

**Senate Study Bill 1247 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON BREITBACH)

**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:

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DIVISION I  
LAND BANKS

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

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

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

The legislature finds and declares all of the following:

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

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

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

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

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

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

As used in this chapter, unless the context otherwise

1 requires:

2 1. *"Board"* means the board of directors of a land bank.

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

8 3. *"Geographical boundaries of the land bank"* means the  
9 jurisdiction of the municipality that created the land  
10 bank or in the case of any combination of municipalities  
11 creating a single land bank, the combined jurisdictions of the  
12 municipalities.

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

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

17 6. *"Local official"* means an officeholder of a municipality  
18 of this state.

19 7. *"Municipality"* means a municipal corporation, county, or  
20 township.

21 8. *"Person"* means an individual, firm, partnership,  
22 corporation, joint stock company, association, or trust.

23 9. *"Trump bid"* means the expression of intent by a land bank  
24 to purchase a property for sale at a tax foreclosure auction  
25 by informing the treasurer for the municipality holding the  
26 auction at least five business days prior to the beginning of  
27 the auction.

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

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

1     2. *a.* Any municipality may create a land bank. Creation  
2 shall be by ordinance in the case of a municipal corporation  
3 or by resolution in the case of a county or township. The  
4 ordinance or resolution shall make reference to the purposes  
5 listed under section 358A.2.

6     *b.* Any municipal corporation, county, or township may create  
7 a land bank in combination with other municipal corporations,  
8 counties, or townships. Municipalities seeking to create such  
9 a land bank shall comply with the procedures set forth in  
10 chapter 28E. A land bank shall be considered a "public agency"  
11 for the purposes of chapters 28E and 28H.

12     *c.* Any municipal corporation or township passing an  
13 ordinance or a resolution or entering into a chapter 28E  
14 agreement under paragraph "a" or "b" of this subsection shall  
15 promptly deliver copies of the ordinance, resolution, or  
16 agreement to the auditor, treasurer, and the county attorney of  
17 each county in which the municipality is situated. Any board  
18 of supervisors adopting a resolution or entering into a chapter  
19 28E agreement creating a land bank pursuant to this section  
20 shall deliver a copy of the resolution or agreement to the  
21 county auditor, county treasurer, and county attorney.

22     3. The enabling ordinance or resolution, or chapter 28E  
23 agreement, shall set forth the procedures that the land bank  
24 will follow in selecting a board of directors, determining  
25 term lengths and limits for the board, and exercising other  
26 discretionary powers described in other provisions of this  
27 chapter. Unless specified otherwise in the ordinance,  
28 resolution, or agreement, the powers and procedures of a newly  
29 created land bank shall be the powers and procedures specified  
30 in this chapter.

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

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

34     *b.* Unless restricted by the enabling ordinance, resolution,  
35 or agreement as specified in section 358A.4, the provisions of

1 this section shall apply to the governance of a land bank.

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

6 b. Unless otherwise specified by the ordinance, resolution,  
7 or agreement under section 358A.4, the default length of a term  
8 for a board member shall be four years.

9 c. A land bank may, as determined in the bylaws, limit the  
10 number of terms that members of its board may serve.

11 3. a. Notwithstanding any law to the contrary, a local  
12 official may serve as a board member and service as a land bank  
13 board member shall neither terminate nor impair that public  
14 office.

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

17 c. The members of a land bank board shall all be voting  
18 members. Land bank board members shall include representatives  
19 of each of the following:

20 (1) A local government.

21 (2) A chamber of commerce.

22 (3) Persons with experience in banking.

23 (4) Persons with experience in real property acquisition or  
24 real property development.

25 (5) Persons with experience in nonprofit or affordable  
26 housing.

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

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

29 (b) The person is not a local public official or local  
30 employee.

31 (c) The person maintains membership with a recognized civic  
32 organization within the land bank jurisdiction.

33 d. Requirements provided in paragraph "c" of this subsection  
34 may be satisfied by the appointment of a single voting member  
35 who meets more than one of the criteria.

1 e. A member removed under subsection 4 shall be ineligible  
2 for reappointment to the board unless the reappointment is  
3 confirmed unanimously by the board.

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

7 5. A vacancy on the board shall be filled in the same manner  
8 as the original appointment. Removal of a member shall cause  
9 the position to become vacant.

