

Senate File 2369 - Introduced

SENATE FILE 2369
BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO SF 2013)

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. *"Abandoned"* means a parcel containing a building that
2 has remained vacant for a period of at least twelve consecutive
3 months and that is in need of rehabilitation.

4 2. *"Blighted"* means a parcel containing a building that is
5 unsafe with objectively determinable signs of deterioration
6 sufficient to constitute a threat to human health, safety, and
7 welfare.

8 3. *"Board"* means the board of directors of a land bank.

9 4. *"Dilapidated"* means a parcel containing a building in a
10 state of deterioration as a result of age or neglect.

11 5. *"Financial institution"* means a bank, savings
12 association, operating subsidiary of a bank or savings
13 association, credit union, association licensed to originate
14 mortgage loans, or an assignee of a mortgage or note originated
15 by such an institution.

16 6. *"Geographical boundaries of the land bank"* means the
17 jurisdiction of the municipality that created the land bank
18 or in the case of any combination of municipalities creating
19 a single land bank or joining an existing land bank, the
20 combined jurisdictions of the municipalities. In the case of a
21 land bank created by a county, such land bank's jurisdiction
22 includes only the area of the county not included within an
23 incorporated city.

24 7. *"Land bank"* means an entity created under section 358A.4.

25 8. *"Local employee"* means a person employed by a
26 municipality of this state and does not include an independent
27 contractor.

28 9. *"Local official"* means an officeholder of a municipality
29 of this state.

30 10. *"Municipality"* means a city, county, or township.

31 11. *"Rehabilitation"* means the action of restoring to its
32 former condition something that has deteriorated or has been
33 damaged.

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

35 1. A land bank organized under this chapter shall be a

1 body corporate and politic, with the name under which it was
2 organized, and may sue and be sued in its own name, contract
3 and be contracted with, acquire and hold real and personal
4 property necessary for corporate purposes, adopt a corporate
5 seal and alter the same at pleasure, and exercise all the
6 powers conferred in this chapter.

7 2. a. Any municipality may create a land bank. Creation
8 shall be by ordinance in the case of a city or by resolution in
9 the case of a county or township. The ordinance or resolution
10 shall make reference to the purposes listed under section
11 358A.2.

12 b. Any city, county, or township may create a land bank
13 in combination with other cities, counties, or townships.
14 Municipalities seeking to create such a land bank shall comply
15 with the procedures set forth in chapter 28E. A land bank
16 shall be considered a "public agency" for the purposes of
17 chapters 28E and 28H.

18 c. (1) Any city or township passing an ordinance or a
19 resolution or entering into a chapter 28E agreement under
20 paragraph "a" or "b" of this subsection shall promptly deliver
21 copies of the ordinance, resolution, or agreement to the
22 auditor, treasurer, and the county attorney of each county in
23 which the municipality is situated.

24 (2) Any board of supervisors adopting a resolution or
25 entering into a chapter 28E agreement creating a land bank
26 pursuant to this section shall deliver a copy of the resolution
27 or agreement to the county auditor, county treasurer, and
28 county attorney.

29 3. a. The enabling ordinance or resolution, or chapter 28E
30 agreement, shall set forth the following:

31 (1) The initial board of directors and the initial terms of
32 those directors.

33 (2) General term lengths and limits for the board of
34 directors.

35 (3) Procedures that the board of directors will follow in

1 exercising discretionary provisions of this chapter.

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

5 *c.* Unless otherwise limited in the ordinance, resolution,
6 or chapter 28E agreement, the powers and procedures of a newly
7 created land bank shall be the powers and procedures specified
8 in this chapter.

9 4. A council of governments established in section 28H.1
10 shall not form a land bank. However, pursuant to a chapter
11 28E agreement, a council of governments may provide community
12 development services, planning services, and technical
13 assistance to a land bank.

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

15 1. *a.* A land bank shall have a board of directors in which
16 all powers of the land bank shall be vested.

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

20 2. *a.* The membership of the board shall be established in
21 the bylaws of the land bank and shall consist of an odd number
22 of members, which shall be not less than five nor more than
23 eleven.

24 *b.* Unless otherwise specified by the ordinance, resolution,
25 or agreement under section 358A.4, the default length of a term
26 for a board member shall be four years. The maximum length of a
27 term for a board member shall be five years.

28 *c.* A land bank may, as determined in the bylaws, limit the
29 number of terms or consecutive terms that members of its board
30 may serve.

31 3. *a.* A local official may serve as a board member and
32 service as a land bank board member shall neither terminate nor
33 impair that public office.

34 *b.* A local employee shall be eligible to serve as a land
35 bank board member.

