

Senate File 590 - Introduced

SENATE FILE 590

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 100)

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 general assembly finds and declares all of the
8 following:

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

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

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

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

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

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

35 As used in this chapter, unless the context otherwise

1 requires:

2 1. *"Abandoned"* means a parcel is vacant or a building on
3 a parcel has remained vacant for a period of at least six
4 consecutive months and is in need of rehabilitation.

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

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

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

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

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

21 7. *"Local employee"* means a person employed by a
22 municipality of this state and does not include an independent
23 contractor.

24 8. *"Local official"* means an officeholder of a municipality
25 of this state.

26 9. *"Municipality"* means a city, county, or township.

27 10. *"Rehabilitation"* means the action of restoring to its
28 former condition something that has deteriorated or has been
29 damaged.

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

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

1 seal and alter the same at pleasure, and exercise all the
2 powers conferred in this chapter.

3 2. *a.* Any municipality may create a land bank. Creation
4 shall be by ordinance in the case of a city or by resolution in
5 the case of a county or township. The ordinance or resolution
6 shall make reference to the purposes listed under section
7 358A.2.

8 *b.* Any municipality may create a land bank in combination
9 with one or more other municipalities. Municipalities seeking
10 to create such a land bank shall comply with the procedures set
11 forth in chapter 28E. A land bank shall be considered a public
12 agency for the purposes of chapters 28E and 28H.

13 *c.* (1) Any city or township passing an ordinance or a
14 resolution or entering into a chapter 28E agreement creating
15 a land bank pursuant to this section shall promptly deliver
16 copies of the ordinance, resolution, or agreement to the
17 auditor, treasurer, and the county attorney of each county in
18 which the municipality is situated.

19 (2) Any board of supervisors adopting a resolution or
20 entering into a chapter 28E agreement creating a land bank
21 pursuant to this section shall deliver a copy of the resolution
22 or agreement to the county auditor, county treasurer, and
23 county attorney.

24 3. *a.* The enabling ordinance or resolution, or chapter
25 28E agreement, shall set forth any restrictions or required
26 procedures that exceed those set forth in this chapter.

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

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

35 4. A council of governments established in section 28H.1

1 shall not form a land bank. However, pursuant to a chapter
2 28E agreement, a council of governments may provide community
3 development services, planning services, and technical
4 assistance to a land bank.

5 Sec. 5. NEW SECTION. 358A.5 Board of directors.

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

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

11 2. The membership of the board shall be established in the
12 bylaws of the land bank.

13 3. a. A local official may serve as a board member, and
14 service as a board member shall neither terminate nor impair
15 the local official's office.

16 b. A local employee shall be eligible to serve as a board
17 member.

18 4. Board members shall serve without compensation.
19 However, the board may reimburse a member for expenses actually
20 incurred in the performance of duties on behalf of the land
21 bank as provided in bylaws adopted pursuant to subsection 5.

22 5. a. Upon creation by the enabling ordinance, resolution,
23 or agreement as specified in section 358A.4, the board shall
24 adopt bylaws addressing matters necessary to govern the conduct
25 of the land bank and shall meet as the bylaws prescribe.

26 b. When in actual conflict, the ordinances, resolutions, or
27 agreements described in section 358A.4 shall control over any
28 bylaws adopted by the board.

29 6. Except as set forth in the enabling ordinance,
30 resolution, or agreement, or as set forth by a land bank in
31 its bylaws, an action of the board must be approved by the
32 affirmative vote of a majority of the board present and voting.

33 7. Members of the board shall not be liable personally on
34 the obligations of the land bank, and rights of creditors of a
35 land bank shall be solely against the land bank.

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

2 1. A land bank may employ or contract for the employment of
3 any persons the land bank may require to fulfill the objectives
4 of its bylaws and this chapter.

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 is
11 an employee as defined in section 97B.1A, subsection 8.

12 Sec. 7. NEW SECTION. **358A.7 Powers.**

13 1. In furtherance of the purposes set forth in section
14 358A.2, a land bank shall have the power to perform all actions
15 necessary or convenient to carry out the purposes set forth in
16 this chapter, including but not limited to all of the following
17 powers:

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

32 (1) "*Gross revenues*" means the income and receipts of the
33 land bank from any source whatsoever, including but not limited
34 to contributions from private parties or member municipalities,
35 sale or lease of rehabilitated properties, and collection of a

1 portion of the property taxes during the five-year period after
2 sale or lease of the rehabilitated property.