10 6. Board members shall serve without compensation.  
11 However, the board may reimburse a member for expenses actually  
12 incurred in the performance of duties on behalf of the land  
13 bank.

14 7. The board shall meet as follows:

15 a. In regular session according to a schedule adopted by the  
16 board.

17 b. In special session convened by the chair or upon written  
18 petition signed by a majority of the members.

19 8. a. A majority of the board, excluding vacancies,  
20 constitutes a quorum.

21 b. A board may permit any or all directors to participate in  
22 a regular or special meeting by, or conduct a meeting through  
23 the use of, any means of electronic communication by which all  
24 directors participating can simultaneously hear each other  
25 during the meeting. A director participating in a meeting by  
26 means of electronic communication is deemed to be present, in  
27 person, at the meeting.

28 9. a. The board shall adopt bylaws establishing all of the  
29 following:

30 (1) Duties of officers selected pursuant to subsection 3.

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

33 (3) A procedure for removal of a member for failure  
34 to comply with a bylaw. Removal shall only be made by the  
35 affirmative vote of no less than a majority of all of the other

1 members of the board.

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

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

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

11 (7) Other matters necessary to govern the conduct of a land  
12 bank.

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

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

21 *b.* Action of the board on the following matters must be  
22 approved by a majority of the entire board membership:

23 (1) Adoption of bylaws.

24 (2) Hiring or firing of an employee or contractor of the  
25 land bank. This function may, by majority vote of the entire  
26 board membership, be delegated by the board to a specified  
27 officer or committee of the land bank.

28 (3) Incurring of debt.

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

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

33 *c.* A resolution under section 358A.18 must be approved by  
34 two-thirds of the entire board membership.

35 *d.* A member of the board may not vote by proxy.

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

3 11. Members of the board shall not be liable personally on  
4 the bonds or other obligations of the land bank, and rights of  
5 creditors of a land bank shall be solely against the land bank.

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

7 1. A land bank may employ or contract for the employment  
8 of a secretary, an executive director, legal counsel and  
9 legal staff, and such other technical experts and agents  
10 and employees, permanent or temporary, as the land bank may  
11 require. The land bank may determine the qualifications  
12 and fix the compensation and benefits of such persons. A  
13 land bank may also enter into contracts and agreements with  
14 municipalities for staffing services to be provided to the land  
15 bank or for a land bank to provide such staffing services to  
16 municipalities or agencies or departments of municipalities.

17 2. An employee of the land bank is not and shall not be  
18 deemed to be an employee of the political subdivision for whose  
19 benefit the land bank is organized solely because the employee  
20 is employed by the land bank.

21 3. The land bank shall determine the compensation for an  
22 executive director who shall manage the operations of a land  
23 bank and employ or contract for the employment of others for  
24 the benefit of the land bank as approved and funded by the  
25 board of directors.

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

27 1. In furtherance of the purposes set forth in section  
28 358A.2, a land bank shall have all of the following powers:

29 a. (1) To borrow money for any of the purposes of the land  
30 bank by means of loans, lines of credit, or any other financial  
31 instruments or securities, including the issuance of its  
32 bonds, debentures, notes, or other evidences of indebtedness,  
33 whether secured or unsecured, and to secure the indebtedness by  
34 mortgage, pledge, deed of trust, or other lien on its property,  
35 franchises, rights, and privileges of every kind and nature or



1 any part thereof or interest therein.

2 (2) To request, by resolution, any of the following:

3 (a) That a county board of supervisors use its powers under  
4 chapter 331 to propose a special bond issue for all properties  
5 in that county's boundaries.

6 (b) (i) That a county board of supervisors use its  
7 powers under chapter 331 to propose a special bond issue for  
8 properties in only unincorporated areas or townships within  
9 that county's boundaries.

10 (ii) That a city or municipal corporation use its powers  
11 under chapter 372 to propose a special bond issue or revenue  
12 measure for properties held by a land bank within the corporate  
13 boundaries of a city or municipal corporation.

14 b. To make loans to any person and to establish and regulate  
15 the terms and conditions of the loans, provided that a land  
16 bank shall not approve any application for a loan unless and  
17 until the person applying for the loan shows that the person  
18 has applied for the loan through ordinary banking or commercial  
19 channels and that the loan has been refused by at least one  
20 bank or other financial institution.