1 *c.* The members of a land bank board shall all be voting
2 members. Land bank board members shall, to the extent
3 practicable, include representatives of each of the following:

4 (1) A local government.

5 (2) A chamber of commerce.

6 (3) Persons with experience in financial services.

7 (4) Persons with experience in real property acquisition or
8 real property development.

9 (5) Persons with experience in nonprofit or affordable
10 housing.

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

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

13 (b) The person is not a local public official or local
14 employee.

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

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

21 4. Annually, the board shall select from the board
22 membership a chair, vice chair, secretary, and treasurer and
23 such other officers as the board deems necessary.

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

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

31 7. The board shall meet as follows:

32 *a.* In regular session according to a schedule adopted by the
33 board.

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

1 8. *a.* A majority of the board, excluding vacancies,
2 constitutes a quorum.

3 *b.* A board may permit any or all members to participate in
4 a regular or special meeting by, or conduct a meeting through
5 the use of, any means of electronic communication by which all
6 directors participating can simultaneously hear each other
7 during the meeting. A member participating in a meeting by
8 means of electronic communication is deemed to be present, in
9 person, at the meeting.

10 9. *a.* The board shall adopt bylaws establishing all of the
11 following:

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

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

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

19 (4) A procedure detailing prioritization of what and which
20 types of properties to acquire, a procedure for acquisition of
21 properties, and a statement of purpose.

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

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

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

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

32 (9) Other matters necessary to govern the conduct of a land
33 bank.

34 *b.* When in actual conflict, the ordinances, resolutions, or
35 agreements described in section 358A.4 shall control over any

1 bylaws adopted by the board.

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

7 *b.* Action of the board on the following matters must be
8 approved by a majority of the entire board membership excluding
9 vacancies:

10 (1) Adoption of bylaws.

11 (2) Hiring or firing of an employee or contractor of the
12 land bank.

13 (3) Incurring of debt.

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

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

18 *c.* A resolution regarding dissolution of the land bank under
19 section 358A.17 must be approved by two-thirds of the entire
20 board membership.

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

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

24 11. Members of the board shall not be liable personally on
25 the obligations of the land bank, and rights of creditors of a
26 land bank shall be solely against the land bank.

27 **Sec. 6. NEW SECTION. 358A.6 Staff.**

28 1. A land bank may employ or contract for the employment
29 of a secretary, an executive director, legal counsel and legal
30 staff, including the use of student clinicians from a reputable
31 law school in this state with a clinical law program, and such
32 other technical experts and agents and employees, permanent
33 or temporary, as the land bank may require. The land bank
34 may determine the qualifications and fix the compensation and
35 benefits of such persons. A land bank may also enter into

1 contracts and agreements with municipalities or nonprofit
2 entities for staffing services to be provided to the land
3 bank or for a land bank to provide such staffing services to
4 municipalities or agencies or departments of municipalities.

5 2. An employee of the land bank is not and shall not be
6 deemed to be an employee of the municipality for whose benefit
7 the land bank is organized solely because the employee is
8 employed by the land bank.

9 3. A land bank is an employer as defined in section 97B.1A,
10 subsection 9, paragraph "a", and an employee of the land bank
11 is an employee as defined in section 97B.1A, subsection 8.

12 4. The land bank shall determine the compensation for an
13 executive director who shall manage the operations of a land
14 bank and employ or contract for the employment of others for
15 the benefit of the land bank as approved and funded by the
16 board of directors.

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

18 1. In furtherance of the purposes set forth in section
19 358A.2, a land bank shall have all of the following powers:

20 a. To borrow money for any of the purposes of the land bank
21 by means of loans, lines of credit, or any other financial
22 instruments or securities other than through the issuance
23 of bonds, debentures, or notes. A land bank may secure its
24 indebtedness by mortgage, pledge, deed of trust, or other lien
25 on its property, franchises, rights, and privileges of every
26 kind and nature or any part thereof or interest therein. The
27 funds borrowed by the land bank are payable as to principal,
28 interest, and any other amounts owed the lender solely from
29 the proceeds from the net revenues of the land bank and are
30 not a debt of or charge against any of the municipalities that
31 formed the land bank within the meaning of any constitutional
32 or statutory debt limitation provision. For purposes of this
33 subsection:

34 (1) "*Net revenues*" means the gross revenues of the land bank
35 less the land bank's operating expenses.

1 (2) "*Gross revenues*" means the income and receipts of the
2 land bank from any source whatsoever, including but not limited
3 to contributions from private parties or member municipalities,
4 sale or lease of rehabilitated properties, and collection of a
5 portion of the property taxes during the five-year period after
6 sale or lease of the rehabilitated property.

