

House Study Bill 124 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to the creation of land redevelopment trusts.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

LAND REDEVELOPMENT TRUSTS

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

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

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

The general assembly 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 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 urban, suburban, and 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 redevelopment trusts 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.**

1 As used in this chapter, unless the context otherwise
2 requires:

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

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

10 3. *"Board"* means the board of directors of a land
11 redevelopment trust.

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

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

23 6. *"Land redevelopment trust"* means an entity created under
24 section 358A.4.

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

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

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

31 10. *"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 redevelopment trust organized under this chapter

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

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

12 *b.* Any municipality may create a land redevelopment
13 trust in combination with one or more other municipalities.
14 Municipalities seeking to create such a land redevelopment
15 trust shall comply with the procedures set forth in chapter
16 28E. A land redevelopment trust shall be considered a public
17 agency for the purposes of 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 creating
20 a land redevelopment trust pursuant to this section shall
21 promptly deliver copies of the ordinance, resolution, or
22 agreement to the auditor, treasurer, and the county attorney of
23 each county in which the municipality is located.

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

29 3. *a.* The enabling ordinance or resolution, or chapter
30 28E agreement, shall set forth any restrictions or required
31 procedures that exceed those set forth in this chapter.

32 *b.* A chapter 28E agreement relating to a land redevelopment
33 trust shall include procedures for the distribution of assets
34 between participating municipalities upon the dissolution of
35 the land redevelopment trust.

1 *c.* Unless otherwise limited in the ordinance, resolution,
2 or chapter 28E agreement, the powers and procedures of a newly
3 created land redevelopment trust shall be the powers and
4 procedures specified in this chapter.

5 4. A council of governments established in section 28H.1
6 shall not form a land redevelopment trust. However, pursuant
7 to a chapter 28E agreement, a council of governments may
8 provide community development services, planning services, and
9 technical assistance to a land redevelopment trust.

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

11 1. *a.* A land redevelopment trust shall have a board of
12 directors in which all powers of the land redevelopment trust
13 shall be vested.

14 *b.* Unless restricted by the enabling ordinance, resolution,
15 or agreement as specified in section 358A.4, the provisions of
16 this section apply to the governance of a land redevelopment
17 trust.

18 2. The membership of the board shall be established in the
19 bylaws of the land redevelopment trust.

20 3. *a.* A local official may serve as a board member, and
21 service as a board member shall neither terminate nor impair
22 the local official's office.

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

25 4. Board members shall serve without compensation.
26 However, the board may reimburse a member for expenses actually
27 incurred in the performance of duties on behalf of the land
28 redevelopment trust as provided in bylaws adopted pursuant to
29 subsection 5.

30 5. *a.* Upon creation by the enabling ordinance, resolution,
31 or agreement as specified in section 358A.4, the board shall
32 adopt bylaws addressing matters necessary to govern the conduct
33 of the land redevelopment trust and shall meet as the bylaws
34 prescribe.

35 *b.* When in actual conflict, the ordinances, resolutions, or

1 agreements described in section 358A.4 shall control over any
2 bylaws adopted by the board.

3 6. Except as set forth in the enabling ordinance,
4 resolution, or agreement, or as set forth by a land
5 redevelopment trust in its bylaws, an action of the board must
6 be approved by the affirmative vote of a majority of the board
7 present and voting.

8 7. Members of the board shall not be liable personally on
9 the obligations of the land redevelopment trust, and rights of
10 creditors of a land redevelopment trust shall be solely against
11 the land redevelopment trust.

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

13 1. A land redevelopment trust may employ or contract for
14 the employment of any persons the land redevelopment trust
15 may require to fulfill the objectives of its bylaws and this
16 chapter.

17 2. An employee of the land redevelopment trust is not and
18 shall not be deemed to be an employee of the municipality for
19 whose benefit the land redevelopment trust is organized solely
20 because the employee is employed by the land redevelopment
21 trust.

22 3. A land redevelopment trust is an employer as defined in
23 section 97B.1A, subsection 9, paragraph "a", and an employee
24 of the land redevelopment trust is an employee as defined in
25 section 97B.1A, subsection 8.