21 c. To purchase, receive, hold, manage, lease,  
22 lease-purchase, or otherwise acquire and to sell, convey,  
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 d. (1) To acquire the good will, business, rights, real  
29 and personal property, and other assets, or any part or  
30 interest, of any person, and to assume, undertake, or pay the  
31 obligations, debts, and liabilities of any person.

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, transfer, lease, sublease, or  
8 otherwise dispose of business establishments or housing.

9 e. To acquire, subscribe for, own, hold, sell, assign,  
10 transfer, mortgage, pledge, or otherwise dispose of stocks,  
11 shares, bonds, debentures, notes, or other securities interests  
12 or indebtedness and evidences of interest in, or indebtedness  
13 of, any person and, while owning or holding the securities, to  
14 exercise all the rights, powers, and privileges of ownership,  
15 including any right to vote, provided that tax revenue, if any,  
16 received by a land bank shall not be used for acquisition or  
17 subscription.

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

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

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

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

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

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

35 l. To issue trump bids for properties subject to tax

1 foreclosure auction and purchase such properties at the amount  
2 initially proposed at such an auction. At the beginning of an  
3 auction, properties that a land bank has expressed intent to  
4 purchase via a trump bid will be publicly sold to the land bank  
5 for the initially proposed amount.

6 *m.* A land bank may petition for abatement pursuant to  
7 chapter 657A and is an "interested person" for purposes of that  
8 chapter.

9 *n.* To do all acts and things necessary or convenient to  
10 carry out the purposes set forth in section 358A.2 and the  
11 powers especially created for a land bank in this section,  
12 including but not limited to contracting with the federal  
13 government, the state or any political subdivision of the  
14 state, and any other party, whether nonprofit or for-profit.

15 2. The powers enumerated in this chapter shall not be  
16 construed to limit the general powers of a land bank. The  
17 powers granted under this chapter are in addition to the powers  
18 granted by any other section of the Code, but as to a land  
19 bank, shall be used only for the purposes set forth in section  
20 358A.2.

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

22 A land bank shall not possess or exercise the power of  
23 eminent domain.

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

25 1. *a.* Except as provided in section 358A.8, a land bank  
26 may acquire real property or interests in real property by  
27 gift, devise, transfer, exchange, foreclosure, purchase, or  
28 otherwise, on terms and conditions and in a manner the board  
29 considers is in the best interest of the land bank.

30 *b.* A land bank may hold and own in its own name any  
31 property acquired by or conveyed to the land bank. All deeds,  
32 mortgages, contracts, leases, purchases, or other agreements  
33 regarding property of the land bank, including agreements to  
34 acquire or dispose of real property, may be approved by and  
35 executed in the name of the land bank.

1     2. *a.* A land bank may acquire real property by purchase  
2 contracts, lease-purchase agreements, installment sales  
3 contracts, land contracts, or other contracts that convey an  
4 interest in real property. A land bank may accept transfers  
5 of property or interests in property from the state or  
6 any political subdivision of the state upon such terms and  
7 conditions as agreed to by the land bank and that unit of  
8 government so long as the real property is located within the  
9 geographical boundaries of the land bank.

10    *b.* The acquisition of property by the land bank shall not be  
11 governed or controlled by any regulations or laws relating to  
12 procurement or acquisition of property of any of the political  
13 subdivisions of this state that are members of the land bank,  
14 unless specifically provided in the ordinance, resolution, or  
15 agreement between municipalities made pursuant to chapter 28E  
16 establishing the land bank.

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

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

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

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

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

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

1 conditions, and subject to such restrictions and covenants as  
2 the land bank deems necessary or appropriate to assure the  
3 effective use of the bank in accordance with the purposes of  
4 section 358A.2.

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

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

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

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

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

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

32 1. A land bank may receive funding through grants, loans,  
33 and other funds from the governmental unit or units that  
34 created the land bank, from other municipalities, from the  
35 state of Iowa, from the federal government, and from other

1 public and private sources, including but not limited to  
2 donations, gifts, or bequests.