7 b. To purchase, receive, hold, manage, lease,
8 lease-purchase, or otherwise acquire and to sell, convey,
9 including a conveyance by installment purchase contract,
10 transfer, lease, sublease, or otherwise dispose of real and
11 personal property, together with any incidental or appurtenant
12 rights, privileges, or uses, including but not limited to any
13 real or personal property acquired by the land bank in the
14 satisfaction of debts or the enforcement of obligations.

15 c. (1) To acquire the good will, business, rights, real and
16 personal property, and other assets of any person, subject to
17 any obligations enforceable against the property so acquired.

18 (2) To acquire, reclaim, manage, or contract for the
19 management of improved or unimproved and underutilized
20 real property for the purpose of constructing or causing
21 the construction of business establishments or housing on
22 the property, for the purpose of assembling and enhancing
23 utilization of the real property, or for the purpose of
24 disposing of such real property to others in whole or in part
25 for the construction of business establishments or housing.

26 (3) To acquire, reclaim, manage, contract for the
27 management of, construct or reconstruct, alter, repair,
28 maintain, operate, sell, convey, including a conveyance by
29 installment purchase contract, transfer, lease, sublease, or
30 otherwise dispose of business establishments or housing.

31 d. To acquire, subscribe for, own, hold, sell, assign,
32 transfer, mortgage, pledge, or otherwise dispose of stocks,
33 shares, bonds, debentures, notes, or other securities
34 interests or indebtedness and evidences of interest in, or
35 indebtedness of, any person, notwithstanding section 12B.10.

1 Any tax revenue received by a land bank shall not be used for
2 acquisition or subscription. The acquisition of securities
3 shall only be by gift. Securities so acquired shall be
4 converted to cash as soon as practicable.

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

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

11 *g.* To charge fees or exchange in-kind goods or services for
12 services rendered to political subdivisions and other persons
13 for whom services are rendered.

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

17 *i.* To be assigned a mortgage on real property from a
18 mortgagee in lieu of acquiring such real property subject to
19 a mortgage.

20 *j.* To register as a bidder for tax sales conducted under
21 chapter 446, including tax sales conducted under section
22 446.19C, to bid on parcels offered at such sales, and to hold
23 and administer tax sale certificates obtained at such sales,
24 provided that a land bank may exercise the powers authorized
25 under this paragraph only with respect to parcels within the
26 geographical boundaries of the land bank.

27 *k.* A land bank may petition for abatement pursuant to
28 chapter 657A and is an "interested person" for purposes of that
29 chapter.

30 *l.* To do all acts and things necessary or convenient to
31 carry out the purposes set forth in section 358A.2 and the
32 powers especially created for a land bank in this section,
33 including but not limited to contracting with the federal
34 government, the state or any political subdivision of the
35 state, and any other party, whether nonprofit or for-profit.

1 2. The powers enumerated in this chapter shall not be
2 construed to limit the general powers of a land bank. The
3 powers granted under this chapter are in addition to the powers
4 granted by any other section of the Code, but as to a land
5 bank, shall be used only for the purposes set forth in section
6 358A.2.

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

8 1. A land bank shall not possess or exercise the power of
9 eminent domain.

10 2. Land acquired by a municipality by the exercise of
11 condemnation through eminent domain shall not be used to
12 effectuate the purposes of this chapter.

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

14 1. a. Except as provided in section 358A.8, a land bank
15 may acquire real property or interests in real property by
16 gift, devise, transfer, exchange, foreclosure, purchase, or
17 otherwise, on terms and conditions and in a manner the board
18 considers is in the best interest of the land bank.

19 b. A land bank may hold and own in its own name any
20 property acquired by or conveyed to the land bank. All deeds,
21 mortgages, contracts, leases, purchases, or other agreements
22 regarding property of the land bank, including agreements to
23 acquire or dispose of real property, may be approved by and
24 executed in the name of the land bank.

25 2. a. A land bank may acquire real property by purchase
26 contracts, lease-purchase agreements, installment sales
27 contracts, land contracts, or other contracts that convey an
28 interest in real property. A land bank may accept transfers
29 of property or interests in property from the state or
30 any political subdivision of the state upon such terms and
31 conditions as agreed to by the land bank and that unit of
32 government so long as the real property is located within the
33 geographical boundaries of the land bank.

34 b. A land bank may acquire tax sale certificates at a tax
35 sale conducted under chapter 446 and may subsequently acquire

1 title through tax lien foreclosure procedures. A land bank
2 shall not be considered a city or county for purposes of
3 bidding on and acquiring tax sale certificates under chapter
4 446, redeeming property under chapter 447, or obtaining a tax
5 sale deed under chapter 448.

