

Senate File 2013 - Introduced

SENATE FILE 2013

BY LOFGREN and DAWSON

A BILL FOR

1 An Act relating to the creation of land banks.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 LAND BANKS

3 Section 1. NEW SECTION. 358A.1 Short title.

4 This chapter shall be known and may be cited as the "*Iowa*
5 *Land Bank Act*".

6 Sec. 2. NEW SECTION. 358A.2 Legislative intent.

7 The legislature finds and declares all of the following:

8 1. Iowa's communities are important to the social and
9 economic vitality of this state. Whether urban, suburban,
10 or rural, many communities are struggling with dilapidated,
11 abandoned, blighted, and tax-delinquent properties.

12 2. Citizens of Iowa are affected adversely by dilapidated,
13 abandoned, blighted, and tax-delinquent properties,
14 including properties that have been abandoned due to mortgage
15 foreclosure.

16 3. Dilapidated, abandoned, blighted, and tax-delinquent
17 properties impose significant costs on neighborhoods and
18 communities by lowering property values, increasing fire
19 and police protection costs, decreasing tax revenues, and
20 undermining community cohesion.

21 4. There is an overwhelming public need to confront the
22 problems caused by dilapidated, abandoned, blighted, and
23 tax-delinquent properties; to return properties that are in
24 non-revenue-generating, non-tax-producing status to productive
25 status in order to revitalize urban, suburban, and rural
26 areas, provide affordable housing, and attract new industry;
27 and to create jobs for the citizens of this state through the
28 establishment of new tools that enable communities to turn
29 abandoned spaces into vibrant places.

30 5. Land banks are one of the tools that communities can use
31 to facilitate the return of dilapidated, abandoned, blighted,
32 and tax-delinquent properties to productive use.

33 Sec. 3. NEW SECTION. 358A.3 Definitions.

34 As used in this chapter, unless the context otherwise
35 requires:

1 1. *“Board”* means the board of directors of a land bank.

2 2. *“Financial institution”* means a bank, savings
3 association, operating subsidiary of a bank or savings
4 association, credit union, association licensed to originate
5 mortgage loans, or an assignee of a mortgage or note originated
6 by such an institution.

7 3. *“Geographical boundaries of the land bank”* means the
8 jurisdiction of the municipality that created the land bank or
9 in the case of any combination of municipalities creating a
10 single land bank or joining an existing land bank, the combined
11 jurisdictions of the municipalities.

12 4. *“Land bank”* means an entity created under section 358A.4.

13 5. *“Local employee”* means a person employed by a
14 municipality of this state and does not include an independent
15 contractor.

16 6. *“Local official”* means an officeholder of a municipality
17 of this state.

18 7. *“Municipality”* means a city, county, or township.

19 8. *“Trump bid”* means the expression of intent by a land bank
20 to purchase a property for sale at a tax sale under chapter 446
21 by informing the treasurer for the municipality holding the
22 sale.

23 Sec. 4. NEW SECTION. 358A.4 **Creation.**

24 1. A land bank organized under this chapter shall be a
25 body corporate and politic, with the name under which it was
26 organized, and may sue and be sued in its own name, contract
27 and be contracted with, acquire and hold real and personal
28 property necessary for corporate purposes, adopt a corporate
29 seal and alter the same at pleasure, and exercise all the
30 powers conferred in this chapter.

31 2. a. Any municipality may create a land bank. Creation
32 shall be by ordinance in the case of a city or by resolution in
33 the case of a county or township. The ordinance or resolution
34 shall make reference to the purposes listed under section
35 358A.2.

1 *b.* Any city, county, or township may create a land bank
2 in combination with other cities, counties, or townships.
3 Municipalities seeking to create such a land bank shall comply
4 with the procedures set forth in chapter 28E. A land bank
5 shall be considered a "public agency" for the purposes of
6 chapters 28E and 28H.

7 *c.* (1) Any city or township passing an ordinance or a
8 resolution or entering into a chapter 28E agreement under
9 paragraph "a" or "b" of this subsection shall promptly deliver
10 copies of the ordinance, resolution, or agreement to the
11 auditor, treasurer, and the county attorney of each county in
12 which the municipality is situated.

13 (2) Any board of supervisors adopting a resolution or
14 entering into a chapter 28E agreement creating a land bank
15 pursuant to this section shall deliver a copy of the resolution
16 or agreement to the county auditor, county treasurer, and
17 county attorney.

18 3. *a.* The enabling ordinance or resolution, or chapter 28E
19 agreement, shall set forth the following:

20 (1) The initial board of directors and the initial terms of
21 those directors.

22 (2) General term lengths and limits for the board of
23 directors.