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

9 3. Up to seventy-five percent of the real property taxes,  
10 exclusive of any state or school district ad valorem tax,  
11 collected on real property that has been conveyed by a land  
12 bank to a subsequent landowner pursuant to the laws of this  
13 state shall be remitted to the land bank. The specific  
14 percentage of the taxes to be remitted, as to each land  
15 bank member, shall be set forth in the enabling ordinance,  
16 resolution, or chapter 28E agreement. The allocation of  
17 property tax revenues shall commence with the first taxable  
18 year following the date of conveyance by the land bank to a  
19 subsequent owner and shall continue for a period of five years.  
20 The funds shall be remitted to the land bank in accordance with  
21 the administrative procedures established by the county or  
22 counties in which the 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 Borrowing and issuance of**  
30 **bonds.**

31 1. A land bank shall have the power to issue bonds for any  
32 of its corporate purposes, the principal and interest of which  
33 are payable from the land bank's general revenues and other  
34 assets. The bonds shall be secured by a pledge of any revenue  
35 of the land bank or by a mortgage of any property of the land

1 bank.

2 2. The bonds issued by a land bank are, and shall conform to  
3 the requirements pertaining to, negotiable instruments under  
4 the uniform commercial code, chapter 554.

5 3. The bonds of a land bank created under the provisions of  
6 this section and the income from the bonds shall at all times  
7 be exempt from all taxes imposed by the state or any political  
8 subdivision of the state.

9 4. *a.* Bonds issued by a land bank shall be authorized by  
10 resolution of the board and shall be limited obligations of the  
11 land bank. The principal and interest, costs of issuance, and  
12 other costs incidental to the issuance of the bonds shall be  
13 payable solely from the income and revenue derived from the  
14 sale, lease, or other disposition of the assets of the land  
15 bank.

16 *b.* Any refunding bonds issued by a land bank shall be  
17 payable from any source described in paragraph "a" or from the  
18 investment of any of the proceeds of the refunding bonds.

19 *c.* Bonds of the land bank shall be issued in such form,  
20 shall be in such denominations, shall bear interest, shall  
21 mature in such manner, and shall be executed by one or more  
22 members of the board as provided in the resolution authorizing  
23 the issuance of the bonds. Bonds may be subject to redemption  
24 at the option of and in the manner determined by the board in  
25 the resolution authorizing the issuance of the bonds.

26 5. Bonds issued by the land bank shall be issued, sold,  
27 and delivered in accordance with the terms and provisions of a  
28 resolution adopted by the board. The board may sell the bonds  
29 in the manner, either at public or at private sale, and for the  
30 price as the board may determine to be in the best interests of  
31 the land bank. The resolution issuing bonds shall be published  
32 in a newspaper of general circulation within the municipality  
33 or municipalities that created the land bank.

34 6. Neither the members of a land bank nor any person  
35 executing bonds or refunding bonds shall be personally

1 liable on any of the bonds by reason of the issuance. Bonds,  
2 refunding bonds, or other obligations of a land bank shall  
3 not be a debt of any municipality that created the land bank  
4 and shall so state on the face of the bonds, refunding bonds,  
5 or obligations. A municipality, and any revenue or property  
6 of any municipality, that establishes a land bank shall not  
7 be liable on any of the bonds, refunding bonds, or other  
8 obligations of the land bank.

9     Sec. 13. NEW SECTION. 358A.13 **Delinquent property tax**  
10 **enforcement.**

11     1. Whenever any real property that is acquired by a land  
12 bank is encumbered by a lien or claim for real property taxes  
13 owed to one or more of the municipalities that established  
14 the land bank, or to other political subdivisions that have  
15 entered into an intergovernmental contract with the land bank,  
16 the land bank may, by resolution of the board, discharge and  
17 extinguish any and all of the liens or claims. The decision  
18 by the board to extinguish the property tax liens or claims is  
19 subject to the voting requirements contained in section 358A.5,  
20 subsection 9. Unless otherwise provided in an applicable  
21 intergovernmental contract, whenever any real property is  
22 acquired by a land bank and is encumbered by a lien or claim  
23 for real property taxes owed to a school district, the land  
24 bank shall notify the school district in writing of its  
25 intent to extinguish all such liens and claims. If the school  
26 district fails to send a written objection to the proposed  
27 extinguishment to the land bank within thirty days of receipt  
28 of such notice from the land bank, the land bank shall have the  
29 power, by resolution of the board, to discharge and extinguish  
30 any and all such liens or claims. To the extent necessary and  
31 appropriate, the land bank shall file with the appropriate  
32 taxing entity a copy of the resolution providing for the  
33 discharge and the extinguishment of liens or claims under this  
34 section.