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

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

15 e. A land bank may be granted, pursuant to an
16 intergovernmental contract with a political subdivision of
17 this state, the authority to manage and maintain real property
18 located within the geographical boundaries of the political
19 subdivision, but outside the geographical boundaries of the
20 land bank. If a land bank receives a gift or devise of real
21 property located outside of the geographical boundaries of the
22 land bank, the land bank shall dispose of such property by sale
23 or exchange as soon as reasonably practicable.

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

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

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

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

1 the bank in accordance with the purposes of section 358A.2.

2 2. The land bank shall set forth in a resolution the land
3 bank's proposal for sale, exchange, transfer, lease for more
4 than a period of three years, grant, or other disposition of
5 real property the land bank owns and shall publish notice in a
6 newspaper published at least once weekly and having a general
7 circulation within the general boundaries of the land bank at
8 least four and not more than twenty days prior to the date of
9 the public hearing. The published notice shall provide the
10 date, time, and place of a public hearing on the proposal.
11 However, if the population within the geographical boundaries
12 of the land bank is less than two hundred or if there is not
13 a newspaper published within the geographical boundaries of
14 the land bank, the land bank may post such notice on the real
15 property that is the subject of such proposal and at two public
16 places within the geographical boundaries of the land bank.

17 3. After the public hearing, the land bank shall make a
18 final determination on the proposal by resolution.

19 4. A land bank shall not dispose of real property by gift
20 except to a governmental body for a public purpose.

21 5. A land bank shall determine the amount and form of
22 consideration necessary to convey, exchange, sell, transfer,
23 lease, grant, or mortgage interests in real property.
24 Consideration may take the form of monetary payments and
25 secured financial obligations, covenants and conditions related
26 to the present and future use of the property, contractual
27 commitments by the transferee, and other forms of consideration
28 as determined by the board to be in the best interest of
29 the land bank. The value of the consideration shall be
30 not less than the lesser of the fair market value of the
31 property subject to any terms and conditions imposed upon the
32 disposition of the property or the amount paid by the land bank
33 to acquire and rehabilitate the property.

34 6. A municipality may in the ordinance or resolution
35 creating a land bank, or in the chapter 28E agreement in the

1 case of any combination of municipalities creating a single
2 land bank, require that a particular form of disposition of
3 real property or a disposition of real property located within
4 a specified jurisdiction be subject to specified voting and
5 approval requirements of the board.

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

7 1. A land bank may receive funding through grants, loans,
8 and other funds from the municipality that created the land
9 bank, from other municipalities, from the state of Iowa, from
10 the federal government, and from other public and private
11 sources, including but not limited to donations, gifts, or
12 bequests.

13 2. A land bank may receive and retain payments for services
14 rendered, for rents and leasehold payments received, for
15 consideration for disposition of real and personal property,
16 for proceeds of insurance coverage for losses incurred, for
17 income from investments, and for any other asset and activity
18 lawfully permitted to a land bank under this chapter.

19 3. Up to seventy-five percent of the real property taxes
20 remaining after the division of taxes pursuant to section
21 403.19, if applicable, and exclusive of any amount levied by a
22 school district, collected on real property that a land bank
23 has conveyed or leased to a third party shall be remitted to
24 the land bank. The specific percentage of the taxes to be
25 remitted, as to each municipality that created the land bank,
26 shall be set forth in the enabling ordinance, resolution, or
27 chapter 28E agreement creating the land bank. The allocation
28 of property tax revenues shall commence with property taxes
29 payable on the assessed value of the property determined on the
30 first assessment year beginning January 1 following the date
31 of conveyance or lease by the land bank and shall be allocated
32 for a period of five consecutive years. The land bank shall
33 give the treasurer in the county where the property is located
34 written notice of the date of the sale or lease of any property
35 for which the land bank claims a real property tax payment

1 under this subsection. The notice shall identify the property
2 by local tax parcel number, address, and legal description and
3 include a copy of the ordinance, resolution, or chapter 28E
4 agreement setting forth the portion of such taxes allocable to
5 the land bank under this subsection. Upon receipt of the taxes
6 from such property, the treasurer shall pay the land bank its
7 share of the taxes paid on such property with respect to the
8 applicable five-year period.

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

13 a. Furtherance of land bank operations.

14 b. Recovery of land bank expenses.