24 (3) Procedures that the board of directors will follow in
25 exercising discretionary provisions of this chapter.

26 *b.* A chapter 28E agreement shall include procedures for the
27 distribution of assets between participating municipalities
28 upon the dissolution of the land bank.

29 *c.* Unless otherwise limited in the ordinance, resolution,
30 or chapter 28E agreement, the powers and procedures of a newly
31 created land bank shall be the powers and procedures specified
32 in this chapter.

33 4. A council of governments established in section 28H.1
34 shall not form a land bank. However, pursuant to a chapter
35 28E agreement, a council of governments may provide community

1 development services, planning services, and technical
2 assistance to a land bank.

3 Sec. 5. NEW SECTION. 358A.5 Board.

4 1. a. A land bank shall have a board of directors in which
5 all powers of the land bank shall be vested.

6 b. Unless restricted by the enabling ordinance, resolution,
7 or agreement as specified in section 358A.4, the provisions of
8 this section shall apply to the governance of a land bank.

9 2. a. The membership of the board shall be established in
10 the bylaws of the land bank and shall consist of an odd number
11 of members, which shall be not less than five nor more than
12 eleven.

13 b. Unless otherwise specified by the ordinance, resolution,
14 or agreement under section 358A.4, the default length of a term
15 for a board member shall be four years. The maximum length of a
16 term for a board member shall be five years.

17 c. A land bank may, as determined in the bylaws, limit the
18 number of terms or consecutive terms that members of its board
19 may serve.

20 3. a. A local official may serve as a board member and
21 service as a land bank board member shall neither terminate nor
22 impair that public office.

23 b. A local employee shall be eligible to serve as a land
24 bank board member.

25 c. The members of a land bank board shall all be voting
26 members. Land bank board members shall, to the extent
27 practicable, include representatives of each of the following:

28 (1) A local government.

29 (2) A chamber of commerce.

30 (3) Persons with experience in financial services.

31 (4) Persons with experience in real property acquisition or
32 real property development.

33 (5) Persons with experience in nonprofit or affordable
34 housing.

35 (6) Persons who meet all of the following:

1 (a) The person is a resident of the land bank jurisdiction.

2 (b) The person is not a local public official or local
3 employee.

4 *d.* Requirements provided in paragraph "c" of this subsection
5 may be satisfied by the appointment of a single voting member
6 who meets more than one of the criteria.

7 *e.* A member removed under subsection 9 shall be ineligible
8 for reappointment to the board unless the reappointment is
9 confirmed unanimously by the board.

10 4. Annually, the board shall select from the board
11 membership a chair, vice chair, secretary, and treasurer and
12 such other officers as the board deems necessary.

13 5. A vacancy on the board shall be filled following the
14 procedure adopted pursuant to subsection 9. Removal of a
15 member shall cause the position to become vacant.

16 6. Board members shall serve without compensation.
17 However, the board may reimburse a member for expenses actually
18 incurred in the performance of duties on behalf of the land
19 bank as provided in bylaws adopted pursuant to subsection 9.

20 7. The board shall meet as follows:

21 *a.* In regular session according to a schedule adopted by the
22 board.

23 *b.* In special session convened by the chair or upon written
24 petition signed by a majority of the members.

25 8. *a.* A majority of the board, excluding vacancies,
26 constitutes a quorum.

27 *b.* A board may permit any or all members to participate in
28 a regular or special meeting by, or conduct a meeting through
29 the use of, any means of electronic communication by which all
30 directors participating can simultaneously hear each other
31 during the meeting. A member participating in a meeting by
32 means of electronic communication is deemed to be present, in
33 person, at the meeting.

34 9. *a.* The board shall adopt bylaws establishing all of the
35 following:

1 (1) Duties of officers selected pursuant to subsection 4.

2 (2) Requirements for attendance and participation of
3 members at regular and special meetings of the board.

4 (3) A procedure for removal of a member for failure
5 to comply with a bylaw. Removal shall only be made by the
6 affirmative vote of no less than a majority of all of the other
7 members of the board.

8 (4) A procedure detailing prioritization of what and which
9 types of properties to acquire, a procedure for acquisition of
10 properties, and a statement of purpose.

11 (5) A procedure for the terms and conditions relating
12 to disposition of properties, including but not limited to a
13 process for distribution of any proceeds to any claimants or
14 taxing entities, and to any other land bank.

15 (6) A procedure for the establishment, membership, and
16 duties of committees of the board.

17 (7) Rules to determine which expenses may be reimbursed.

18 (8) A procedure for making an appointment to fill a vacancy
19 on the board. The procedure shall include a simple majority
20 vote by the board to approve the appointment.

21 (9) Other matters necessary to govern the conduct of a land
22 bank.