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

27 1. In furtherance of the purposes set forth in section
28 358A.2, a land redevelopment trust shall have the power to
29 perform all actions necessary or convenient to carry out the
30 purposes set forth in this chapter, including but not limited
31 to all of the following powers:

32 a. To borrow money for any of the purposes of the land
33 redevelopment trust by means of loans, lines of credit, or
34 any other financial instruments or securities other than
35 through the issuance of bonds, debentures, or notes. A

1 land redevelopment trust may secure its indebtedness by
2 mortgage, pledge, deed of trust, or other lien on its property,
3 franchises, rights, and privileges of every kind and nature
4 or any part thereof or interest therein. The moneys borrowed
5 by the land redevelopment trust are payable as to principal,
6 interest, and any other amounts owed the lender solely from
7 the proceeds from the net revenues of the land redevelopment
8 trust and are not a debt of or charge against any of the
9 municipalities that formed the land redevelopment trust within
10 the meaning of any constitutional or statutory debt limitation
11 provision. For purposes of this paragraph:

12 (1) "*Gross revenues*" means the income and receipts of the
13 land redevelopment trust from any source whatsoever, including
14 but not limited to contributions from private parties or member
15 municipalities, sale or lease of rehabilitated properties,
16 and collection of a portion of the property taxes during the
17 five-year period after sale or lease of the rehabilitated
18 property.

19 (2) "*Net revenues*" means the gross revenues of the land
20 redevelopment trust less the land redevelopment trust's
21 operating expenses.

22 *b.* To petition for abatement pursuant to chapter 657A. A
23 land redevelopment trust is an "interested person" for purposes
24 of that chapter.

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

28 2. The powers enumerated in this chapter shall not be
29 construed to limit the general powers of a land redevelopment
30 trust or a municipality. The powers granted under this chapter
31 are in addition to the powers granted by any other section of
32 the Code, but as to a land redevelopment trust, shall be used
33 only for the purposes set forth in section 358A.2.

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

35 A land redevelopment trust shall not possess or exercise the

1 power of eminent domain, including under chapters 6A and 6B.

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

3 1. a. Except as provided in section 358A.8, a land
4 redevelopment trust may acquire, hold, own, accept, and
5 otherwise obtain real property or interests in real property
6 by gift, devise, transfer, exchange, foreclosure, purchase, or
7 otherwise, on terms and conditions and in a manner the board
8 considers is in the best interest of the land redevelopment
9 trust and consistent with the purposes set forth in section
10 358A.2 and the land redevelopment trust's bylaws.

11 b. A land redevelopment trust may acquire tax sale
12 certificates at a tax sale conducted under chapter 446 and
13 may subsequently acquire title through tax lien foreclosure
14 procedures. A land redevelopment trust shall not be considered
15 a city or county for purposes of bidding on and acquiring tax
16 sale certificates under chapter 446, redeeming property under
17 chapter 447, or obtaining a tax sale deed under chapter 448.

18 c. The acquisition of property by the land redevelopment
19 trust shall not be governed or controlled by any regulations or
20 laws relating to procurement or acquisition of property of any
21 municipality that created the land redevelopment trust, unless
22 specifically provided in the ordinance, resolution, or chapter
23 28E agreement establishing the land redevelopment trust.

24 d. Except as otherwise provided in paragraph "e", a land
25 redevelopment trust shall not own or hold real property located
26 outside the geographical boundaries of the land redevelopment
27 trust.

28 e. A land redevelopment trust may be granted, pursuant to
29 an intergovernmental contract with a political subdivision of
30 this state, the authority to manage and maintain real property
31 located within the geographical boundaries of the political
32 subdivision, but outside the geographical boundaries of the
33 land redevelopment trust. If a land redevelopment trust
34 receives a gift or devise of real property located outside of
35 the geographical boundaries of the land redevelopment trust,

1 the land redevelopment trust shall dispose of such property by
2 sale or exchange as soon as reasonably practicable.

3 2. A land redevelopment trust shall maintain all of its
4 real property in accordance with the laws and ordinances of the
5 jurisdiction in which the real property is located.