3 (2) "*Net revenues*" means the gross revenues of the land bank
4 less the land bank's operating expenses.

5 *b.* To petition for abatement pursuant to chapter 657A.
6 A land bank is an "interested person" for purposes of that
7 chapter.

8 *c.* To contract with the federal government, the state,
9 a subdivision of the state, and any other party, whether
10 nonprofit or for-profit.

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

17 Sec. 8. NEW SECTION. 358A.8 **Eminent domain.**

18 A land bank shall not possess or exercise the power of
19 eminent domain, including under chapters 6A and 6B.

20 Sec. 9. NEW SECTION. 358A.9 **Acquisition of property.**

21 1. *a.* Except as provided in section 358A.8, a land bank may
22 acquire, hold, own, accept, and otherwise obtain real property
23 or interests in real property by gift, devise, transfer,
24 exchange, foreclosure, purchase, or otherwise, on terms and
25 conditions and in a manner the board considers is in the best
26 interest of the land bank and consistent with the purposes set
27 forth in section 358A.2 and the land bank's bylaws.

28 *b.* A land bank may acquire tax sale certificates at a tax
29 sale conducted under chapter 446 and may subsequently acquire
30 title through tax lien foreclosure procedures. A land bank
31 shall not be considered a city or county for purposes of
32 bidding on and acquiring tax sale certificates under chapter
33 446, redeeming property under chapter 447, or obtaining a tax
34 sale deed under chapter 448.

35 *c.* The acquisition of property by the land bank shall not

1 be governed or controlled by any regulations or laws relating
2 to procurement or acquisition of property of any municipality
3 that created the land bank, unless specifically provided in the
4 ordinance, resolution, or chapter 28E agreement establishing
5 the land bank.

6 *d.* Except as otherwise provided in paragraph "e", a land
7 bank shall not own or hold real property located outside the
8 geographical boundaries of the land bank.

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

18 2. A land bank shall maintain all of its real property in
19 accordance with the laws and ordinances of the jurisdiction in
20 which the real property is located.

21 3. A land bank shall maintain and make available for public
22 review and inspection an inventory of all real property held
23 by the land bank.

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

25 1. A land bank may convey, exchange, sell, transfer, lease,
26 grant, mortgage, or otherwise dispose of interests in real
27 property of the land bank at such times, to such persons, upon
28 such terms and conditions, and subject to such restrictions and
29 covenants as the land bank deems necessary or appropriate to
30 assure the effective use of the land bank in accordance with
31 the purposes of section 358A.2 and consistent with the land
32 bank's bylaws.

33 2. A land bank shall determine the amount and form of
34 consideration necessary to convey, exchange, sell, transfer,
35 lease, grant, mortgage, or otherwise dispose of interests in

1 real property. Consideration may take the form of monetary
2 payments and secured financial obligations, covenants and
3 conditions related to the present and future use of the
4 property, contractual commitments by the transferee, and other
5 forms of consideration as determined by the board to be in the
6 best interest of the land bank and consistent with its bylaws.

7 3. A municipality may in the ordinance or resolution
8 creating a land bank, or in the chapter 28E agreement in the
9 case of any combination of municipalities creating a single
10 land bank, require that a particular form of disposition of
11 real property or a disposition of real property located within
12 a specified jurisdiction be subject to specified voting and
13 approval requirements of the board.

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

15 1. A land bank may receive funding through grants, loans,
16 and other moneys from the municipality that created the land
17 bank, from other municipalities, from the state, from the
18 federal government, and from any other public and private
19 sources, including but not limited to donations, gifts, or
20 bequests.

21 2. A land bank may receive and retain payments for services
22 rendered, for rents and leasehold payments received, for
23 consideration for disposition of real and personal property,
24 for proceeds of insurance coverage for losses incurred, for
25 income from investments, and for any other asset and activity
26 lawfully permitted to a land bank under this chapter.