23 *b.* When in actual conflict, the ordinances, resolutions, or
24 agreements described in section 358A.4 shall control over any
25 bylaws adopted by the board.

26 10. *a.* Except as set forth in paragraph "b" or "c" of this
27 subsection, the enabling ordinance, resolution, or agreement,
28 or as set forth by a land bank in its bylaws, an action of the
29 board must be approved by the affirmative vote of a majority of
30 the board present and voting.

31 *b.* Action of the board on the following matters must be
32 approved by a majority of the entire board membership excluding
33 vacancies:

34 (1) Adoption of bylaws.

35 (2) Hiring or firing of an employee or contractor of the

1 land bank. This function may be delegated by the board to a
2 specified officer or committee of the land bank.

3 (3) Incurring of debt.

4 (4) Adoption or amendment of the annual budget.

5 (5) Sale, lease, encumbrance, or alienation of real
6 property or personal property with a value of more than fifty
7 thousand dollars.

8 c. A resolution regarding dissolution of the land bank under
9 section 358A.17 must be approved by two-thirds of the entire
10 board membership.

11 d. A member of the board shall not vote by proxy.

12 e. A member may request that a vote on any resolution or
13 action of the land bank be recorded.

14 11. Members of the board shall not be liable personally on
15 the obligations of the land bank, and rights of creditors of a
16 land bank shall be solely against the land bank.

17 Sec. 6. NEW SECTION. 358A.6 Staff.

18 1. A land bank may employ or contract for the employment
19 of a secretary, an executive director, legal counsel and legal
20 staff, including the use of student clinicians from a reputable
21 law school in this state with a clinical law program, and such
22 other technical experts and agents and employees, permanent
23 or temporary, as the land bank may require. The land bank
24 may determine the qualifications and fix the compensation and
25 benefits of such persons. A land bank may also enter into
26 contracts and agreements with municipalities or nonprofit
27 entities for staffing services to be provided to the land
28 bank or for a land bank to provide such staffing services to
29 municipalities or agencies or departments of municipalities.

30 2. An employee of the land bank is not and shall not be
31 deemed to be an employee of the municipality for whose benefit
32 the land bank is organized solely because the employee is
33 employed by the land bank.

34 3. The land bank shall determine the compensation for an
35 executive director who shall manage the operations of a land

1 bank and employ or contract for the employment of others for
2 the benefit of the land bank as approved and funded by the
3 board of directors.

4 Sec. 7. NEW SECTION. 358A.7 Powers.

5 1. In furtherance of the purposes set forth in section
6 358A.2, a land bank shall have all of the following powers:

7 a. To borrow money for any of the purposes of the land bank
8 by means of loans, lines of credit, or any other financial
9 instruments or securities other than through the issuance
10 of bonds, debentures, or notes. A land bank may secure its
11 indebtedness by mortgage, pledge, deed of trust, or other lien
12 on its property, franchises, rights, and privileges of every
13 kind and nature or any part thereof or interest therein. The
14 funds borrowed by the land bank are payable as to principal,
15 interest, and any other amounts owed the lender solely from the
16 proceeds from sale or rental of the property financed with the
17 loan and are not a debt of or charge against the land bank or
18 any of the municipalities that formed the land bank within the
19 meaning of any constitutional or statutory debt limitation.

20 b. To purchase, receive, hold, manage, lease,
21 lease-purchase, or otherwise acquire and to sell, convey,
22 including a conveyance by installment purchase contract,
23 transfer, lease, sublease, or otherwise dispose of real and
24 personal property, together with any incidental or appurtenant
25 rights, privileges, or uses, including but not limited to any
26 real or personal property acquired by the land bank in the
27 satisfaction of debts or the enforcement of obligations.

28 c. (1) To acquire the good will, business, rights, real and
29 personal property, and other assets, or any part or interest,
30 of any person, subject to any obligations enforceable against
31 the property so acquired.

32 (2) To acquire, reclaim, manage, or contract for the
33 management of improved or unimproved and underutilized
34 real property for the purpose of constructing or causing
35 the construction of business establishments or housing on

1 the property, for the purpose of assembling and enhancing
2 utilization of the real property, or for the purpose of
3 disposing of such real property to others in whole or in part
4 for the construction of business establishments or housing.

5 (3) To acquire, reclaim, manage, contract for the
6 management of, construct or reconstruct, alter, repair,
7 maintain, operate, sell, convey, including a conveyance by
8 installment purchase contract, transfer, lease, sublease, or
9 otherwise dispose of business establishments or housing.

