

Senate File 655 - Introduced

SENATE FILE 655
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 45)

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:

unofficial

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.**

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

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

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

8 3. "Board" means the board of directors of a land
9 redevelopment trust.

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

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

21 6. "Land redevelopment trust" means an entity created under
22 section 358A.4.

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

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

27 9. "Municipality" means a city, county, or township.

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

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

32 1. A land redevelopment trust organized under this chapter
33 shall be a body corporate and politic, with the name under
34 which it was organized, and may sue and be sued in its own
35 name, contract and be contracted with, acquire and hold real

1 and personal property necessary for corporate purposes, adopt a
2 corporate seal and alter the same at pleasure, and exercise all
3 the powers conferred in this chapter.

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

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

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

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

26 3. a. The enabling ordinance or resolution, or chapter
27 28E agreement, shall set forth any restrictions or required
28 procedures that exceed those set forth in this chapter.

29 b. A chapter 28E agreement relating to a land redevelopment
30 trust shall include procedures for the distribution of assets
31 between participating municipalities upon the dissolution of the
32 land redevelopment trust.

33 c. Unless otherwise limited in the ordinance, resolution,
34 or chapter 28E agreement, the powers and procedures of a
35 newly created land redevelopment trust shall be the powers and

1 procedures specified in this chapter.

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

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

8 1. a. A land redevelopment trust shall have a board of
9 directors in which all powers of the land redevelopment trust
10 shall be vested.

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

15 2. The membership of the board shall be established in the
16 bylaws of the land redevelopment trust.

17 3. a. A local official may serve as a board member, and
18 service as a board member shall neither terminate nor impair the
19 local official's office.

20 b. A local employee shall be eligible to serve as a board
21 member.

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

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

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

34 6. Except as set forth in the enabling ordinance, resolution,
35 or agreement, or as set forth by a land redevelopment trust

1 in its bylaws, an action of the board must be approved by the
2 affirmative vote of a majority of the board present and voting.

3 7. Members of the board shall not be liable personally on
4 the obligations of the land redevelopment trust, and rights of
5 creditors of a land redevelopment trust shall be solely against
6 the land redevelopment trust.

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

8 1. A land redevelopment trust may employ or contract for
9 the employment of any persons the land redevelopment trust may
10 require to fulfill the objectives of its bylaws and this chapter.

11 2. An employee of the land redevelopment trust is not and
12 shall not be deemed to be an employee of the municipality for
13 whose benefit the land redevelopment trust is organized solely
14 because the employee is employed by the land redevelopment trust.

15 3. A land redevelopment trust is an employer as defined in
16 section 97B.1A, subsection 9, paragraph "a", and an employee of
17 the land redevelopment trust is an employee as defined in section
18 97B.1A, subsection 8.

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

20 1. In furtherance of the purposes set forth in section
21 358A.2, a land redevelopment trust shall have the power to
22 perform all actions necessary or convenient to carry out the
23 purposes set forth in this chapter, including but not limited to
24 all of the following powers:

25 a. To borrow money for any of the purposes of the land
26 redevelopment trust by means of loans, lines of credit, or any
27 other financial instruments or securities other than through the
28 issuance of bonds, debentures, or notes. A land redevelopment
29 trust may secure its indebtedness by mortgage, pledge, deed of
30 trust, or other lien on its property, franchises, rights, and
31 privileges of every kind and nature or any part thereof or
32 interest therein. The moneys borrowed by the land redevelopment
33 trust are payable as to principal, interest, and any other
34 amounts owed the lender solely from the proceeds from the net
35 revenues of the land redevelopment trust and are not a debt

1 of or charge against any of the municipalities that formed the
2 land redevelopment trust within the meaning of any constitutional
3 or statutory debt limitation provision. For purposes of this
4 paragraph:

5 (1) "Gross revenues" means the income and receipts of the
6 land redevelopment trust from any source whatsoever, including
7 but not limited to contributions from private parties or member
8 municipalities, sale or lease of rehabilitated properties, and
9 collection of a portion of the property taxes during the
10 five-year period after sale or lease of the rehabilitated
11 property.

12 (2) "Net revenues" means the gross revenues of the land
13 redevelopment trust less the land redevelopment trust's operating
14 expenses.

15 b. To petition for abatement pursuant to chapter 657A. A land
16 redevelopment trust is an "interested person" for purposes of
17 that chapter.

18 c. To contract with the federal government, the state, a
19 subdivision of the state, and any other party, whether nonprofit
20 or for-profit.

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

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

28 A land redevelopment trust shall not possess or exercise the
29 power of eminent domain, including under chapters 6A and 6B.

