



REALTORS® ASSOCIATION  
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METROPOLITAN PITTSBURGH

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September 13, 2010

Senator Gene Yaw, Chair  
Senate Urban Affairs & Housing Committee  
Senate Box 203023  
457 Main Capitol Building  
Harrisburg, PA 17120

Senator Yaw:

On behalf of the 2,200 members of the REALTORS® Association of Metropolitan Pittsburgh (RAMP), thank you for this opportunity to offer comments on HB 712 for the Senate Urban Affairs & Housing Committee to consider. While the intent of HB 712, to put vacant or tax-delinquent properties back into productive use, is certainly a worthy one, we believe doing so via the creation of a land bank will have the opposite effect and unintentionally create yet another bureaucratic barrier.

The creation of a land bank to address the issue of vacant or tax-delinquent properties is viewed by our membership as an idea inherently problematic and cumbersome. They contend it will create another layer of bureaucracy and red tape that potential investors/developers will have to deal with if they are interested in acquiring a property.

The best outcome remains when private investors are able to get properties back on the tax rolls for the benefit of a municipality and school district, as well as the greater community's interest. Land banks may seem poised to solve one of the larger problems, the removal of tax burdens. However, if there is a willingness to decrease or waive a tax burden in order to put a property back into productive use, why not incentivize municipalities, school districts, and tax claim bureaus in a way that makes it easier for investors and potential buyers to accomplish the same, instead of creating additional hurdles of time and money via negotiating with a land bank? The proposed language within HB 712 does not require a land bank to be responsible for taxes and interest that may be owed on a property. Again, if the power to waive a tax burden can be given to a governmental creation, it would follow that it's in the best interest of communities to have a similar incentive available to encourage buyers and investors in a swift manner.

As REALTORS®, our members are proud to subscribe to the REALTOR® Code of Ethics, and undergo regular continuing education as real estate professionals. We have concerns that the potential administrators of a land bank are not typically qualified real estate experts, and therefore may not be experienced or equipped to carry out the crucial processes key to successful disposition of property, including appraisal, maintenance, and marketing, as well as the costs associated with these steps. A foreseeable and unfortunate outcome could thereby be the properties for which land banks were intended to assist actually remain non-productive for longer periods of time.

We thank the Senate Urban Affairs & Housing Committee for their consideration of these points, and look forward to continuing to provide input and expertise on these matters that are important to our membership.

Sincerely,

*Jennifer M. Cloonan*

Government Affairs Director

Cc: Senator Wayne Fontana