

# Local Options for Kentucky Liens (LOKL)

## *Restoring Kentucky's Vacant and Abandoned Properties with a New Approach to Tax Delinquent Properties, Land Banking, and Tax Foreclosure*

This legislation is designed to empower local governments to address the growing problem of vacant and abandoned properties by:

- Providing cities and counties with the option to purchase and collect their own tax liens
- Update the powers of land banks so that they can control and maintain the vacant and abandoned properties; land banks will have the tools they need to work with public and private developers to restore currently unproductive properties to productive use
- Streamlining the process by which counties foreclose on tax-delinquent properties

This legislation will benefit counties by:

- Allowing the county (rather than third-party tax purchasers) to collect the most collectible tax liens. **Capturing this lost revenue** provides the land bank with the funding it needs to maintain and redevelop properties.
- Enabling counties to **retain control** over the destiny of its neighborhoods and act strategically when redeveloping currently unproductive property.
- Ensuring **uniform enforcement** of tax liens against tax-delinquent property owners. The current practice of selling the most collectible liens to private speculators leaves our citizens open to aggressive collection practices and a multiplicity of collection strategies.
- Allowing counties to **efficiently foreclose** upon and take title to tax-delinquent properties.
- Updating land banks' authority to **restore tax-delinquent property** to productive use.

The legislation is a comprehensive alternative to the currently broken approach to tax delinquency, land banking, and tax foreclosure. However, this update does not replace the old processes and the new alternative is optional for local governments to adopt. This legislation simply provides communities with a 21st century alternative to our outdated approach to vacant and abandoned properties. This legislation is built on the best (and proven) practices of states like Ohio, Georgia, and Michigan. Local governments under this bill are free to continue with the *status quo* if they decide the new approach does not fit their needs, but we know that many communities are struggling with a growing number of vacant and abandoned properties; we want Kentucky to have the best tools to return blight to productive use.