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

31 1. a. Except as provided in section 358A.8, a land
32 redevelopment trust may acquire, hold, own, accept, and otherwise
33 obtain real property or interests in real property by gift,
34 devise, transfer, exchange, foreclosure, purchase, or otherwise,
35 on terms and conditions and in a manner the board considers

1 is in the best interest of the land redevelopment trust and
2 consistent with the purposes set forth in section 358A.2 and the
3 land redevelopment trust's bylaws.

4 b. A land redevelopment trust may acquire tax sale
5 certificates at a tax sale conducted under chapter 446 and
6 may subsequently acquire title through tax lien foreclosure
7 procedures. A land redevelopment trust shall not be considered a
8 city or county for purposes of bidding on and acquiring tax sale
9 certificates under chapter 446, redeeming property under chapter
10 447, or obtaining a tax sale deed under chapter 448.

11 c. The acquisition of property by the land redevelopment
12 trust shall not be governed or controlled by any regulations or
13 laws relating to procurement or acquisition of property of any
14 municipality that created the land redevelopment trust, unless
15 specifically provided in the ordinance, resolution, or chapter
16 28E agreement establishing the land redevelopment trust.

17 d. Except as otherwise provided in paragraph "e", a land
18 redevelopment trust shall not own or hold real property located
19 outside the geographical boundaries of the land redevelopment
20 trust.

21 e. A land redevelopment trust may be granted, pursuant to an
22 intergovernmental contract with a political subdivision of this
23 state, the authority to manage and maintain real property located
24 within the geographical boundaries of the political subdivision,
25 but outside the geographical boundaries of the land redevelopment
26 trust. If a land redevelopment trust receives a gift or devise
27 of real property located outside of the geographical boundaries
28 of the land redevelopment trust, the land redevelopment trust
29 shall dispose of such property by sale or exchange as soon as
30 reasonably practicable.

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

34 3. A land redevelopment trust shall maintain and make
35 available for public review and inspection an inventory of all

1 real property held by the land redevelopment trust.

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

3 1. A land redevelopment trust may convey, exchange, sell,
4 transfer, lease, grant, mortgage, or otherwise dispose of
5 interests in real property of the land redevelopment trust at
6 such times, to such persons, upon such terms and conditions,
7 and subject to such restrictions and covenants as the land
8 redevelopment trust deems necessary or appropriate to assure the
9 effective use of the land redevelopment trust in accordance with
10 the purposes of section 358A.2 and consistent with the land
11 redevelopment trust's bylaws.

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

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

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

30 1. A land redevelopment trust may receive funding through
31 grants, loans, and other moneys from the municipality that
32 created the land redevelopment trust, from other municipalities,
33 from the state, from the federal government, and from any
34 other public and private sources, including but not limited to
35 donations, gifts, or bequests.

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

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

1 by local tax parcel number, address, and legal description and
2 include a copy of the ordinance, resolution, or chapter 28E
3 agreement setting forth the portion of such taxes allocable to
4 the land redevelopment trust under this subsection. Upon receipt
5 of the taxes from such property, the treasurer shall pay the land
6 redevelopment trust its share of the taxes paid on such property
7 for the applicable number of consecutive years.

8 Sec. 12. NEW SECTION. **358A.12 Delinquent property tax**
9 **enforcement.**

10 1. Whenever a land redevelopment trust acquires real property
11 encumbered by a lien or claim for real property taxes owed to
12 one or more of the municipalities that established the land
13 redevelopment trust, or to other political subdivisions that
14 have entered into an intergovernmental contract with the land
15 redevelopment trust, the land redevelopment trust may request, by
16 resolution of the board or as otherwise provided in its bylaws,
17 that the county in which the property is located discharge and
18 extinguish any and all of the liens or claims. If a portion
19 of the real property taxes are attributable to property taxes
20 certified for levy by a school district, the land redevelopment
21 trust shall notify the school district in writing of its intent
22 to extinguish all such liens and claims. If the school district
23 sends a written objection to the proposed extinguishment of such
24 liens and claims to the land redevelopment trust within thirty
25 days of receipt of such notice, the land redevelopment trust
26 shall not attempt to extinguish the liens and claims. If the
27 school district fails to send a written objection to the proposed
28 extinguishment to the land redevelopment trust within thirty days
29 of receipt of such notice from the land redevelopment trust, the
30 county in which the land redevelopment trust is located shall
31 have the power, by resolution of the board, to discharge and
32 extinguish any and all such liens or claims.

33 2. If a land redevelopment trust receives payments of any
34 kind attributable to liens or claims for real property taxes
35 owed or allocated to a municipality, public utility, or school

1 district on property acquired by the land redevelopment trust,
2 the land redevelopment trust shall remit the full amount of the
3 payments to the appropriate taxing entity.

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

5 The income and operations of a land redevelopment trust
6 are exempt from taxation by the state and by any political
7 subdivision of the state.