15 Sec. 12. NEW SECTION. 358A.12 **Delinquent property tax**
16 **enforcement.**

17 1. Whenever a land bank acquires real property encumbered
18 by a lien or claim for real property taxes owed to one or
19 more of the municipalities that established the land bank,
20 or to other political subdivisions that have entered into an
21 intergovernmental contract with the land bank, the land bank
22 may, by resolution of the board, discharge and extinguish any
23 and all of the liens or claims. The decision by the board to
24 extinguish the property tax liens or claims is subject to the
25 voting requirements contained in section 358A.5, subsection
26 10. If a portion of the real property taxes are attributable
27 to property taxes certified for levy by a school district,
28 the land bank shall notify the school district in writing of
29 its intent to extinguish all such liens and claims. If the
30 school district sends a written objection to the proposed
31 extinguishment of such liens and claims to the land bank within
32 thirty days of receipt of such notice, the land bank shall not
33 extinguish the liens and claims. If the school district fails
34 to send a written objection to the proposed extinguishment to
35 the land bank within thirty days of receipt of such notice

1 from the land bank, the land bank shall have the power, by
2 resolution of the board, to discharge and extinguish any
3 and all such liens or claims. To the extent necessary and
4 appropriate, the land bank shall file with the appropriate
5 taxing entity a copy of the resolution providing for the
6 discharge and the extinguishment of liens or claims under this
7 section.

8 2. If a land bank receives payments of any kind attributable
9 to liens or claims for real property taxes owed or allocated
10 to a municipality or school district on property acquired by
11 the land bank, the land bank shall remit the full amount of the
12 payments to the appropriate taxing entity.

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

14 The income and operations of a land bank are exempt from
15 taxation by the state and by any political subdivision of the
16 state.

17 Sec. 14. NEW SECTION. 358A.14 **Public records and public
18 meetings.**

19 A land bank is a "governmental body" for purposes of chapter
20 21 and a "government body" for the purposes of chapter 22. A
21 land bank shall comply with all public meeting requirements
22 under chapter 21 and all public records requirements under
23 chapter 22.

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

25 1. A land bank shall submit to the governing body of the
26 municipality that created the land bank a monthly report that
27 informs the municipality of the land bank's activities for the
28 previous month.

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

33 3. A land bank shall submit an annual report, by January
34 31 of each year, to the general assembly's standing committees
35 on commerce concerning the land bank's activities for the

1 preceding calendar year.

2 Sec. 16. NEW SECTION. 358A.16 Audits.

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

6 Sec. 17. NEW SECTION. 358A.17 Dissolution of land banks.

7 1. A land bank may be dissolved sixty calendar days after
8 a resolution of dissolution is approved by two-thirds of the
9 voting members of the board and by two-thirds of the membership
10 of each governing body of a municipality that created the
11 land bank. The board shall appoint a trustee to distribute
12 assets held by the land bank. The board shall give sixty
13 calendar days advance written notice of its consideration of
14 a resolution of dissolution by publishing a notice in local
15 newspapers of general circulation within each municipality that
16 created the land bank. Upon dissolution of the land bank, all
17 liabilities, real property, personal property, and other assets
18 of the land bank shall become the liabilities and assets of the
19 municipality that created the land bank, or, in the case of a
20 land bank created pursuant to a chapter 28E agreement, shall be
21 distributed pursuant to the chapter 28E agreement.

22 2. A municipality may withdraw from a land bank if the land
23 bank was created pursuant to a chapter 28E agreement. The
24 withdrawing municipality shall receive its share of assets and
25 liabilities as determined in the chapter 28E agreement. A land
26 bank consisting of two or more municipalities does not dissolve
27 upon the withdrawal of a single municipality.

28 Sec. 18. NEW SECTION. 358A.18 Conflicts of interest.

29 1. For purposes of this section, "family member" means a
30 person who is a spouse, domestic partner, child, step-child,
31 grandchild, parent, step-parent, grandparent, sibling, niece,
32 nephew, uncle, aunt, mother-in-law, father-in-law, son-in-law,
33 or daughter-in-law of a member of the board or an employee of a
34 land bank. "Family member" includes a person who is a family
35 member through adoption.

1 2. A member of the board, employee of a land bank, or family
2 member of a member of the board or an employee of the land
3 bank shall not acquire any direct or indirect interest in real
4 property of the land bank or in any property to be acquired
5 from the land bank, or have or acquire any direct or indirect
6 interest in any real property to be acquired by a land bank.
7 A land bank shall not acquire any real property from a board
8 member, employee of the land bank, or family member of a board
9 member or employee of the land bank.

10 3. Members of the board and employees of the land bank shall
11 disclose to the board any direct or indirect ownership interest
12 such person or a family member of such person has in any
13 property to be acquired by the land bank or located within one
14 thousand feet of any property that the land bank is considering
15 acquiring before the land bank takes any action to acquire such
16 property. A member of the board who is required to make such
17 disclosure shall not participate in the decision to approve the
18 acquisition of such property.

19 4. A member of the board, employee of a land bank, or family
20 member of a member of the board or an employee of the land
21 bank may have a direct or indirect interest in any contract
22 or proposed contract for material or services to be furnished
23 to or used by a land bank only upon all of the following
24 conditions:

25 a. The member of the board or employee of the land bank
26 discloses the material facts of such transaction and the nature
27 of such interest to the board before the board acts to approve
28 such contract and, if the person is a board member, does not
29 participate in the discussion or vote to consider approval of
30 such contract.