10 *d.* To acquire, subscribe for, own, hold, sell, assign,
11 transfer, mortgage, pledge, or otherwise dispose of stocks,
12 shares, bonds, debentures, notes, or other securities
13 interests or indebtedness and evidences of interest in, or
14 indebtedness of, any person, notwithstanding section 12B.10.
15 Any tax revenue received by a land bank shall not be used for
16 acquisition or subscription. The acquisition of securities
17 shall only be by gift. Securities so acquired shall be
18 converted to cash as soon as practicable.

19 *e.* To mortgage, pledge, or otherwise encumber any property
20 acquired pursuant to the powers contained in paragraph "b", "c",
21 or "d" of this subsection.

22 *f.* To serve as an agent for grant applications and for the
23 administration of grants, or to make applications as principal
24 for grants intended for use by the land bank.

25 *g.* To charge fees or exchange in-kind goods or services for
26 services rendered to political subdivisions and other persons
27 for whom services are rendered.

28 *h.* To purchase tax sale certificates at auction, negotiated
29 sale, or from a third party who purchased and is a holder of one
30 or more tax sale certificates issued pursuant to chapter 446.

31 *i.* To be assigned a mortgage on real property from a
32 mortgagee in lieu of acquiring such real property subject to
33 a mortgage.

34 *j.* To extinguish liens and encumbrances on tax-delinquent or
35 otherwise encumbered property the land bank comes to possess.

1 *k.* To issue trump bids for properties subject to tax sale
2 under chapter 446 at least five business days prior to the
3 beginning of the sale and purchase such properties at the
4 amount initially proposed at such a sale. At the beginning of
5 a sale, properties that a land bank has expressed intent to
6 purchase via a trump bid will be publicly sold to the land bank
7 for the entirety of the delinquent tax debt on the property
8 with the land bank acquiring full ownership with clear title
9 of the property subject to the expiration of the applicable
10 redemption period established in chapter 447 and issuance of
11 the tax deed under chapter 448.

12 *l.* A land bank may petition for abatement pursuant to
13 chapter 657A and is an "interested person" for purposes of that
14 chapter.

15 *m.* To do all acts and things necessary or convenient to
16 carry out the purposes set forth in section 358A.2 and the
17 powers especially created for a land bank in this section,
18 including but not limited to contracting with the federal
19 government, the state or any political subdivision of the
20 state, and any other party, whether nonprofit or for-profit.

21 2. The powers enumerated in this chapter shall not be
22 construed to limit the general powers of a land bank. The
23 powers granted under this chapter are in addition to the powers
24 granted by any other section of the Code, but as to a land
25 bank, shall be used only for the purposes set forth in section
26 358A.2.

27 Sec. 8. NEW SECTION. 358A.8 Eminent domain.

28 1. A land bank shall not possess or exercise the power of
29 eminent domain.

30 2. Land acquired by a municipality by the exercise of
31 condemnation through eminent domain shall not be used to
32 effectuate the purposes of this chapter.

33 Sec. 9. NEW SECTION. 358A.9 Acquisition of property.

34 1. *a.* Except as provided in section 358A.8, a land bank
35 may acquire real property or interests in real property by

1 gift, devise, transfer, exchange, foreclosure, purchase, or
2 otherwise, on terms and conditions and in a manner the board
3 considers is in the best interest of the land bank.

4 *b.* A land bank may hold and own in its own name any
5 property acquired by or conveyed to the land bank. All deeds,
6 mortgages, contracts, leases, purchases, or other agreements
7 regarding property of the land bank, including agreements to
8 acquire or dispose of real property, may be approved by and
9 executed in the name of the land bank.

10 2. *a.* A land bank may acquire real property by purchase
11 contracts, lease-purchase agreements, installment sales
12 contracts, land contracts, or other contracts that convey an
13 interest in real property. A land bank may accept transfers
14 of property or interests in property from the state or
15 any political subdivision of the state upon such terms and
16 conditions as agreed to by the land bank and that unit of
17 government so long as the real property is located within the
18 geographical boundaries of the land bank.

19 *b.* A land bank may register as a bidder for purposes
20 of chapter 446. A land bank is not subject to a bidder
21 registration fee imposed pursuant to section 446.16. A land
22 bank shall not be considered a city or county for purposes of
23 bidding on property under chapter 446 or redeeming property
24 under chapter 447. If a municipality does not elect to tender
25 a bid at a public sale pursuant to section 446.7 or sale
26 pursuant to the provisions of a county charter, city charter,
27 or administrative code, the land bank may tender a trump bid
28 at the sale in an amount equal to the total amount of the
29 delinquent tax debt on the property. If the land bank tenders
30 a trump bid, the property shall be sold to the land bank, even
31 if bids have been tendered by other third parties, subject to
32 the expiration of the applicable redemption period established
33 in chapter 447 and issuance of the tax deed under chapter 448.
34 As the purchaser at the public sale or sale pursuant to the
35 provisions of a county charter, city charter, or administrative

1 code, the land bank shall receive the tax deed in accordance
2 with chapters 446, 447, and 448. The deed to the land bank
3 assigns all rights resulting from the land bank's successful
4 tender for the property to the foreclosing governmental unit,
5 allowing the property to be deeded directly to the foreclosing
6 governmental unit. All land bank acquisitions pursuant to this
7 paragraph shall comply with other provisions in this section
8 and all dispositions of property acquired pursuant to this
9 paragraph shall comply with section 358A.10.

