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City Administrator Report to Mayor & City Council

2019.09.15, Edition No. 356

WEEKLY UPDATE:

- ZBA: REMINDER - we need candidates!!! As noted last night we have had a resignation from the Zoning Board of Adjustment and are looking for candidates. Here is the link to the ZBA webpage: <https://www.muscatineiowa.gov/102/Zoning-Board-of-Adjustment> and the Boards and Commissions webpage that includes the application form: <https://www.muscatineiowa.gov/87/Boards-Commissions>.
- CSO: Attached please find the August 2019 program progress report for the West Hill Sewer Separation Project. Karmen K. Heim, P.E., Senior Environmental Engineer, Stanley Consultants
- Land Bank Legislation: Per Denise Bulat (Bi-State) - Attached is draft land bank legislation. Bi-state is looking for input or any thoughts on this draft legislation. (Please note - Denise has not heard any of you (cities) discuss the need for this legislation, so she is not sure if this is something that would be used by local jurisdiction.). See two attachments.
- Projects: Please find attached the notes from the meeting held yesterday (9/11) regarding current projects. If you have any questions, please contact Brian Stineman or Randy Hill.
- Trail Committee: The following are the notes from the meeting on Tuesday, September 10th (RHill):

A. Trail Update:

1. Westside Trail
 - Heuer Construction
 - \$1,221,380.29
 - Late September Construction Start
2. High School
 - MPW has approved use of their r-o-w for Trail
 - MPW provided a schematic for trail location and design
 - Concept will be given to City staff for action
3. 57th to Wiggins Road

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

--- Hill will contact Keith White re: TAP funds for this project

4. Other proposed trail routes mentioned:

--- Mad Creek Trail

--- Diana Queen Drive - Tipton Road segment

B. Muscatine County Trail Plan:

1. John will contact Bryan at Bi-State for an update
2. Keith offered to present to Board of Supervisors
3. Will help determine ADT and MRT sign locations

C. Meeting Update: County/Trails Committee

1. Need to see if "Share the Road" signs at 57th & Fruitland Blacktop are up
2. County wants to install gates at 33rd and 41st

D. Trails Committee Request:

1. Install Flashing lights at:

--- 41st/Stewart Road

--- 57th/Stewart Road

--- Highway 22

2. Hill will request this thru the City's Traffic Committee (to coordinate with County)

E. Trails Committee Project - 11/12 Meeting:

1. Set a policy that standardizes signage (uniformity)
2. Promote Pamphlets via Convention & Visitors Bureau
3. Simplify layout
4. Move Rotary sign project forward

F. Financial Report:

1. June 30, 2019 Balance = \$5,615.39

G. Other:

1. Almost Friday Fest - Continued Participation (i.e. Riverfront Projects)

ORDINANCE NO. ____

**AN ORDINANCE AMENDING TITLE 9 HEALTH AND SANITARY
REGULATIONS, CHAPTER 3 NUISANCE**

WHEREAS, in early 2019, the Iowa legislature drafted and passed Senate File 93, which included various amendments to Iowa Code chapter 657A;

WHEREAS, these amendments created, in pertinent part, additional mechanisms for private parties to seek court intervention and require corrections and improvements to abandoned structures within City limits;

WHEREAS, in order for private parties to be able to avail themselves of these new private remedies available under Iowa Code chapter 657A, as amended, cities must opt in, via ordinance, to allow these new remedies to exist within city limits;

WHEREAS, if a city does elect to opt in, the city is required to designate a building official responsible for inspections required under this new private enforcement scheme;

WHEREAS, the City Council has determined that it is in the best interest of the public health, safety and welfare of its residents, to have the provisions of Iowa Code 657A.1A through 657A.10, inclusive, apply to structures within its jurisdiction.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of Muscatine, Iowa as follows:

SECTION 1. ADDITION. TITLE 9 HEALTH AND SANITARY REGULATIONS, CHAPTER 3 NUISANCE of the City Code of Muscatine is hereby amended by adding the following Section 9-3-15 as follows:

9-3-15 Adoption of Iowa Code 657A.1A-657A.10.