6 3. A land redevelopment trust shall maintain and make
7 available for public review and inspection an inventory of all
8 real property held by the land redevelopment trust.

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

10 1. A land redevelopment trust may convey, exchange, sell,
11 transfer, lease, grant, mortgage, or otherwise dispose of
12 interests in real property of the land redevelopment trust at
13 such times, to such persons, upon such terms and conditions,
14 and subject to such restrictions and covenants as the land
15 redevelopment trust deems necessary or appropriate to assure
16 the effective use of the land redevelopment trust in accordance
17 with the purposes of section 358A.2 and consistent with the
18 land redevelopment trust's bylaws.

19 2. A land redevelopment trust shall determine the amount
20 and form of consideration necessary to convey, exchange, sell,
21 transfer, lease, grant, mortgage, or otherwise dispose of
22 interests in real property. Consideration may take the form of
23 monetary payments and secured financial obligations, covenants
24 and conditions related to the present and future use of the
25 property, contractual commitments by the transferee, and other
26 forms of consideration as determined by the board to be in the
27 best interest of the land redevelopment trust and consistent
28 with its bylaws.

29 3. A municipality may in the ordinance or resolution
30 creating a land redevelopment trust, or in the chapter 28E
31 agreement in the case of any combination of municipalities
32 creating a single land redevelopment trust, require that
33 a particular form of disposition of real property or a
34 disposition of real property located within a specified
35 jurisdiction be subject to specified voting and approval

1 requirements of the board.

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

3 1. A land redevelopment trust may receive funding through
4 grants, loans, and other moneys from the municipality
5 that created the land redevelopment trust, from other
6 municipalities, from the state, from the federal government,
7 and from any other public and private sources, including but
8 not limited to donations, gifts, or bequests.

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

16 3. Up to seventy-five percent of the real property taxes
17 remaining after the division of taxes pursuant to section
18 403.19, if applicable, and exclusive of any amount levied
19 by a school district, collected on real property that a
20 land redevelopment trust has conveyed or leased to a third
21 party shall be remitted to the land redevelopment trust.
22 The allocation of property tax revenues shall commence with
23 property taxes payable on the assessed value of the property
24 determined on the first assessment year beginning January
25 1 following the date of conveyance or lease by the land
26 redevelopment trust and shall be allocated for a period
27 of up to five consecutive years. The specific percentage
28 of the taxes to be remitted, if any, and the number of
29 consecutive years to allocate the taxes shall be established
30 by the municipality creating the land redevelopment trust
31 in accordance with this section and shall be set forth in
32 the enabling ordinance, resolution, or chapter 28E agreement
33 creating the land redevelopment trust. Each municipality may,
34 in the enabling ordinance, resolution, or chapter 28E agreement
35 creating the land redevelopment trust, include the right of

1 the municipality to waive or amend by resolution, and on a
2 project-specific basis, the percentage of real estate taxes
3 to be remitted to the land redevelopment trust for a specific
4 property and the number of consecutive years of tax allocation
5 for a specific property. The land redevelopment trust shall
6 give the treasurer in the county where the property is located
7 written notice of the date of the sale or lease of any property
8 for which the land redevelopment trust claims a real property
9 tax payment under this subsection. The notice shall identify
10 the property by local tax parcel number, address, and legal
11 description and include a copy of the ordinance, resolution,
12 or chapter 28E agreement setting forth the portion of such
13 taxes allocable to the land redevelopment trust under this
14 subsection. Upon receipt of the taxes from such property, the
15 treasurer shall pay the land redevelopment trust its share of
16 the taxes paid on such property for the applicable number of
17 consecutive years.