31 b. Such contract is approved by a majority of the members
32 of the board who have no direct or indirect interest in such
33 contract and whose family members have no direct or indirect
34 interest in such contract.

35 c. Such contract is fair at the time the contract is

1 approved.

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

4 (1) Outside employment or an activity that involves the use
5 of the land bank's time, facilities, equipment, and supplies
6 or the use of evidences of office or employment to give the
7 person, an entity affiliated with or controlled by the person,
8 or a family member of the person an advantage or pecuniary
9 benefit that is not available to other similarly situated
10 members or classes of members of the general public. For
11 purposes of this subparagraph, a person is not "*similarly*
12 *situated*" merely by being, or being related to, a person who
13 serves or is employed by the land bank.

14 (2) Outside employment or an activity that involves the
15 receipt of, promise of, or acceptance of money or other
16 consideration by the person, an entity affiliated with or
17 controlled by the person, or a family member of the person from
18 anyone other than the land bank for the performance of any act
19 that the person would be required or expected to perform as a
20 part of the person's regular duties or during the hours during
21 which the person performs service or work for the land bank.

22 (3) Outside employment or an activity that is subject to
23 the official control, inspection, review, audit, or enforcement
24 authority of the person, during the performance of the person's
25 duties of office or employment.

26 b. If the outside employment or activity is employment or
27 activity described in paragraph "a", subparagraph (1) or (2),
28 the person shall immediately cease the employment or activity.
29 If the outside employment or activity is employment or activity
30 described in paragraph "a", subparagraph (3), unless otherwise
31 provided by law, the person shall take one of the following
32 courses of action:

33 (1) Cease the outside employment or activity.

34 (2) Publicly disclose the existence of the conflict and
35 refrain from taking any official action or performing any

1 official duty that would detrimentally affect or create a
2 benefit for the outside employment or activity. For purposes
3 of this subparagraph, "official action" or "official duty"
4 includes but is not limited to participating in any vote,
5 taking affirmative action to influence any vote, granting any
6 license or permit, determining the facts or law in a contested
7 case or rulemaking proceeding, conducting any inspection, or
8 providing any other official service or thing that is not
9 available generally to members of the public in order to
10 further the interests of the outside employment or activity.

11 6. Unless otherwise specifically provided the requirements
12 of this section shall be in addition to, and shall not
13 supersede, any other rights or remedies provided by law.

14 DIVISION II

15 LAND BANK TAX SALE COORDINATING PROVISIONS

16 Sec. 19. Section 446.16, subsection 2, Code 2020, is amended
17 to read as follows:

18 2. The treasurer may establish and collect a reasonable
19 registration fee from each registered bidder at the tax
20 sale. The fee shall not be assessed against a county, ~~or~~
21 municipality, or land bank. The total of the fees collected
22 shall not exceed the total costs of the tax sale. Registration
23 fees collected shall be deposited in the general fund of the
24 county.

25 Sec. 20. NEW SECTION. 446.19C Land bank tax sale.

26 1. A land bank has the exclusive bidder's right to purchase
27 tax sale certificates offered at the treasurer's annual tax
28 sale with respect to tax delinquent parcels located within the
29 geographical boundaries of the land bank that are dilapidated,
30 abandoned, or blighted and that are suitable for housing or
31 commercial use following rehabilitation.

32 2. To qualify for the exclusive bidder's right to purchase
33 tax sale certificates under this section, a land bank must
34 file a verified statement with the treasurer on or before May
35 15. The land bank is responsible for obtaining information

1 from the treasurer as needed to accurately identify tax parcel
2 numbers and total amounts due. The land bank shall provide the
3 treasurer with the federal tax identification number of the
4 land bank, but such information is not required to be shown on
5 the verified statement. The verified statement shall include
6 all of the following:

7 *a.* The name, address, telephone number, and electronic mail
8 address of the land bank.

9 *b.* A statement that the land bank is exercising its right to
10 purchase each identified parcel pursuant to this section.

11 *c.* Specific identification of each parcel by the parcel's
12 official county tax parcel number.

13 *d.* With respect to each identified parcel, a statement that
14 the parcel is dilapidated, abandoned, or blighted and that the
15 parcel is suitable for housing or commercial use following
16 rehabilitation.

17 *e.* The total amount due for each identified parcel computed
18 to the date of the tax sale.