- A. **Applicability.** Effective July 1, 2019, and pursuant to Iowa Code section 657A.10B, the City of Muscatine elects that the provisions of Iowa Code sections 657A.1 A through 657A.10, inclusive, shall apply to structures within its jurisdiction.
- B. **Appointed Building Official.** The City appoints Community Development Director, or his or her designee, as the responsible building official as defined in Iowa Code section 657A.1(8).
- C. **Fees.** The fee for a building inspection, and for preparation of the official's written findings, pursuant to Iowa Code section 657A.1 A(3), shall be \$50, or as may from time to time be amended by resolution of Council and set forth in the Schedule of Fees in Appendix C to this Code of Ordinances, and shall be payable in advance to the City Clerk.

SECTION 2. REPEALER. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. SEVERABILITY CLAUSE. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of this ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

SECTION 4. WHEN EFFECTIVE. This ordinance shall be effective from and after its final passage, approval and publication as provided by law.

Passed First Reading by the City Council of Muscatine, Iowa, ____ day of _____, 2019.

Passed Second Reading by the City Council of Muscatine, Iowa, the ____ day of _____, 2019.

PASSED AND ENACTED by the City Council of Muscatine, Iowa, the ____ day of _____, 2019.

Diana Broderson, Mayor

ATTEST:

Gregg Mandsager, City Administrator

1st Reading –

Motion by Council Member __, seconded by Council Member __, first reading of Ordinance No. ____ (2018/2019).

AYES: __

NAYS: __

ABSENT: __

2nd Reading –

Motion by Council Member __, seconded Council Member __, to approve the second reading of Ordinance No. ____ (2018/2019).

AYES: __

NAYS: __

ABSENT: __

3rd Reading –

Motion by Council Member __, seconded by Council Member __, to approve the third reading of Ordinance No. __ (2018/2019)

AYES: __

NAYS: __

ABSENT: __

The Mayor declared Ordinance No. __ (2018/2019) was passed on _____.

I certify that the foregoing was published as Ordinance No. __ (2018/2019) on the __ day of __ 2019.

Gregg Mandsager, City Administrator

Senate File 93 – Reprinted

**SENATE FILE 93
BY LOFGREN**

(As Amended and Passed by the Senate March 19, 2019)

A BILL FOR

- 1 An Act relating to abandoned structures and abatement of public
- 2 nuisances.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 631.1, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. The district court sitting in small
4 claims has concurrent jurisdiction for administrative warrant
5 applications pursuant to section 657A.1A, subsection 2.

6 Sec. 2. Section 655A.6, Code 2019, is amended to read as
7 follows:

8 **655A.6 Rejection of notice.**

9 1. If either the mortgagor, or successor in interest of
10 record including a contract purchaser, within thirty days of
11 service of the notice pursuant to **section 655A.3**, files with
12 the recorder of the county where the mortgaged property is
13 located, a rejection of the notice reasonably identifying
14 the notice which is rejected together with proofs of service
15 required under **section 655A.4** that the rejection has been
16 served on the mortgagee, the notice served upon the mortgagor
17 pursuant to **section 655A.3** is of no force or effect.

18 2. Rejection of notice pursuant to subsection 1 shall not be
19 available to a mortgagor, or successor in interest of record
20 including a contract purchaser, of a mortgaged property that a
21 court of competent jurisdiction determined has been abandoned
22 pursuant to section 657A.2, on or after the date as determined
23 in section 657A.2, subsection 5.

24 Sec. 3. Section 657A.1, subsections 1 and 3, Code 2019, are
25 amended to read as follows:

26 1. "Abandoned" or "abandonment" means that a building has
27 remained is vacant, or is occupied only by trespassers, and has
28 been in violation of the housing code or building code of the
29 city in which the property is located or the housing code or
30 building code applicable in the county in which the property
31 is located if outside the limits of a city for a period of six
32 consecutive months.

33 3. "Building" means a building or structure, excluding a
34 mobile home, a modular home, and a manufactured home as defined
35 in section 435.1, unless the mobile home or manufactured

1 home has been converted to real estate pursuant to section
2 435.26, located in a city or outside the limits of a city in
3 a county, which is used or intended to be used for commercial
4 or industrial purposes or which is used or intended to be
5 used for residential purposes and includes a building or
6 structure in which some floors may be used for retail stores,
7 shops, salesrooms, markets, or similar commercial uses, or for
8 offices, banks, civic administration activities, professional
9 services, or similar business or civic uses, and other floors
10 are used, designed, or intended to be used for residential
11 purposes.