8 Sec. 14. NEW SECTION. **358A.14 Public records and public
9 meetings.**

10 A land redevelopment trust is a "governmental body" for
11 purposes of chapter 21 and a "government body" for the purposes
12 of chapter 22. A land redevelopment trust shall comply with
13 all public meeting requirements under chapter 21 and all public
14 records requirements under chapter 22.

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

16 A land redevelopment trust shall submit to the governing
17 body of the municipality that created the land redevelopment
18 trust an annual report that informs the municipality of the land
19 redevelopment trust's activities for the previous year.

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

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

24 Sec. 17. NEW SECTION. **358A.17 Dissolution of land
25 redevelopment trusts.**

26 1. A land redevelopment trust may be dissolved in accordance
27 with its bylaws. Upon dissolution of the land redevelopment
28 trust, all liabilities, real property, personal property, and
29 other assets of the land redevelopment trust shall become the
30 liabilities and assets of the municipality that created the land
31 redevelopment trust, or, in the case of a land redevelopment
32 trust created pursuant to a chapter 28E agreement, shall be
33 distributed pursuant to the chapter 28E agreement.

34 2. A municipality may withdraw from a land redevelopment
35 trust if the land redevelopment trust was created pursuant to

1 a chapter 28E agreement. The withdrawing municipality shall
2 receive its share of assets and liabilities as determined in the
3 chapter 28E agreement. A land redevelopment trust consisting of
4 two or more municipalities does not dissolve upon the withdrawal
5 of a single municipality.

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

7 1. For purposes of this section, "*family member*" means a
8 person who is a spouse, domestic partner, child, step-child,
9 grandchild, parent, step-parent, grandparent, sibling, niece,
10 nephew, uncle, aunt, mother-in-law, father-in-law, son-in-law, or
11 daughter-in-law of a member of the board or an employee of a land
12 redevelopment trust. "*Family member*" includes a person who is a
13 family member through adoption.

14 2. A member of the board, employee of a land redevelopment
15 trust, or family member of a member of the board or an
16 employee of the land redevelopment trust shall not acquire
17 any direct or indirect interest in real property of the land
18 redevelopment trust or in any property to be acquired from
19 the land redevelopment trust, or have or acquire any direct
20 or indirect interest in any real property to be acquired by a
21 land redevelopment trust. A land redevelopment trust shall not
22 acquire any real property from a board member, employee of the
23 land redevelopment trust, or family member of a board member or
24 employee of the land redevelopment trust.

25 3. Members of the board and employees of the land
26 redevelopment trust shall disclose to the board any direct or
27 indirect ownership interest such person or a family member of
28 such person has in any property to be acquired by the land
29 redevelopment trust or located within one thousand feet of
30 any property that the land redevelopment trust is considering
31 acquiring before the land redevelopment trust takes any action
32 to acquire such property. A member of the board who is required
33 to make such disclosure shall not participate in the decision to
34 approve the acquisition of such property.

35 4. A member of the board, employee of a land redevelopment

1 trust, or family member of a member of the board or an employee
2 of the land redevelopment trust may have a direct or indirect
3 interest in any contract or proposed contract for material or
4 services to be furnished to or used by a land redevelopment trust
5 only upon all of the following conditions:

6 a. The member of the board or employee of the land
7 redevelopment trust discloses the material facts of such
8 transaction and the nature of such interest to the board before
9 the board acts to approve such contract and, if the person is a
10 board member, does not participate in the discussion or vote to
11 consider approval of such contract.

12 b. Such contract is approved by a majority of the members
13 of the board who have no direct or indirect interest in such
14 contract and whose family members have no direct or indirect
15 interest in such contract.

16 c. Such contract is fair at the time the contract is
17 approved.

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

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

31 (2) Outside employment or an activity that involves the
32 receipt of, promise of, or acceptance of money or other
33 consideration by the person, an entity affiliated with or
34 controlled by the person, or a family member of the person
35 from anyone other than the land redevelopment trust for the

1 performance of any act that the person would be required or
2 expected to perform as a part of the person's regular duties or
3 during the hours during which the person performs service or work
4 for the land redevelopment trust.

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

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

16 (1) Cease the outside employment or activity.

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

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

32

DIVISION II

33 LAND REDEVELOPMENT TRUST TAX SALE COORDINATING PROVISIONS

34 Sec. 19. Section 446.16, subsection 2, Code 2025, is amended
35 to read as follows:

1 2. The treasurer may establish and collect a reasonable
2 registration fee from each registered bidder at the tax sale.
3 The fee shall not be assessed against a county, ~~or~~ municipality,
4 or land redevelopment trust created under chapter 358A. The total
5 of the fees collected shall not exceed the total costs of the
6 tax sale. Registration fees collected shall be deposited in the
7 general fund of the county.