35     2. If a land bank receives payments of any kind attributable



1 to liens or claims for real property taxes owed to a  
2 municipality or school district on property acquired by the  
3 land bank, the land bank shall remit the full amount of the  
4 payments to the appropriate taxing entity.

5 3. A municipality may enter into a contract to sell some  
6 or all of the delinquent tax liens held by it to a land bank,  
7 subject to the following conditions:

8 a. The consideration to be paid may be more or less than the  
9 face amount of the tax liens sold.

10 b. Property owners shall be given at least thirty days  
11 advance notice of such sale in the same form and manner as is  
12 provided by section 429.1. Failure to provide such notice or  
13 the failure of the addressee to receive the same shall not in  
14 any way affect the validity of any sale of a tax lien or tax  
15 liens or the validity of the taxes or interest prescribed with  
16 respect thereto.

17 c. The municipality shall set the terms and conditions of  
18 the contract of sale.

19 d. Thirty days prior to the commencement of any foreclosure  
20 action, the land bank shall provide to the municipality a  
21 list of liens to be foreclosed. The municipality may, at  
22 its sole option and discretion, repurchase a lien or liens  
23 on the foreclosure list from the land bank. The repurchase  
24 price shall be the amount of the lien or liens plus any  
25 accrued interest and collection fees incurred by the land  
26 bank. The land bank shall provide the foreclosure list to the  
27 municipality, along with the applicable repurchase price of  
28 each lien, by certified mail, and the municipality shall have  
29 thirty days from receipt to notify the land bank of its intent  
30 to exercise the option to purchase one or more of the liens. If  
31 the municipality opts to purchase the lien, it shall provide  
32 payment within thirty days of receipt of the repurchase price  
33 of the lien or liens. If the municipality fails to exercise  
34 the option to repurchase the lien or liens, the land bank shall  
35 have the right to commence a foreclosure action immediately

1 upon the expiration of the thirty-day period.

2 *e.* The sale of a tax lien pursuant to this section shall not  
3 operate to shorten the otherwise applicable redemption period  
4 or change the otherwise applicable interest rate.

5 *f.* Upon the expiration of the redemption period prescribed  
6 by law, the purchaser of a delinquent tax lien, or its  
7 successors or assigns, may foreclose the lien in the same  
8 manner as in an action to foreclose a mortgage as provided in  
9 chapter 654. The procedure in such action shall be the same  
10 procedure prescribed by chapter 654. At any time following  
11 the commencement of an action to foreclose a lien, the amount  
12 required to redeem the lien, or the amount received upon  
13 sale of a property, shall include reasonable and necessary  
14 collection costs, attorneys' fees, legal costs, allowances, and  
15 disbursements.

16 *g.* If the court orders a public sale pursuant to section  
17 446.7, and the purchaser of the property is the land bank, then  
18 the form, substance, and timing of the land bank's payment of  
19 the sales price may be according to the agreement and as is  
20 mutually acceptable to the plaintiff and the land bank. The  
21 obligation of the land bank to perform in accordance with the  
22 agreement shall be deemed to be in full satisfaction of the tax  
23 claim that was the basis for the judgment.

24 *h.* Notwithstanding any other provision of law to the  
25 contrary, in the event that a municipality does not elect to  
26 tender a bid at a public sale pursuant to section 446.7 or sale  
27 pursuant to the provisions of a county charter, city charter,  
28 administrative code, or special law, the land bank may tender a  
29 bid at the sale in an amount equal to the total amount of all  
30 claims and liens that were the basis for the judgment. If the  
31 land bank tenders a bid, the property shall be deemed sold to  
32 the land bank, even if bids have been tendered by other third  
33 parties. The bid of the land bank shall be paid in accordance  
34 with the form, substance, and timing provided in the agreement  
35 and as is mutually acceptable to the plaintiff and the land

1 bank. The obligation of the land bank to perform in accordance  
2 with the agreement shall be deemed to be in full satisfaction  
3 of the municipal claim that was the basis for the judgment.  
4 As the purchaser at the public sale or sale pursuant to the  
5 provisions of a county charter, city charter, administrative  
6 code, or special law, the land bank shall receive an absolute  
7 title to the property sold, free and discharged to all tax and  
8 municipal claims, liens, mortgages, charges, and estates of any  
9 kind. The deed to the land bank assigns all rights resulting  
10 from the land bank's successful tender for the property to  
11 the foreclosing governmental unit, allowing the property to  
12 be deeded directly to the foreclosing governmental unit. All  
13 land bank acquisitions pursuant to this subsection shall comply  
14 with section 358A.9 and all dispositions of property acquired  
15 pursuant to this subsection shall comply with section 358A.10.