18 Sec. 12. NEW SECTION. 358A.12 **Delinquent property tax**
19 **enforcement.**

20 1. Whenever a land redevelopment trust acquires real
21 property encumbered by a lien or claim for real property taxes
22 owed to one or more of the municipalities that established the
23 land redevelopment trust, or to other political subdivisions
24 that have entered into an intergovernmental contract with the
25 land redevelopment trust, the land redevelopment trust may
26 request, by resolution of the board or as otherwise provided in
27 its bylaws, that the county in which the property is located
28 discharge and extinguish any and all of the liens or claims.
29 If a portion of the real property taxes are attributable to
30 property taxes certified for levy by a school district, the
31 land redevelopment trust shall notify the school district
32 in writing of its intent to extinguish all such liens and
33 claims. If the school district sends a written objection to
34 the proposed extinguishment of such liens and claims to the
35 land redevelopment trust within thirty days of receipt of such

1 notice, the land redevelopment trust shall not attempt to
2 extinguish the liens and claims. If the school district fails
3 to send a written objection to the proposed extinguishment to
4 the land redevelopment trust within thirty days of receipt of
5 such notice from the land redevelopment trust, the county in
6 which the land redevelopment trust is located shall have the
7 power, by resolution of the board, to discharge and extinguish
8 any and all such liens or claims.

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

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

16 The income and operations of a land redevelopment trust
17 are exempt from taxation by the state and by any political
18 subdivision of the state.

19 Sec. 14. NEW SECTION. 358A.14 **Public records and public**
20 **meetings.**

21 A land redevelopment trust is a "governmental body" for
22 purposes of chapter 21 and a "government body" for the purposes
23 of chapter 22. A land redevelopment trust shall comply with
24 all public meeting requirements under chapter 21 and all public
25 records requirements under chapter 22.

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

27 A land redevelopment trust shall submit to the governing
28 body of the municipality that created the land redevelopment
29 trust an annual report that informs the municipality of the
30 land redevelopment trust's activities for the previous year.

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

32 A land redevelopment trust is a "governmental subdivision"
33 for the purposes of chapter 11. A land redevelopment trust
34 shall be subject to periodic examination by the auditor of
35 state.

1 Sec. 17. NEW SECTION. 358A.17 **Dissolution of land**
2 **redevelopment trusts.**

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

12 2. A municipality may withdraw from a land redevelopment
13 trust if the land redevelopment trust was created pursuant to
14 a chapter 28E agreement. The withdrawing municipality shall
15 receive its share of assets and liabilities as determined
16 in the chapter 28E agreement. A land redevelopment trust
17 consisting of two or more municipalities does not dissolve upon
18 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 redevelopment trust. "*Family member*" includes a person who
26 is a family member through adoption.

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

1 land redevelopment trust, or family member of a board member or
2 employee of the land redevelopment trust.

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

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

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

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

29 c. Such contract is fair at the time the contract is
30 approved.

31 5. a. Any person who serves or is employed by a land
32 redevelopment trust shall not engage in any of the following
33 conduct:

34 (1) Outside employment or an activity that involves the use
35 of the land redevelopment trust's time, facilities, equipment,

1 and supplies or the use of evidences of office or employment
2 to give the person, an entity affiliated with or controlled
3 by the person, or a family member of the person an advantage
4 or pecuniary benefit that is not available to other similarly
5 situated members or classes of members of the general public.
6 For purposes of this subparagraph, a person is not "*similarly*
7 *situated*" merely by being, or being related to, a person who
8 serves or is employed by the land redevelopment trust.

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

18 (3) Outside employment or an activity that is subject to
19 the official control, inspection, review, audit, or enforcement
20 authority of the person, during the performance of the person's
21 duties of office or employment.

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

29 (1) Cease the outside employment or activity.

30 (2) Publicly disclose the existence of the conflict and
31 refrain from taking any official action or performing any
32 official duty that would detrimentally affect or create a
33 benefit for the outside employment or activity. For purposes
34 of this subparagraph, "*official action*" or "*official duty*"
35 includes but is not limited to participating in any vote,

1 taking affirmative action to influence any vote, granting any
2 license or permit, determining the facts or law in a contested
3 case or rulemaking proceeding, conducting any inspection, or
4 providing any other official service or thing that is not
5 available generally to members of the public in order to
6 further the interests of the outside employment or activity.