19 3. In addition to the verified statement, the land bank
20 shall submit payment to the treasurer of an amount equal to
21 the total amount due cumulatively for all of the parcels
22 identified in the verified statement. The filing of the
23 verified statement by a land bank accompanied by payment of the
24 total amount due for all identified parcels shall constitute
25 the registration by the land bank as a bidder at the tax sale.
26 The land bank shall not be required to pay a registration fee.

27 4. The land bank's verified statement shall be published at
28 the same time and in the same manner as the notice of the annual
29 tax sale, and the requirements in section 446.9, subsection 2,
30 for publication of notice of the annual tax sale also apply to
31 publication of the verified statement.

32 5. Upon timely receipt of the verified statement and
33 payment of the total amount due cumulatively for all identified
34 parcels, the treasurer shall remove all of the identified
35 parcels from the regular annual tax sale and place those

1 parcels in a separate sale known as the "land bank tax sale".
2 On the day of the regular tax sale, the treasurer shall issue
3 and deliver tax sale certificates to the land bank for all
4 parcels listed in the land bank's verified statement that
5 remain liable to sale for delinquent taxes. The land bank's
6 exclusive right to purchase tax sale certificates to parcels
7 included in the land bank tax sale is prior and superior to the
8 rights of any other tax sale bidder. Any tax sale certificate
9 issued to a land bank under the provisions of this section
10 shall secure a one hundred percent interest in the parcel.

11 6. The separate land bank tax sale shall be conducted by
12 the treasurer prior to the separate public nuisance tax sale
13 conducted under section 446.19B. If the same parcel is listed
14 in both such sales, the parcel shall be sold to the land bank.

15 7. If any parcel identified within the land bank's verified
16 statement has been removed from the land bank tax sale because
17 of receipt by the treasurer of payment of the taxes required to
18 eliminate the delinquency, the treasurer shall refund to the
19 land bank the amount paid with respect to the total amount due
20 for the parcel.

21 8. For purposes of this section, "abandoned", "blighted",
22 "dilapidated", "geographical boundaries of the land bank", "land
23 bank", and "rehabilitation" mean the same as defined in section
24 358A.3.

25 Sec. 21. Section 447.9, subsection 1, Code 2020, is amended
26 to read as follows:

27 1. After one year and nine months from the date of sale, or
28 after nine months from the date of a sale made under section
29 446.18, or after three months from the date of a sale made
30 under section 446.19A, ~~or 446.19B~~, or 446.19C, the holder
31 of the certificate of purchase may cause to be served upon
32 the person in possession of the parcel, and also upon the
33 person in whose name the parcel is taxed, a notice signed by
34 the certificate holder or the certificate holder's agent or
35 attorney, stating the date of sale, the description of the

1 parcel sold, the name of the purchaser, and that the right
2 of redemption will expire and a deed for the parcel be made
3 unless redemption is made within ninety days from the completed
4 service of the notice. The notice shall be served by both
5 regular mail and certified mail to the person's last known
6 address and such service is deemed completed when the notice
7 is deposited in the mail and postmarked for delivery. The
8 ninety-day redemption period begins as provided in section
9 447.12. When the notice is given by a county as a holder of
10 a certificate of purchase the notice shall be signed by the
11 county treasurer or the county attorney, and when given by a
12 city, it shall be signed by the city officer designated by
13 resolution of the council. When the notice is given by the
14 Iowa finance authority or a city or county agency holding
15 the parcel as part of an Iowa homesteading project, it shall
16 be signed on behalf of the agency or authority by one of its
17 officers, as authorized in rules of the agency or authority.

18 DIVISION III

19 OTHER COORDINATING PROVISIONS

20 Sec. 22. Section 11.1, subsection 1, paragraph c, Code 2020,
21 is amended to read as follows:

22 *c. "Governmental subdivision" means cities and*
23 *administrative agencies established by cities, hospitals or*
24 *health care facilities established by a city, counties, county*
25 *hospitals organized under chapters 347 and 347A, memorial*
26 *hospitals organized under chapter 37, entities organized under*
27 *chapter 28E, land banks created under chapter 358A, community*
28 *colleges, area education agencies, and school districts.*

29 Sec. 23. Section 21.2, subsection 1, Code 2020, is amended
30 by adding the following new paragraph:

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

32 Sec. 24. Section 22.1, subsection 1, Code 2020, is amended
33 to read as follows:

34 1. *"Government body" means this state, or any county,*
35 *city, township, school corporation, political subdivision,*

1 tax-supported district, nonprofit corporation other than a
2 fair conducting a fair event as provided in [chapter 174](#), whose
3 facilities or indebtedness are supported in whole or in part
4 with property tax revenue and which is licensed to conduct
5 pari-mutuel wagering pursuant to [chapter 99D](#); the governing
6 body of a drainage or levee district as provided in chapter
7 468, including a board as defined in [section 468.3](#), regardless
8 of how the district is organized; a land bank created under
9 chapter 358A; or other entity of this state, or any branch,
10 department, board, bureau, commission, council, committee,
11 official, or officer of any of the foregoing or any employee
12 delegated the responsibility for implementing the requirements
13 of [this chapter](#).