10 c. The acquisition of property by the land bank shall not
11 be governed or controlled by any regulations or laws relating
12 to procurement or acquisition of property of any municipality
13 that created the land bank, unless specifically provided in the
14 ordinance, resolution, or chapter 28E agreement establishing
15 the land bank.

16 d. Except as otherwise provided in paragraph "e" of this
17 subsection, a land bank shall not own or hold real property
18 located outside the geographical boundaries of the land bank.

19 e. A land bank may be granted, pursuant to an
20 intergovernmental contract with a political subdivision of
21 this state, the authority to manage and maintain real property
22 located within the geographical boundaries of the political
23 subdivision, but outside the geographical boundaries of the
24 land bank.

25 3. A land bank shall maintain all of its real property in
26 accordance with the laws and ordinances of the jurisdiction in
27 which the real property is located.

28 4. A land bank shall maintain and make available for public
29 review and inspection an inventory of all real property held
30 by the land bank.

31 Sec. 10. NEW SECTION. 358A.10 **Disposition of property.**

32 1. a. A land bank may convey, exchange, sell, transfer,
33 lease, grant, or mortgage interests in real property of the
34 land bank at such times, to such persons, upon such terms and
35 conditions, and subject to such restrictions and covenants as

1 the land bank deems necessary or appropriate to assure the
2 effective use of the bank in accordance with the purposes of
3 section 358A.2.

4 *b.* Unless otherwise provided in the enabling resolution,
5 ordinance, or agreement, requirements that may be applicable to
6 the disposition of real property and interests in real property
7 by municipalities shall not be applicable to the disposition of
8 real property and interests in real property by a land bank.

9 2. *a.* A land bank shall determine the amount and form of
10 consideration necessary to convey, exchange, sell, transfer,
11 lease, grant, or mortgage interests in real property.

12 *b.* Consideration may take the form of monetary payments and
13 secured financial obligations, covenants and conditions related
14 to the present and future use of the property, contractual
15 commitments by the transferee, and other forms of consideration
16 as determined by the board to be in the best interest of the
17 land bank.

18 3. *a.* A municipality may in the ordinance or resolution
19 creating a land bank, or in the chapter 28E agreement in the
20 case of any combination of municipalities creating a single
21 land bank, require that a particular form of disposition of
22 real property or a disposition of real property located within
23 a specified jurisdiction be subject to specified voting and
24 approval requirements of the board.

25 *b.* Except as otherwise provided under paragraph "a" of this
26 subsection, the board may delegate to officers and employees
27 the authority to enter into and execute agreements, instruments
28 of conveyance, and other related documents pertaining to the
29 conveyance of real property by the land bank.

30 **Sec. 11. NEW SECTION. 358A.11 Financing.**

31 1. A land bank may receive funding through grants, loans,
32 and other funds from the municipality that created the land
33 bank, from other municipalities, from the state of Iowa, from
34 the federal government, and from other public and private
35 sources, including but not limited to donations, gifts, or

1 bequests.

2 2. A land bank may receive and retain payments for services
3 rendered, for rents and leasehold payments received, for
4 consideration for disposition of real and personal property,
5 for proceeds of insurance coverage for losses incurred, for
6 income from investments, and for any other asset and activity
7 lawfully permitted to a land bank under this chapter.

8 3. Up to seventy-five percent of the real property taxes
9 remaining after the division of taxes pursuant to section
10 403.19, if applicable, and exclusive of any amount levied by
11 a school district, collected on real property that a land
12 bank has conveyed shall be remitted to the land bank. The
13 specific percentage of the taxes to be remitted, as to each
14 municipality that created the land bank, shall be set forth in
15 the enabling ordinance, resolution, or chapter 28E agreement.
16 The allocation of property tax revenues shall commence with the
17 first assessment year beginning January 1 following the date of
18 conveyance by the land bank and shall be allocated for a period
19 of five consecutive assessment years. The funds shall be
20 remitted to the land bank in accordance with the administrative
21 procedures established by the county or counties in which the
22 land bank is located.

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

27 a. Furtherance of land bank operations.

28 b. Recovery of land bank expenses.