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

10

DIVISION II

11

LAND REDEVELOPMENT TRUST TAX SALE COORDINATING PROVISIONS

12

Sec. 19. Section 446.16, subsection 2, Code 2023, is amended
13 to read as follows:

14

2. The treasurer may establish and collect a reasonable
15 registration fee from each registered bidder at the tax
16 sale. The fee shall not be assessed against a county, or
17 municipality, or land redevelopment trust created under chapter
18 358A. The total of the fees collected shall not exceed the
19 total costs of the tax sale. Registration fees collected shall
20 be deposited in the general fund of the county.

21

Sec. 20. NEW SECTION. 446.19C Land redevelopment trust tax
22 sale.

23

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

30

2. To qualify for the exclusive bidder's right to purchase
31 tax sale certificates under this section, a land redevelopment
32 trust must file a verified statement with the treasurer on or
33 before May 15. The land redevelopment trust is responsible
34 for obtaining information from the treasurer as needed to
35 accurately identify tax parcel numbers and total amounts due.

1 The land redevelopment trust shall provide the treasurer with
2 the federal tax identification number of the land redevelopment
3 trust, but such information is not required to be shown on the
4 verified statement. The verified statement shall include all
5 of the following:

6 *a.* The name, address, telephone number, and electronic mail
7 address of the land redevelopment trust.

8 *b.* A statement that the land redevelopment trust is
9 exercising its right to purchase each identified parcel
10 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
20 redevelopment trust shall submit payment to the treasurer of
21 an amount equal to the total amount due cumulatively for all
22 of the parcels identified in the verified statement. The
23 filing of the verified statement by a land redevelopment
24 trust accompanied by payment of the total amount due for all
25 identified parcels shall constitute the registration by the
26 land redevelopment trust as a bidder at the tax sale. The land
27 redevelopment trust shall not be required to pay a registration
28 fee.

29 4. The land redevelopment trust's verified statement shall
30 be published at the same time and in the same manner as the
31 notice of the annual tax sale, and the requirements in section
32 446.9, subsection 2, for publication of notice of the annual
33 tax sale also apply to publication of the verified statement.

34 5. Upon timely receipt of the verified statement and
35 payment of the total amount due cumulatively for all identified

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

15 6. The separate land redevelopment trust tax sale shall
16 be conducted by the treasurer prior to the separate public
17 nuisance tax sale conducted under section 446.19B. If the same
18 parcel is listed in both such sales, the parcel shall be sold
19 to the land redevelopment trust.

20 7. If any parcel identified within the land redevelopment
21 trust's verified statement has been removed from the land
22 redevelopment trust tax sale because of receipt by the
23 treasurer of payment of the taxes required to eliminate
24 the delinquency, the treasurer shall refund to the land
25 redevelopment trust the amount paid with respect to the total
26 amount due for the parcel.

27 8. For purposes of this section, "abandoned", "blighted",
28 "dilapidated", "geographical boundaries of the land redevelopment
29 trust", "land redevelopment trust", and "rehabilitation" mean the
30 same as defined in section 358A.3.

31 Sec. 21. Section 447.9, subsection 1, Code 2023, is amended
32 to read as follows:

33 1. After one year and nine months from the date of sale, or
34 after nine months from the date of a sale made under section
35 446.18, or after three months from the date of a sale made

1 under section 446.19A, ~~or 446.19B~~, or 446.19C, the holder
2 of the certificate of purchase may cause to be served upon
3 the person in possession of the parcel, and also upon the
4 person in whose name the parcel is taxed, a notice signed by
5 the certificate holder or the certificate holder's agent or
6 attorney, stating the date of sale, the description of the
7 parcel sold, the name of the purchaser, and that the right
8 of redemption will expire and a deed for the parcel be made
9 unless redemption is made within ninety days from the completed
10 service of the notice. The notice shall be served by both
11 regular mail and certified mail to the person's last known
12 address and such service is deemed completed when the notice
13 is deposited in the mail and postmarked for delivery. The
14 ninety-day redemption period begins as provided in section
15 447.12. When the notice is given by a county as a holder of
16 a certificate of purchase the notice shall be signed by the
17 county treasurer or the county attorney, and when given by a
18 city, it shall be signed by the city officer designated by
19 resolution of the council. When the notice is given by the
20 Iowa finance authority or a city or county agency holding
21 the parcel as part of an Iowa homesteading project, it shall
22 be signed on behalf of the agency or authority by one of its
23 officers, as authorized in rules of the agency or authority.