16 Sec. 14. NEW SECTION. **358A.14 Expedited quiet title action.**

17 1. *a.* A land bank may file an action to quiet title to any  
18 real property in which the land bank has an interest. Chapter  
19 649 shall apply to quiet title actions initiated by a land  
20 bank to the extent that chapter is not inconsistent with this  
21 section.

22 *b.* A land bank may join one or more parcels of real property  
23 in a single petition to quiet title.

24 *c.* For the purposes of section 649.1, the land bank shall  
25 be deemed to be the holder of sufficient legal and equitable  
26 interests and possessory rights to qualify the land bank as a  
27 petitioner in the action.

28 2. *a.* Prior to the filing of an action to quiet title, the  
29 land bank must conduct an examination of title to determine the  
30 identity of any person possessing a claim or interest in or to  
31 the real property.

32 *b.* As part of the petition to quiet title, the land bank  
33 shall file an affidavit identifying all parties potentially  
34 having an interest in the real property and the form of notice  
35 provided to each party.

1 3. The court shall schedule a hearing on the petition within  
2 ninety days following filing of the petition. For all matters  
3 upon which an answer was not filed by an interested party, the  
4 court shall issue a final judgment within one hundred twenty  
5 days of the filing of the petition.

6 4. *a.* A judgment entered under this section is a final  
7 order with respect to the property affected by the judgment,  
8 shall bar identified interested parties from bringing new  
9 claims relating to the property, and shall not be modified,  
10 stayed, or held invalid after the effective date of the  
11 judgment, except as provided in paragraph "*b*" of this  
12 subsection.

13 *b.* A person claiming to have a property interest foreclosed  
14 under this section may, within thirty days of the effective  
15 date of the judgment, appeal the court order and judgment  
16 foreclosing the property interest. The court's judgment  
17 foreclosing the property interest shall be stayed until the  
18 judgment is reversed, modified, or affirmed. If an appeal  
19 under this subsection stays the judgment foreclosing the  
20 property interest, the judgment is stayed only as to the  
21 property that is the subject of that appeal and the trial  
22 court's judgment foreclosing other property interests that are  
23 not the subject of that appeal are not stayed.

24 5. If a judgment to quiet title is entered, the owner of any  
25 extinguished recorded or unrecorded interest in that property  
26 who claims that notice of the expedited quiet title action was  
27 not received is not entitled to bring an action for possession  
28 of the property against any subsequent owner, but may bring an  
29 action to recover monetary damages under this subsection. An  
30 action to recover monetary damages under this subsection shall  
31 not be brought more than two years after a judgment to quiet  
32 title is entered. Any monetary damages recoverable under this  
33 subsection shall be determined as of the date the judgment to  
34 quiet title was entered and shall not exceed the fair market  
35 value of the interest in the property held by the person

1 bringing the action under this subsection on that date, less  
2 any taxes, interest, penalties, and fees owed on the property  
3 as of that date. The right to sue for monetary damages under  
4 this subsection shall not be transferable except by will or  
5 intestate succession.

6 Sec. 15. NEW SECTION. **358A.15 Exemption from taxation.**

7 The real property and the income and operations of a land  
8 bank are exempt from taxation by the state and by any political  
9 subdivision of the state. For purposes of this section, real  
10 property includes but is not limited to real property held by a  
11 land bank as lessor pursuant to long-term lease contracts with  
12 community land trusts as defined in 42 U.S.C. §12773.

13 Sec. 16. NEW SECTION. **358A.16 Public records and public  
14 meetings.**

15 A land bank is a "government body" for the purposes of  
16 chapters 21 and 22. A land bank shall comply with all public  
17 meeting requirements under chapter 21 and all public records  
18 requirements under chapter 22.

19 Sec. 17. NEW SECTION. **358A.17 Audits.**

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

23 Sec. 18. NEW SECTION. **358A.18 Dissolution of land banks.**

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

1 property, and other assets of the land bank shall become the  
2 assets of each municipality that created the land bank.