29 **Sec. 12. NEW SECTION. 358A.12 Delinquent property tax**
30 **enforcement.**

31 1. Whenever a land bank acquires real property encumbered
32 by a lien or claim for real property taxes owed to one or
33 more of the municipalities that established the land bank,
34 or to other political subdivisions that have entered into an
35 intergovernmental contract with the land bank, the land bank

1 may, by resolution of the board, discharge and extinguish any
2 and all of the liens or claims. The decision by the board to
3 extinguish the property tax liens or claims is subject to the
4 voting requirements contained in section 358A.5, subsection
5 10. If a portion of the real property taxes are attributable
6 to property taxes certified for levy by a school district,
7 the land bank shall notify the school district in writing of
8 its intent to extinguish all such liens and claims. If the
9 school district sends a written objection to the proposed
10 extinguishment of such liens and claims to the land bank within
11 thirty days of receipt of such notice, the land bank shall not
12 extinguish the liens and claims. If the school district fails
13 to send a written objection to the proposed extinguishment to
14 the land bank within thirty days of receipt of such notice
15 from the land bank, the land bank shall have the power, by
16 resolution of the board, to discharge and extinguish any
17 and all such liens or claims. To the extent necessary and
18 appropriate, the land bank shall file with the appropriate
19 taxing entity a copy of the resolution providing for the
20 discharge and the extinguishment of liens or claims under this
21 section.

22 2. If a land bank receives payments of any kind attributable
23 to liens or claims for real property taxes owed or allocated
24 to a municipality or school district on property acquired by
25 the land bank, the land bank shall remit the full amount of the
26 payments to the appropriate taxing entity.

27 Sec. 13. NEW SECTION. 358A.13 **Exemption from taxation.**

28 The real property and the income and operations of a land
29 bank are exempt from taxation by the state and by any political
30 subdivision of the state. However, the interest of a purchaser
31 of property conveyed by the land bank by installment purchase
32 contract shall not be exempt. For purposes of this section,
33 real property includes but is not limited to real property held
34 by a land bank as lessor pursuant to long-term lease contracts
35 with community land trusts as defined in 42 U.S.C. §12773.

1 Sec. 14. NEW SECTION. **358A.14 Public records and public**
2 **meetings.**

3 A land bank is a "governmental body" for purposes of chapter
4 21 and a "government body" for the purposes of chapter 22. A
5 land bank shall comply with all public meeting requirements
6 under chapter 21 and all public records requirements under
7 chapter 22.

8 Sec. 15. NEW SECTION. **358A.15 Reports.**

9 1. A land bank shall submit to the governing body of the
10 municipality that created the land bank a monthly report that
11 informs the municipality of the land bank's activities for the
12 previous month.

13 2. By January 31 of each year, the land bank shall submit an
14 annual report to the governing body of the municipality that
15 created the land bank that informs the municipality of the land
16 bank's activities for the preceding calendar year.

17 3. A land bank shall submit an annual report, by January
18 31 of each year, to the general assembly's standing committees
19 on commerce concerning the land bank's activities for the
20 preceding calendar year.

21 Sec. 16. NEW SECTION. **358A.16 Audits.**

22 A land bank is a "governmental subdivision" for the purposes
23 of chapter 11. A land bank shall be subject to periodic
24 examination by the auditor of the state.

25 Sec. 17. NEW SECTION. **358A.17 Dissolution of land banks.**

26 1. A land bank may be dissolved sixty calendar days after
27 a resolution of dissolution is approved by two-thirds of the
28 voting members of the board and by two-thirds of the membership
29 of each governing body of a municipality that created the
30 land bank. The board shall appoint a trustee to distribute
31 assets held by the land bank. The board shall give sixty
32 calendar days advance written notice of its consideration of
33 a resolution of dissolution by publishing a notice in local
34 newspapers of general circulation within each municipality that
35 created the land bank. Upon dissolution of the land bank, all

1 liabilities, real property, personal property, and other assets
2 of the land bank shall become the liabilities and assets of the
3 municipality that created the land bank, or, in the case of a
4 land bank created pursuant to a chapter 28E agreement, shall be
5 distributed pursuant to the chapter 28E agreement.

6 2. A municipality may withdraw from a land bank if the land
7 bank was created pursuant to a chapter 28E agreement. The
8 withdrawing municipality shall receive its share of assets and
9 liabilities as determined in the chapter 28E agreement. A land
10 bank consisting of two or more municipalities does not dissolve
11 upon the withdrawal of a single municipality.