24 DIVISION III

25 OTHER COORDINATING PROVISIONS

26 Sec. 22. Section 11.1, subsection 1, paragraph c, Code 2023,
27 is amended to read as follows:

28 *c. "Governmental subdivision" means cities and*
29 *administrative agencies established by cities, hospitals or*
30 *health care facilities established by a city, counties, county*
31 *hospitals organized under chapters 347 and 347A, memorial*
32 *hospitals organized under chapter 37, entities organized under*
33 *chapter 28E, land redevelopment trusts created under chapter*
34 *358A, community colleges, area education agencies, and school*
35 *districts.*

1 Sec. 23. Section 21.2, subsection 1, Code 2023, is amended
2 by adding the following new paragraph:

3 NEW PARAGRAPH. *k.* A land redevelopment trust created under
4 chapter 358A.

5 Sec. 24. Section 22.1, subsection 1, Code 2023, is amended
6 to read as follows:

7 1. "*Government body*" means this state, or any county,
8 city, township, school corporation, political subdivision,
9 tax-supported district, nonprofit corporation other than a
10 fair conducting a fair event as provided in [chapter 174](#), whose
11 facilities or indebtedness are supported in whole or in part
12 with property tax revenue and which is licensed to conduct
13 pari-mutuel wagering pursuant to [chapter 99D](#); the governing
14 body of a drainage or levee district as provided in chapter
15 468, including a board as defined in [section 468.3](#), regardless
16 of how the district is organized; a land redevelopment trust
17 created under chapter 358A; or other entity of this state, or
18 any branch, department, board, bureau, commission, council,
19 committee, official, or officer of any of the foregoing or any
20 employee delegated the responsibility for implementing the
21 requirements of [this chapter](#).

22 Sec. 25. Section 97B.1A, subsection 9, paragraph a, Code
23 2023, is amended to read as follows:

24 *a.* "*Employer*" means the state of Iowa, the counties,
25 municipalities, agencies, public school districts, all
26 political subdivisions, and all of their departments and
27 instrumentalities, including area agencies on aging, other than
28 those employing persons as specified in [subsection 8](#), paragraph
29 "*b*", subparagraph (7), land redevelopment trusts created under
30 chapter 358A, and joint planning commissions created under
31 chapter 28E or [28I](#).

32 Sec. 26. Section 364.7, Code 2023, is amended to read as
33 follows:

34 **364.7 Disposal of property.**

35 A city ~~may~~ shall not dispose of an interest in real property

1 by sale, lease for a term of more than three years, or gift,
2 except in accordance with the following procedure:

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

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

9 3. A city ~~may~~ shall not dispose of real property by gift
10 except to a governmental body for a public purpose or to a land
11 redevelopment trust created under chapter 358A.

12 Sec. 27. Section 427.1, Code 2023, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 42. *Land redevelopment trust property.* The
15 real property of a land redevelopment trust created under
16 chapter 358A. For purposes of this subsection, real property
17 includes but is not limited to real property held by a land
18 redevelopment trust as lessor pursuant to long-term lease
19 contracts with community land trusts as defined in 42 U.S.C.
20 §12773, but does not include real property otherwise leased
21 by a land redevelopment trust to a third party and does not
22 include real property that has been sold on contract, which
23 real property shall be subject to property taxation in the name
24 of the contract buyer.

25 Sec. 28. Section 573.1, subsection 3, Code 2023, is amended
26 to read as follows:

27 3. "*Public corporation*" shall embrace the state, and
28 all counties, cities, public school corporations, any land
29 redevelopment trust created under chapter 358A, and all
30 officers, boards, or commissions empowered by law to enter into
31 contracts for the construction of public improvements.