27 3. Up to seventy-five percent of the real property taxes
28 remaining after the division of taxes pursuant to section
29 403.19, if applicable, and exclusive of any amount levied by a
30 school district, collected on real property that a land bank
31 has conveyed or leased to a third party shall be remitted
32 to the land bank. The allocation of property tax revenues
33 shall commence with property taxes payable on the assessed
34 value of the property determined on the first assessment year
35 beginning January 1 following the date of conveyance or lease

1 by the land bank and shall be allocated for a period of up
2 to five consecutive years. The specific percentage of the
3 taxes to be remitted, if any, and the number of consecutive
4 years to allocate the taxes shall be established by the
5 municipality creating the land bank in accordance with this
6 section and shall be set forth in the enabling ordinance,
7 resolution, or chapter 28E agreement creating the land bank.
8 Each municipality may, in the enabling ordinance, resolution,
9 or chapter 28E agreement creating the land bank, include the
10 right of the municipality to waive or amend by resolution, and
11 on a project-specific basis, the percentage of real estate
12 taxes to be remitted to the land bank for a specific property
13 and the number of consecutive years of tax allocation for a
14 specific property. The land bank shall give the treasurer in
15 the county where the property is located written notice of the
16 date of the sale or lease of any property for which the land
17 bank claims a real property tax payment under this subsection.
18 The notice shall identify the property by local tax parcel
19 number, address, and legal description and include a copy of
20 the ordinance, resolution, or chapter 28E agreement setting
21 forth the portion of such taxes allocable to the land bank
22 under this subsection. Upon receipt of the taxes from such
23 property, the treasurer shall pay the land bank its share of
24 the taxes paid on such property for the applicable number of
25 consecutive years.

26 Sec. 12. NEW SECTION. **358A.12 Delinquent property tax**
27 **enforcement.**

28 1. Whenever a land bank acquires real property encumbered
29 by a lien or claim for real property taxes owed to one or
30 more of the municipalities that established the land bank,
31 or to other political subdivisions that have entered into
32 an intergovernmental contract with the land bank, the land
33 bank may request, by resolution of the board or as otherwise
34 provided in its bylaws, that the county in which the property
35 is located discharge and extinguish any and all of the liens

1 or claims. If a portion of the real property taxes are
2 attributable to property taxes certified for levy by a school
3 district, the land bank shall notify the school district in
4 writing of its intent to extinguish all such liens and claims.
5 If the school district sends a written objection to the
6 proposed extinguishment of such liens and claims to the land
7 bank within thirty days of receipt of such notice, the land
8 bank shall not attempt to extinguish the liens and claims. If
9 the school district fails to send a written objection to the
10 proposed extinguishment to the land bank within thirty days of
11 receipt of such notice from the land bank, the county in which
12 the land bank is located shall have the power, by resolution of
13 the board, to discharge and extinguish any and all such liens
14 or claims.

15 2. If a land bank receives payments of any kind attributable
16 to liens or claims for real property taxes owed or allocated to
17 a municipality, public utility, or school district on property
18 acquired by the land bank, the land bank shall remit the full
19 amount of the payments to the appropriate taxing entity.

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

21 The income and operations of a land bank are exempt from
22 taxation by the state and by any political subdivision of the
23 state.

24 Sec. 14. NEW SECTION. 358A.14 **Public records and public
25 meetings.**

26 A land bank is a "governmental body" for purposes of chapter
27 21 and a "government body" for the purposes of chapter 22. A
28 land bank shall comply with all public meeting requirements
29 under chapter 21 and all public records requirements under
30 chapter 22.

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

32 A land bank shall submit to the governing body of the
33 municipality that created the land bank an annual report that
34 informs the municipality of the land bank's activities for the
35 previous year.

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

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

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

6 1. A land bank may be dissolved in accordance with its
7 bylaws. Upon dissolution of the land bank, all liabilities,
8 real property, personal property, and other assets of the
9 land bank shall become the liabilities and assets of the
10 municipality that created the land bank, or, in the case of a
11 land bank created pursuant to a chapter 28E agreement, shall be
12 distributed pursuant to the chapter 28E agreement.

13 2. A municipality may withdraw from a land bank if the land
14 bank was created pursuant to a chapter 28E agreement. The
15 withdrawing municipality shall receive its share of assets and
16 liabilities as determined in the chapter 28E agreement. A land
17 bank consisting of two or more municipalities does not dissolve
18 upon the withdrawal of a single municipality.

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

20 1. For purposes of this section, "*family member*" means a
21 person who is a spouse, domestic partner, child, step-child,
22 grandchild, parent, step-parent, grandparent, sibling, niece,
23 nephew, uncle, aunt, mother-in-law, father-in-law, son-in-law,
24 or daughter-in-law of a member of the board or an employee of a
25 land bank. "*Family member*" includes a person who is a family
26 member through adoption.