12 Sec. 18. NEW SECTION. 358A.18 **Conflicts of interest.**

13 1. A member of the board or employee of a land bank shall
14 not acquire any direct or indirect interest in real property
15 of the land bank, in any real property to be acquired by the
16 land bank, or in any real property to be acquired from the land
17 bank. A member of the board or employee of a land bank shall
18 not have any direct or indirect interest in any contract or
19 proposed contract for material or services to be furnished or
20 used by a land bank.

21 2. a. Any person who serves or is employed by a land bank
22 shall not engage in any of the following conduct:

23 (1) Outside employment or an activity that involves the
24 use of the land bank's time, facilities, equipment, and
25 supplies or the use of evidences of office or employment to
26 give the person, an entity affiliated with or controlled by
27 the person, or member of the person's immediate family, as
28 defined in section 68B.2, an advantage or pecuniary benefit
29 that is not available to other similarly situated members or
30 classes of members of the general public. For purposes of this
31 subparagraph, a person is not "*similarly situated*" merely by
32 being, or being related to, a person who serves or is employed
33 by the land bank.

34 (2) Outside employment or an activity that involves the
35 receipt of, promise of, or acceptance of money or other

1 consideration by the person, an entity affiliated with or
2 controlled by the person, or a member of the person's immediate
3 family, as defined in section 68B.2, from anyone other than the
4 land bank for the performance of any act that the person would
5 be required or expected to perform as a part of the person's
6 regular duties or during the hours during which the person
7 performs service or work for the land bank.

8 (3) Outside employment or an activity that is subject to
9 the official control, inspection, review, audit, or enforcement
10 authority of the person, during the performance of the person's
11 duties of office or employment.

12 b. If the outside employment or activity is employment or
13 activity described in subsection 2, paragraph "a", subparagraph
14 (1) or (2), the person shall immediately cease the employment
15 or activity. If the outside employment or activity is
16 employment or activity described in subsection 2, paragraph
17 "a", subparagraph (3), unless otherwise provided by law, the
18 person shall take one of the following courses of action:

19 (1) Cease the outside employment or activity.

20 (2) Publicly disclose the existence of the conflict and
21 refrain from taking any official action or performing any
22 official duty that would detrimentally affect or create a
23 benefit for the outside employment or activity. For purposes
24 of this subparagraph, "*official action*" or "*official duty*"
25 includes but is not limited to participating in any vote,
26 taking affirmative action to influence any vote, granting any
27 license or permit, determining the facts or law in a contested
28 case or rulemaking proceeding, conducting any inspection, or
29 providing any other official service or thing that is not
30 available generally to members of the public in order to
31 further the interests of the outside employment or activity.

32 3. Unless otherwise specifically provided the requirements
33 of this section shall be in addition to, and shall not
34 supersede, any other rights or remedies provided by law.

35

DIVISION II

COORDINATING PROVISIONS

1
2 Sec. 19. Section 11.1, subsection 1, paragraph c, Code 2020,
3 is amended to read as follows:

4 *c.* "Governmental subdivision" means cities and
5 administrative agencies established by cities, hospitals or
6 health care facilities established by a city, counties, county
7 hospitals organized under chapters 347 and 347A, memorial
8 hospitals organized under chapter 37, entities organized under
9 chapter 28E, land banks created under chapter 358A, community
10 colleges, area education agencies, and school districts.

11 Sec. 20. Section 21.2, subsection 1, Code 2020, is amended
12 by adding the following new paragraph:

13 NEW PARAGRAPH. *k.* A land bank created under chapter 358A.

14 Sec. 21. Section 22.1, subsection 1, Code 2020, is amended
15 to read as follows:

16 1. "Government body" means this state, or any county,
17 city, township, school corporation, political subdivision,
18 tax-supported district, nonprofit corporation other than a
19 fair conducting a fair event as provided in chapter 174, whose
20 facilities or indebtedness are supported in whole or in part
21 with property tax revenue and which is licensed to conduct
22 pari-mutuel wagering pursuant to chapter 99D; the governing
23 body of a drainage or levee district as provided in chapter
24 468, including a board as defined in section 468.3, regardless
25 of how the district is organized; a land bank created under
26 chapter 358A; or other entity of this state, or any branch,
27 department, board, bureau, commission, council, committee,
28 official, or officer of any of the foregoing or any employee
29 delegated the responsibility for implementing the requirements
30 of this chapter.

31 Sec. 22. Section 331.361, subsections 2 and 4, Code 2020,
32 are amended to read as follows:

33 2. In disposing of an interest in real property by sale or
34 exchange, by lease for a term of more than three years, or by
35 gift, the following procedures shall be followed, except for for

1 dispositions to land banks created under chapter 358A and as
2 otherwise provided by state law:

3 a. The board shall set forth its proposal in a resolution
4 and shall publish notice of the time and place of a public
5 hearing on the proposal, in accordance with [section 331.305](#).