32 Sec. 29. Section 657A.2, subsection 1, Code 2023, is amended
33 to read as follows:

34 1. No sooner than the later of thirty days after the
35 responsible building official's findings have been provided

1 under [section 657A.1A](#) or six months after a building has become
2 abandoned, a petition for abatement under [this chapter](#) may be
3 filed in the district court of the county in which the property
4 is located by the city in which the property is located, by
5 the county if the property is located outside the limits of a
6 city, by a neighboring landowner, by a land redevelopment trust
7 created under chapter 358A, or by a duly organized nonprofit
8 corporation ~~which~~ that has as one of its goals the improvement
9 of housing conditions in the county or city in which the
10 property in question is located. The petition shall not demand
11 a personal judgment against any party, but shall concern only
12 the interests in the property. A petition for abatement filed
13 under [this chapter](#) shall include the legal description of
14 the real property upon which the public nuisance is located
15 unless the public nuisance is not situated on or confined to
16 a parcel of real property, or is portable or capable of being
17 removed from the real property. Service shall be made on all
18 interested persons by personal service or, if personal service
19 cannot be made, by certified mail and first class mail to the
20 last known address of record of the interested person and by
21 posting the notice in a conspicuous place on the building,
22 or by publication. The last known address of record for the
23 property owner shall be the address of record with the county
24 treasurer of the county where the property is located. Service
25 may also be made as provided in [section 654.4A](#).

26

EXPLANATION

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

29 This bill provides for the establishment of land
30 redevelopment trusts.

31 Division I of the bill authorizes one or more municipalities
32 to establish a land redevelopment trust as a method to return
33 dilapidated, abandoned, blighted, and tax-delinquent properties
34 in their communities to economically productive status. An
35 established land redevelopment trust is a public agency

1 for the purpose of joint exercise of governmental powers, a
2 governmental body for purposes of public meetings requirements
3 of Code chapter 21, and a government body for purposes
4 of public records requirements of Code chapter 22. Land
5 redevelopment trusts are subject to periodic examination by the
6 auditor of state under Code chapter 11. The bill requires the
7 board of directors of a land redevelopment trust to establish
8 bylaws addressing matters necessary to govern the conduct of
9 the land redevelopment trust.

10 Division I of the bill also grants a land redevelopment
11 trust various powers and duties, including the authority to
12 acquire properties through certain procedures, including the
13 purchase of tax sale certificates and the foreclosure of
14 properties acquired at a tax sale if not redeemed. However,
15 the bill explicitly prohibits a land redevelopment trust
16 from possessing or exercising the power of eminent domain.
17 The bill establishes financing procedures that govern land
18 redevelopment trusts, including allowing to be remitted to the
19 land redevelopment trust up to 75 percent of real property
20 taxes collected on a real property conveyed or leased by a
21 land redevelopment trust that remains after the division of
22 taxes for an urban renewal area and exclusive of any amount
23 levied by a school district for five consecutive years after
24 the property is again put on the tax rolls. The bill requires
25 a land redevelopment trust to submit annual reports to the
26 governing body that created the land redevelopment trust.
27 The bill provides procedures for disposing of property that
28 is acquired by the land redevelopment trust. The bill also
29 provides procedures for dissolving a land redevelopment trust.

30 Division II of the bill creates a land redevelopment trust
31 tax sale procedure, which allows a land redevelopment trust to
32 acquire abandoned, blighted, or dilapidated properties through
33 an exclusive tax sale. In order to acquire property through a
34 land redevelopment trust tax sale, the land redevelopment trust
35 shall file a verified statement identifying the parcels for

1 which the land redevelopment trust intends to purchase the tax
2 sale certificates and shall pay the delinquent total amounts
3 due on each parcel before May 15. Upon timely receipt of the
4 land redevelopment trust's verified statement and payment, the
5 county treasurer shall remove the identified parcels from the
6 regular annual tax sale and place those parcels in the land
7 redevelopment trust tax sale. The land redevelopment trust tax
8 sale shall occur before a public nuisance tax sale.

9 Division III of the bill makes changes throughout the Code to
10 conform with land redevelopment trust procedures established in
11 division I of the bill.