27 2. A member of the board, employee of a land bank, or family
28 member of a member of the board or an employee of the land
29 bank shall not acquire any direct or indirect interest in real
30 property of the land bank or in any property to be acquired
31 from the land bank, or have or acquire any direct or indirect
32 interest in any real property to be acquired by a land bank.
33 A land bank shall not acquire any real property from a board
34 member, employee of the land bank, or family member of a board
35 member or employee of the land bank.

1 3. Members of the board and employees of the land bank shall
2 disclose to the board any direct or indirect ownership interest
3 such person or a family member of such person has in any
4 property to be acquired by the land bank or located within one
5 thousand feet of any property that the land bank is considering
6 acquiring before the land bank takes any action to acquire such
7 property. A member of the board who is required to make such
8 disclosure shall not participate in the decision to approve the
9 acquisition of such property.

10 4. A member of the board, employee of a land bank, or family
11 member of a member of the board or an employee of the land
12 bank may have a direct or indirect interest in any contract
13 or proposed contract for material or services to be furnished
14 to or used by a land bank only upon all of the following
15 conditions:

16 a. The member of the board or employee of the land bank
17 discloses the material facts of such transaction and the nature
18 of such interest to the board before the board acts to approve
19 such contract and, if the person is a board member, does not
20 participate in the discussion or vote to consider approval of
21 such contract.

22 b. Such contract is approved by a majority of the members
23 of the board who have no direct or indirect interest in such
24 contract and whose family members have no direct or indirect
25 interest in such contract.

26 c. Such contract is fair at the time the contract is
27 approved.

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

30 (1) Outside employment or an activity that involves the use
31 of the land bank's time, facilities, equipment, and supplies
32 or the use of evidences of office or employment to give the
33 person, an entity affiliated with or controlled by the person,
34 or a family member of the person an advantage or pecuniary
35 benefit that is not available to other similarly situated

1 members or classes of members of the general public. For
2 purposes of this subparagraph, a person is not "*similarly*
3 *situated*" merely by being, or being related to, a person who
4 serves or is employed by the land bank.

5 (2) Outside employment or an activity that involves the
6 receipt of, promise of, or acceptance of money or other
7 consideration by the person, an entity affiliated with or
8 controlled by the person, or a family member of the person from
9 anyone other than the land bank for the performance of any act
10 that the person would be required or expected to perform as a
11 part of the person's regular duties or during the hours during
12 which the person performs service or work for the land bank.

13 (3) Outside employment or an activity that is subject to
14 the official control, inspection, review, audit, or enforcement
15 authority of the person, during the performance of the person's
16 duties of office or employment.

17 *b.* If the outside employment or activity is employment or
18 activity described in paragraph "*a*", subparagraph (1) or (2),
19 the person shall immediately cease the employment or activity.
20 If the outside employment or activity is employment or activity
21 described in paragraph "*a*", subparagraph (3), unless otherwise
22 provided by law, the person shall take one of the following
23 courses of action:

24 (1) Cease the outside employment or activity.

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

1 further the interests of the outside employment or activity.

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

5 DIVISION II

6 LAND BANK TAX SALE COORDINATING PROVISIONS

7 Sec. 19. Section 446.16, subsection 2, Code 2021, is amended
8 to read as follows:

9 2. The treasurer may establish and collect a reasonable
10 registration fee from each registered bidder at the tax
11 sale. The fee shall not be assessed against a county, ~~or~~
12 municipality, or land bank created under chapter 358A. The
13 total of the fees collected shall not exceed the total costs of
14 the tax sale. Registration fees collected shall be deposited
15 in the general fund of the county.

16 Sec. 20. NEW SECTION. **446.19C Land bank tax sale.**

17 1. A land bank has the exclusive bidder's right to purchase
18 tax sale certificates offered at the treasurer's annual tax
19 sale with respect to tax delinquent parcels located within the
20 geographical boundaries of the land bank that are dilapidated,
21 abandoned, or blighted and that are suitable for housing or
22 commercial use following rehabilitation.