6 b. After the public hearing, the board may make a final
7 determination on the proposal by resolution.

8 c. When unused highway right-of-way is not being sold or
9 transferred to another governmental authority, the county shall
10 comply with the requirements of [section 306.23](#).

11 4. The board shall not dispose of real property by gift
12 except for a public purpose, as determined by the board, in
13 accordance with other state law. This subsection shall not
14 apply to disposal of real property by gift to land banks
15 created under chapter 358A.

16 Sec. 23. Section 364.7, Code 2020, is amended to read as
17 follows:

18 **364.7 Disposal of property.**

19 1. A city may not dispose of an interest in real property
20 by sale, lease for a term of more than three years, or gift,
21 except in accordance with the following procedure:

22 ~~1-~~ a. The council shall set forth its proposal in a
23 resolution and shall publish notice as provided in section
24 362.3, of the resolution and of a date, time and place of a
25 public hearing on the proposal.

26 ~~2-~~ b. After the public hearing, the council may make a
27 final determination on the proposal by resolution.

28 ~~3-~~ c. A city may not dispose of real property by gift
29 except to a governmental body for a public purpose.

30 2. This section shall not apply to disposal of an interest
31 in real property to a land bank created under chapter 358A.

32 Sec. 24. Section 427.1, Code 2020, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 42. *Land bank property.* The real property
35 of a land bank, as created under chapter 358A, and its income

1 and operations are exempt from all taxation by the state and by
2 any political subdivision of the state. For purposes of this
3 subsection, real property includes but is not limited to real
4 property held by a land bank as lessor pursuant to long-term
5 lease contracts with community land trusts as defined in 42
6 U.S.C. §12773.

7 Sec. 25. Section 657A.2, subsection 1, Code 2020, is amended
8 to read as follows:

9 1. No sooner than the latter of thirty days after provision
10 of the responsible building official's findings under section
11 657A.1A and six months after a building has become abandoned, a
12 petition for abatement under [this chapter](#) may be filed in the
13 district court of the county in which the property is located
14 by the city in which the property is located, by the county
15 if the property is located outside the limits of a city, by a
16 neighboring landowner, by a land bank created under chapter
17 358A, or by a duly organized nonprofit corporation which has as
18 one of its goals the improvement of housing conditions in the
19 county or city in which the property in question is located.
20 The petition shall not demand a personal judgment against any
21 party, but shall concern only the interests in the property. A
22 petition for abatement filed under [this chapter](#) shall include
23 the legal description of the real property upon which the
24 public nuisance is located unless the public nuisance is not
25 situated on or confined to a parcel of real property, or is
26 portable or capable of being removed from the real property.
27 Service shall be made on all interested persons by personal
28 service or, if personal service cannot be made, by certified
29 mail and first class mail to the last known address of record
30 of the interested person and by posting the notice in a
31 conspicuous place on the building, or by publication. The last
32 known address of record for the property owner shall be the
33 address of record with the county treasurer of the county where
34 the property is located. Service may also be made as provided
35 in [section 654.4A](#).

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EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill provides for the establishment of land banks.

Division I of the bill authorizes one or more municipalities to establish a land bank as a method to return dilapidated, abandoned, blighted, and tax-delinquent properties in their communities to economically productive status. An established land bank is a public agency for the purpose of joint exercise of governmental powers, a governmental body for purposes of public meetings requirements of Code chapter 21, and a government body for purposes of public records requirements of Code chapter 22. Land banks are subject to periodic examination by the auditor of state under Code chapter 11. The bill sets membership requirements and term limits for a board of directors of a land bank, including interests that shall be represented on the board. The bill requires the board to establish bylaws relating to governance of the land bank.

Division I of the bill grants a land bank various powers and duties, including the authority to acquire properties through certain procedures such as issuing a trump bid, which shall be for all delinquent taxes owed on a property, at a tax sale. However, the bill explicitly prohibits a land bank from possessing or exercising the power of eminent domain. The bill establishes financing procedures that govern land banks, including allowing to be remitted to the land bank up to 75 percent of real property taxes collected on a real property conveyed by a land bank that remains after the division of taxes for an urban renewal area and exclusive of any amount levied by a school district for five consecutive assessment years. The bill provides procedures for removing encumbrances on acquired property, including the extinguishing of tax liens. The bill requires a land bank to make monthly and annual reports to the governing body that created the land bank and submit an annual report to the general assembly. The bill

1 provides procedures for disposing of property that is acquired
2 by the land bank. The bill also provides procedures for
3 dissolving a land bank.

4 Division II of the bill makes changes throughout the Code to
5 conform with land bank procedures established in Division I of
6 the bill.