal funds received by the redevelopment authority or municipal
16 redevelopment authorities to support community redevelopment. Unless otherwise
17 specified, money received by the redevelopment authority for the express purpose of
18 acquiring or developing property in accordance with this chapter must be deposited into
19 the fund.

20 **§5156. Creation of municipal authorities**

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

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

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

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

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

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

41 A. Of the commissioners initially appointed under this subsection, 4 serve for terms
42 of one, 2, 3 and 4 years, respectively, from the date of their appointment and the

1 remaining appointee serves a 5-year term. Thereafter, the commissioners are appointed
2 for terms of 5 years, except that all vacancies must be filled for the unexpired terms.
3 All subsequent appointments and appointments to fill a vacancy must be made as
4 provided in this subsection.

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

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

14 **§5157. Application; exemption of certain properties**

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

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

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

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

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

28 **SUBCHAPTER 2**

29 **POWERS AND DUTIES**

30 **§5161. Powers and duties generally**

31 The Community Redevelopment Land Bank Authority has the following powers and
32 duties:

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

38 **2. Agreements with federal agencies.** To enter into agreements with federal agencies
39 related to funding of the redevelopment of property acquired in accordance with this
40 chapter;

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

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

6 **5. Eminent domain.** To acquire in a municipality with a municipal redevelopment
7 authority all or any part of a property that is blighted, abandoned, environmentally
8 hazardous or functionally obsolete by the exercise of the power of eminent domain in the
9 same manner as described by section 5108; and

10 **6. Legislation.** To submit legislation to carry out the purposes of this chapter,
11 including but not limited to creating an expedited foreclosure process for property
12 appropriate for transfer to the redevelopment authority and the purposes of the chapter and
13 to implement statewide community development guidelines established pursuant to section
14 5162.

15 **§5162. Development Ready Community Planning Committee**

16 **1. Committee established; membership.** The redevelopment authority shall
17 establish the Development Ready Community Planning Committee for the purposes of
18 establishing statewide guidelines and practices in community development. The members
19 of the committee are as follows:

20 A. The executive director of the redevelopment authority;

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

23 C. A representative of the planning division within the Department of Transportation;

24 D. A representative of the Department of Environmental Protection;

25 E. A representative of a municipal planning assistance program within the Department
26 of Agriculture, Conservation and Forestry;

27 F. A representative of the Maine State Housing Authority;

28 G. A representative of the Maine Municipal Association;

29 H. A representative from each regional planning organization in the State; and

30 I. Three residents of the State with experience in real estate development appointed by
31 the executive director of the redevelopment authority.

32 **2. Community development guidelines.** The committee created under subsection 1
33 shall establish community development guidelines intended to achieve the following goals:

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

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

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

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

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

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

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

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

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

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

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

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

38 **Sec. 5. 38 MRSA §2203-A, sub-§2-A** is enacted to read:

39 **2-A. Community Redevelopment Land Bank Authority fee.** Beginning January 1,
40 2022, in addition to the per ton fee required in subsection 1, commercial, municipal, state-
41 owned and regional association landfills shall collect a \$3 per ton fee for the disposal of
42 construction and demolition debris and residue from the processing of construction and

1 demolition debris for transfer to the Community Redevelopment Land Bank Fund
2 established by Title 30-A, section 5155.

3 **SUMMARY**

4 This bill establishes the Community Redevelopment Land Bank Authority to
5 coordinate the acquisition of blighted, abandoned and environmentally hazardous or
6 functionally obsolete property for redevelopment, including property identified as historic
7 but not including real property owned by a federally recognized Indian tribe, unimproved
8 land or an active or former military facility. The bill establishes a fund to support the
9 purpose of the authority, which includes as a source of revenue a fee on the disposal of
10 construction and demolition debris. The bill also authorizes the creation of municipal
11 redevelopment authorities to work with the Community Redevelopment Land Bank
12 Authority for the purpose of transferring property and coordinating redevelopment. The
13 Community Redevelopment Land Bank Authority is required to establish a Development
14 Ready Community Planning Committee for the purposes of establishing statewide
15 community redevelopment guidelines.