3 Sec. 19. NEW SECTION. 358A.19 **Conflicts of interest.**

4 1. A member of the board or employee of a land bank shall  
5 not acquire any direct or indirect interest in real property  
6 of the land bank, in any real property to be acquired by the  
7 land bank, or in any real property to be acquired from the land  
8 bank. A member of the board or employee of a land bank shall  
9 not have any direct or indirect interest in any contract or  
10 proposed contract for material or services to be furnished or  
11 used by a land bank.

12 2. The board shall adopt rules addressing potential  
13 conflicts of interest and ethical guidelines for members of the  
14 board and employees of the land bank.

15 DIVISION II

16 COORDINATING PROVISIONS

17 Sec. 20. Section 11.1, subsection 1, paragraph c, Code 2019,  
18 is amended to read as follows:

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

26 Sec. 21. Section 21.2, subsection 1, Code 2019, is amended  
27 by adding the following new paragraph:

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

29 Sec. 22. Section 22.1, subsection 1, Code 2019, is amended  
30 to read as follows:

31 1. "Government body" means this state, or any county,  
32 city, township, school corporation, political subdivision,  
33 tax-supported district, nonprofit corporation other than a  
34 fair conducting a fair event as provided in chapter 174, whose  
35 facilities or indebtedness are supported in whole or in part

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

11 Sec. 23. Section 331.361, subsections 2 and 4, Code 2019,  
12 are amended to read as follows:

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

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

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

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

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

31 Sec. 24. Section 364.7, Code 2019, is amended to read as  
32 follows:

33 **364.7 Disposal of property.**

34 1. A city may not dispose of an interest in real property  
35 by sale, lease for a term of more than three years, or gift,

1 except in accordance with the following procedure:

2 ~~1.~~ a. The council shall set forth its proposal in a  
3 resolution and shall publish notice as provided in section  
4 362.3, of the resolution and of a date, time and place of a  
5 public hearing on the proposal.

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

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

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

12 Sec. 25. Section 427.1, Code 2019, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 42. *Land bank property.* The real property  
15 of a land bank, as created under chapter 358A, and its income  
16 and operations are exempt from all taxation by the state and by  
17 any political subdivision of the state. For purposes of this  
18 subsection, real property includes but is not limited to real  
19 property held by a land bank as lessor pursuant to long-term  
20 lease contracts with community land trusts as defined in 42  
21 U.S.C. §12773.

22 Sec. 26. Section 657A.2, subsection 1, Code 2019, is amended  
23 to read as follows:

24 1. A petition for abatement under [this chapter](#) may be filed  
25 in the district court of the county in which the property is  
26 located, by the city in which the property is located, by the  
27 county if the property is located outside the limits of a  
28 city, by a neighboring landowner, by a land bank created under  
29 chapter 358A, or by a duly organized nonprofit corporation  
30 which has as one of its goals the improvement of housing  
31 conditions in the county or city in which the property in  
32 question is located. A petition for abatement filed under  
33 this chapter shall include the legal description of the  
34 real property upon which the nuisance or dangerous or unsafe  
35 condition is located unless the nuisance or dangerous or unsafe



1 condition is not situated on or confined to a parcel of real  
2 property or is portable or capable of being removed from the  
3 real property. Service on the owner shall be by personal  
4 service or by certified mail, or if service cannot be made by  
5 either method, by posting the notice in a conspicuous place on  
6 the building and by publication.

7 EXPLANATION

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

10 This bill provides for the establishment of land banks.

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

24 Division I of the bill grants a land bank various powers and  
25 duties, including the authority to acquire properties through  
26 certain procedures. However, the bill explicitly prohibits a  
27 land bank from possessing or exercising the power of eminent  
28 domain. The bill establishes financing procedures that  
29 govern land banks. The bill provides procedures for removing  
30 encumbrances on acquired property, including the extinguishing  
31 of tax liens and the use of an expedited quiet title action.  
32 The bill provides procedures for disposing of property that is  
33 acquired by the land bank. The bill also provides procedures  
34 for dissolving a land bank.

35 Division II of the bill makes changes throughout the Code to

S.F. \_\_\_\_\_

1 conform with land bank procedures established in Division I of  
2 the bill.