23 2. To qualify for the exclusive bidder's right to purchase
24 tax sale certificates under this section, a land bank must
25 file a verified statement with the treasurer on or before May
26 15. The land bank is responsible for obtaining information
27 from the treasurer as needed to accurately identify tax parcel
28 numbers and total amounts due. The land bank shall provide the
29 treasurer with the federal tax identification number of the
30 land bank, but such information is not required to be shown on
31 the verified statement. The verified statement shall include
32 all of the following:

33 a. The name, address, telephone number, and electronic mail
34 address of the land bank.

35 b. A statement that the land bank is exercising its right to

1 purchase each identified parcel pursuant to this section.

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

4 *d.* With respect to each identified parcel, a statement that
5 the parcel is dilapidated, abandoned, or blighted and that the
6 parcel is suitable for housing or commercial use following
7 rehabilitation.

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

10 3. In addition to the verified statement, the land bank
11 shall submit payment to the treasurer of an amount equal to
12 the total amount due cumulatively for all of the parcels
13 identified in the verified statement. The filing of the
14 verified statement by a land bank accompanied by payment of the
15 total amount due for all identified parcels shall constitute
16 the registration by the land bank as a bidder at the tax sale.
17 The land bank shall not be required to pay a registration fee.

18 4. The land bank's verified statement shall be published at
19 the same time and in the same manner as the notice of the annual
20 tax sale, and the requirements in section 446.9, subsection 2,
21 for publication of notice of the annual tax sale also apply to
22 publication of the verified statement.

23 5. Upon timely receipt of the verified statement and
24 payment of the total amount due cumulatively for all identified
25 parcels, the treasurer shall remove all of the identified
26 parcels from the regular annual tax sale and place those
27 parcels in a separate sale known as the "land bank tax sale".
28 On the day of the regular tax sale, the treasurer shall issue
29 and deliver tax sale certificates to the land bank for all
30 parcels listed in the land bank's verified statement that
31 remain liable to sale for delinquent taxes. The land bank's
32 exclusive right to purchase tax sale certificates to parcels
33 included in the land bank tax sale is prior and superior to the
34 rights of any other tax sale bidder. Any tax sale certificate
35 issued to a land bank under the provisions of this section

1 shall secure a one hundred percent interest in the parcel.

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

6 7. If any parcel identified within the land bank's verified
7 statement has been removed from the land bank tax sale because
8 of receipt by the treasurer of payment of the taxes required to
9 eliminate the delinquency, the treasurer shall refund to the
10 land bank the amount paid with respect to the total amount due
11 for the parcel.

12 8. For purposes of this section, "abandoned", "blighted",
13 "dilapidated", "geographical boundaries of the land bank", "land
14 bank", and "rehabilitation" mean the same as defined in section
15 358A.3.

16 Sec. 21. Section 447.9, subsection 1, Code 2021, is amended
17 to read as follows:

18 1. After one year and nine months from the date of sale, or
19 after nine months from the date of a sale made under section
20 446.18, or after three months from the date of a sale made
21 under section 446.19A, ~~or 446.19B~~, or 446.19C, the holder
22 of the certificate of purchase may cause to be served upon
23 the person in possession of the parcel, and also upon the
24 person in whose name the parcel is taxed, a notice signed by
25 the certificate holder or the certificate holder's agent or
26 attorney, stating the date of sale, the description of the
27 parcel sold, the name of the purchaser, and that the right
28 of redemption will expire and a deed for the parcel be made
29 unless redemption is made within ninety days from the completed
30 service of the notice. The notice shall be served by both
31 regular mail and certified mail to the person's last known
32 address and such service is deemed completed when the notice
33 is deposited in the mail and postmarked for delivery. The
34 ninety-day redemption period begins as provided in section
35 447.12. When the notice is given by a county as a holder of

1 a certificate of purchase the notice shall be signed by the
2 county treasurer or the county attorney, and when given by a
3 city, it shall be signed by the city officer designated by
4 resolution of the council. When the notice is given by the
5 Iowa finance authority or a city or county agency holding
6 the parcel as part of an Iowa homesteading project, it shall
7 be signed on behalf of the agency or authority by one of its
8 officers, as authorized in rules of the agency or authority.

9 DIVISION III

10 OTHER COORDINATING PROVISIONS

11 Sec. 22. Section 11.1, subsection 1, paragraph c, Code 2021,
12 is amended to read as follows:

13 *c. "Governmental subdivision"* means cities and
14 administrative agencies established by cities, hospitals or
15 health care facilities established by a city, counties, county
16 hospitals organized under [chapters 347](#) and [347A](#), memorial
17 hospitals organized under [chapter 37](#), entities organized under
18 [chapter 28E](#), land banks created under chapter 358A, community
19 colleges, area education agencies, and school districts.