8 Sec. 20. NEW SECTION. **446.19C Land redevelopment trust tax**
9 **sale.**

10 1. A land redevelopment trust has the exclusive bidder's
11 right to purchase tax sale certificates offered at the
12 treasurer's annual tax sale with respect to tax delinquent
13 parcels located within the geographical boundaries of the land
14 redevelopment trust that are dilapidated, abandoned, or blighted
15 and that are suitable for housing or commercial use following
16 rehabilitation.

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

28 a. The name, address, telephone number, and electronic mail
29 address of the land redevelopment trust.

30 b. A statement that the land redevelopment trust is
31 exercising its right to purchase each identified parcel pursuant
32 to this section.

33 c. Specific identification of each parcel by the parcel's
34 official county tax parcel number.

35 d. With respect to each identified parcel, a statement that

1 the parcel is dilapidated, abandoned, or blighted and that
2 the parcel is suitable for housing or commercial use following
3 rehabilitation.

4 e. The total amount due for each identified parcel computed
5 to the date of the tax sale.

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

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

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

35 6. The separate land redevelopment trust tax sale shall be

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

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

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

15 Sec. 21. Section 447.9, subsection 1, Code 2025, is amended
16 to read as follows:

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

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

7 DIVISION III

8 OTHER COORDINATING PROVISIONS

9 Sec. 22. Section 11.1, subsection 1, paragraph c, Code 2025,
10 is amended to read as follows:

11 c. "Governmental subdivision" means cities and administrative
12 agencies established by cities, hospitals or health care
13 facilities established by a city, counties, county hospitals
14 organized under chapters 347 and 347A, memorial hospitals
15 organized under chapter 37, entities organized under chapter 28E,
16 land redevelopment trusts created under chapter 358A, community
17 colleges, area education agencies, and school districts.

18 Sec. 23. Section 21.2, subsection 1, Code 2025, is amended by
19 adding the following new paragraph:

20 NEW PARAGRAPH. k. A land redevelopment trust created under
21 chapter 358A.

22 Sec. 24. Section 22.1, subsection 1, Code 2025, is amended to
23 read as follows:

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

1 committee, official, or officer of any of the foregoing or
2 any employee delegated the responsibility for implementing the
3 requirements of this chapter.

4 Sec. 25. Section 97B.1A, subsection 9, paragraph a, Code
5 2025, is amended to read as follows:

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

13 Sec. 26. Section 364.7, Code 2025, is amended to read as
14 follows:

15 **364.7 Disposal of property.**

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

19 1. The council shall set forth its proposal in a resolution
20 and shall publish notice, as provided in section 362.3, of the
21 resolution and of a date, time, and place of a public hearing on
22 the proposal.

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

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

28 Sec. 27. Section 427.1, Code 2025, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 43. *Land redevelopment trust property.* The
31 real property of a land redevelopment trust created under chapter
32 358A. For purposes of this subsection, real property includes but
33 is not limited to real property held by a land redevelopment
34 trust as lessor pursuant to long-term lease contracts with
35 community land trusts as defined in 42 U.S.C. §12773, but

1 does not include real property otherwise leased by a land
2 redevelopment trust to a third party and does not include real
3 property that has been sold on contract, which real property
4 shall be subject to property taxation in the name of the contract
5 buyer.

6 Sec. 28. Section 573.1, subsection 3, Code 2025, is amended
7 to read as follows:

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

13 Sec. 29. Section 657A.2, subsection 1, Code 2025, is amended
14 to read as follows:

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

1 of record of the interested person and by posting the notice
2 in a conspicuous place on the building, or by publication. The
3 last known address of record for the property owner shall be the
4 address of record with the county treasurer of the county where
5 the property is located. Service may also be made as provided in
6 section 654.4A.

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 redevelopment
11 trusts.

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

25 Division I of the bill also grants a land redevelopment trust
26 various powers and duties, including the authority to acquire
27 properties through certain procedures, including the purchase
28 of tax sale certificates and the foreclosure of properties
29 acquired at a tax sale if not redeemed. However, the bill
30 explicitly prohibits a land redevelopment trust from possessing
31 or exercising the power of eminent domain. The bill establishes
32 financing procedures that govern land redevelopment trusts,
33 including allowing to be remitted to the land redevelopment
34 trust up to 75 percent of real property taxes collected on a
35 real property conveyed or leased by a land redevelopment trust

1 that remains after the division of taxes for an urban renewal
2 area and exclusive of any amount levied by a school district
3 for five consecutive years after the property is again put on
4 the tax rolls. The bill requires a land redevelopment trust
5 to submit annual reports to the governing body that created
6 the land redevelopment trust. The bill provides procedures for
7 disposing of property that is acquired by the land redevelopment
8 trust. The bill also provides procedures for dissolving a land
9 redevelopment trust.

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

24 Division III of the bill makes changes throughout the Code to
25 conform with land redevelopment trust procedures established in
26 division I of the bill.