14 Sec. 25. Section 97B.1A, subsection 9, paragraph a, Code
15 2020, is amended to read as follows:

16 *a.* "Employer" means the state of Iowa, the counties,
17 municipalities, agencies, public school districts, all
18 political subdivisions, and all of their departments and
19 instrumentalities, including area agencies on aging, other than
20 those employing persons as specified in [subsection 8](#), paragraph
21 "b", subparagraph (7), land banks created under chapter 358A,
22 and joint planning commissions created under [chapter 28E](#) or
23 28I.

24 Sec. 26. Section 331.361, subsections 2 and 4, Code 2020,
25 are amended to read as follows:

26 2. In disposing of an interest in real property by sale or
27 exchange, by lease for a term of more than three years, or by
28 gift, the following procedures shall be followed, except for
29 dispositions to land banks created under chapter 358A and as
30 otherwise provided by state law:

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

34 *b.* After the public hearing, the board may make a final
35 determination on the proposal by resolution.

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

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

9 Sec. 27. Section 364.7, Code 2020, is amended to read as
10 follows:

11 **364.7 Disposal of property.**

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

15 ~~1-~~ a. The council shall set forth its proposal in a
16 resolution and shall publish notice as provided in section
17 362.3, of the resolution and of a date, time and place of a
18 public hearing on the proposal.

19 ~~2-~~ b. After the public hearing, the council may make a
20 final determination on the proposal by resolution.

21 ~~3-~~ c. A city may not dispose of real property by gift
22 except to a governmental body for a public purpose.

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

25 Sec. 28. Section 427.1, Code 2020, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 42. *Land bank property.* The real property
28 of a land bank created under chapter 358A. For purposes of
29 this subsection, real property includes but is not limited
30 to real property held by a land bank as lessor pursuant
31 to long-term lease contracts with community land trusts as
32 defined in 42 U.S.C. §12773, but does not include real property
33 otherwise leased by a land bank to a third party and does not
34 include real property that has been sold on contract, which
35 real property shall be subject to property taxation in the name

1 of the contract buyer.

2 Sec. 29. Section 573.1, subsection 3, Code 2020, is amended
3 to read as follows:

4 3. "*Public corporation*" shall embrace the state, and all
5 counties, cities, public school corporations, any land bank
6 created under chapter 358A, and all officers, boards, or
7 commissions empowered by law to enter into contracts for the
8 construction of public improvements.

9 Sec. 30. Section 657A.2, subsection 1, Code 2020, is amended
10 to read as follows:

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

1 the property is located. Service may also be made as provided
2 in [section 654.4A](#).

3

EXPLANATION

4

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

5

6

This bill provides for the establishment of land banks.

7

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

21

Division I of the bill grants a land bank various powers
22 and duties, including the authority to acquire properties
23 through certain procedures, including the purchase of tax
24 sale certificates and the foreclosure of properties acquired
25 at a tax sale if not redeemed. However, the bill explicitly
26 prohibits a land bank from possessing or exercising the power
27 of eminent domain. The bill establishes financing procedures
28 that govern land banks, including allowing to be remitted to
29 the land bank up to 75 percent of real property taxes collected
30 on a real property conveyed or leased by a land bank that
31 remains after the division of taxes for an urban renewal area
32 and exclusive of any amount levied by a school district for
33 five consecutive years after the property is again put on the
34 tax rolls. The bill requires a land bank to make monthly and
35 annual reports to the governing body that created the land

1 bank and submit an annual report to the general assembly. The
2 bill provides procedures for disposing of property that is
3 acquired by the land bank. The bill also provides procedures
4 for dissolving a land bank.

5 Division II of the bill creates a land bank tax sale
6 procedure, which allows a land bank to acquire abandoned,
7 blighted, or dilapidated properties through an exclusive tax
8 sale. In order to acquire property through a land bank tax
9 sale, the land bank shall file a verified statement identifying
10 the parcels for which the land bank intends to purchase the tax
11 sale certificates and shall pay the delinquent total amounts
12 due on each parcel before May 15. Upon timely receipt of
13 the land bank's verified statement and payment, the county
14 treasurer shall remove the identified parcels from the regular
15 annual tax sale and place those parcels in the land bank tax
16 sale. The land bank tax sale shall occur before a public
17 nuisance tax sale.

18 Division III of the bill makes changes throughout the Code
19 to conform with land bank procedures established in Division
20 I of the bill.