20 Sec. 23. Section 21.2, subsection 1, Code 2021, is amended
21 by adding the following new paragraph:

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

23 Sec. 24. Section 22.1, subsection 1, Code 2021, is amended
24 to read as follows:

25 1. *"Government body"* means this state, or any county,
26 city, township, school corporation, political subdivision,
27 tax-supported district, nonprofit corporation other than a
28 fair conducting a fair event as provided in [chapter 174](#), whose
29 facilities or indebtedness are supported in whole or in part
30 with property tax revenue and which is licensed to conduct
31 pari-mutuel wagering pursuant to [chapter 99D](#); the governing
32 body of a drainage or levee district as provided in chapter
33 468, including a board as defined in [section 468.3](#), regardless
34 of how the district is organized; a land bank created under
35 chapter 358A; or other entity of this state, or any branch,

1 department, board, bureau, commission, council, committee,
2 official, or officer of any of the foregoing or any employee
3 delegated the responsibility for implementing the requirements
4 of [this chapter](#).

5 Sec. 25. Section 97B.1A, subsection 9, paragraph a, Code
6 2021, is amended to read as follows:

7 a. "Employer" means the state of Iowa, the counties,
8 municipalities, agencies, public school districts, all
9 political subdivisions, and all of their departments and
10 instrumentalities, including area agencies on aging, other than
11 those employing persons as specified in [subsection 8](#), paragraph
12 "b", subparagraph (7), land banks created under chapter 358A,
13 and joint planning commissions created under [chapter 28E](#) or
14 28I.

15 Sec. 26. Section 364.7, Code 2021, is amended to read as
16 follows:

17 **364.7 Disposal of property.**

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

21 1. The council shall set forth its proposal in a resolution
22 and shall publish notice as provided in [section 362.3](#), of the
23 resolution and of a date, time and place of a public hearing on
24 the proposal.

25 2. After the public hearing, the council may make a final
26 determination on the proposal by resolution.

27 3. A city may not dispose of real property by gift except
28 to a governmental body for a public purpose or to a land bank
29 created under chapter 358A.

30 Sec. 27. Section 427.1, Code 2021, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 42. *Land bank property.* The real property
33 of a land bank created under chapter 358A. For purposes of
34 this subsection, real property includes but is not limited
35 to real property held by a land bank as lessor pursuant

1 to long-term lease contracts with community land trusts as
2 defined in 42 U.S.C. §12773, but does not include real property
3 otherwise leased by a land bank to a third party and does not
4 include real property that has been sold on contract, which
5 real property shall be subject to property taxation in the name
6 of the contract buyer.

7 Sec. 28. Section 573.1, subsection 3, Code 2021, is amended
8 to read as follows:

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

14 Sec. 29. Section 657A.2, subsection 1, Code 2021, is amended
15 to read as follows:

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

1 cannot be made, by certified mail and first class mail to the
2 last known address of record of the interested person and by
3 posting the notice in a conspicuous place on the building,
4 or by publication. The last known address of record for the
5 property owner shall be the address of record with the county
6 treasurer of the county where the property is located. Service
7 may also be made as provided in [section 654.4A](#).

8

EXPLANATION

9

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

10

11 This bill provides for the establishment of land banks.
12 Division I of the bill authorizes one or more municipalities
13 to establish a land bank as a method to return dilapidated,
14 abandoned, blighted, and tax-delinquent properties in their
15 communities to economically productive status. An established
16 land bank is a public agency for the purpose of joint exercise
17 of governmental powers, a governmental body for purposes
18 of public meetings requirements of Code chapter 21, and a
19 government body for purposes of public records requirements
20 of Code chapter 22. Land banks are subject to periodic
21 examination by the auditor of state under Code chapter 11. The
22 bill requires the board to establish bylaws addressing matters
23 necessary to govern the conduct of the land bank.

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

1 five consecutive years after the property is again put on the
2 tax rolls. The bill requires a land bank to submit annual
3 reports to the governing body that created the land bank. The
4 bill provides procedures for disposing of property that is
5 acquired by the land bank. The bill also provides procedures
6 for dissolving a land bank.

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

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