12 Sec. 4. Section 657A.1, Code 2019, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 8. *"Responsible building official"* or
15 *"official"* means the person appointed by the city or, if the
16 building is outside the limits of a city, the county, to
17 enforce its building codes and regulations in general or to
18 enforce this chapter in particular.

19 Sec. 5. NEW SECTION. 657A.1A Preliminary inspection of
20 building.

21 1. No sooner than one hundred thirty-five days after a
22 property has become vacant, a person, other than a governmental
23 entity, may request that the responsible building official
24 inspect the property and certify that a property is both
25 abandoned and in need of abatement. The responsible building
26 official may also initiate an inspection on the official's own
27 initiative at any time.

28 2. If the responsible building official finds from an
29 exterior view of the property, in addition to any other
30 credible information that the official may have, that there
31 is reasonable cause to believe that the property is abandoned
32 and in need of abatement, the official shall schedule a date
33 and time for an inspection of the property by the official.
34 The person requesting the inspection shall provide written
35 notice of the scheduled inspection by first class mail and

1 certified mail to the owner and all interested persons at
2 least twenty days before the inspection. The notice must
3 state the date, time, and place of the inspection and state
4 that unless the owner appears at the inspection to allow the
5 responsible building official access to the interior of the
6 property, the official, accompanied by the person serving
7 notice and any interested persons appearing for the inspection,
8 may enter the property to determine whether the property is
9 abandoned and in need of abatement and, if so, to estimate
10 the costs of abatement. The official may enter the property
11 for an inspection, along with the person serving notice and
12 any interested persons, if the owner is not present for the
13 inspection. Upon request, the inspection may be rescheduled
14 as needed. The responsible building official must obtain an
15 administrative search warrant pursuant to section 808.14 to
16 enter any building to conduct an inspection pursuant to this
17 section.

18 3. The responsible building official's findings shall
19 be in writing with copies provided to the person requesting
20 the inspection, the owner, and all interested parties. The
21 governmental entity employing the responsible building official
22 may establish and charge a fee to cover the reasonable costs
23 of the inspection, which shall be added to costs in an action
24 under this chapter.

25 4. Evidence that financial obligations in respect to a
26 building, including but not limited to payments of a mortgage,
27 bills, or property taxes, are currently met does not rebut a
28 finding of abandonment if the property is substantially in need
29 of abatement in an action filed under section 657A.2.

30 Sec. 6. Section 657A.2, Code 2019, is amended by striking
31 the section and inserting in lieu thereof the following:

32 **657A.2 Petition.**

33 1. No sooner than the latter of thirty days after provision
34 of the responsible building official's findings under section
35 657A.1A and six months after a building has become abandoned,

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

24 2. If entering judgment, the court shall determine any
25 issues at law, including issues relating to title, raised by
26 the plaintiff or by a party in interest who has filed a motion
27 or answer.

28 3. In any evidentiary hearing or motion in a proceeding
29 under this chapter, the written findings of the responsible
30 building official relating to the condition of the building and
31 other matters within the scope of this chapter, if provided
32 at least ten days before the hearing to all persons not in
33 default, shall be accepted as evidence without prejudice to the
34 right of any party to require the personal testimony of the
35 responsible building official at the hearing.

1 4. If the court finds at a hearing pursuant to this section
2 that the building is abandoned or is a public nuisance, the
3 court may issue an injunction requiring the owner to correct
4 any conditions that make such building a public nuisance, or
5 issue another order that the court deems appropriate to address
6 the public nuisance.

7 5. If the court finds at a hearing pursuant to this
8 section that the building is abandoned, unless the court
9 order establishes otherwise, the property shall be deemed
10 continuously abandoned from the date the action is indexed
11 pursuant to section 617.10, subsection 1.

12 6. A property shall not be claimed as homestead pursuant to
13 chapter 561 on or after the date determined in subsection 5.

14 7. In a proceeding under this section, if the court
15 determines the building is not abandoned, the court shall
16 dismiss the petition and may require the petitioner to pay an
17 interested party's reasonable attorney fees. An owner of the
18 property who failed to appear for an inspection pursuant to
19 section 657A.1A shall not be awarded attorney fees under this
20 section.

21 8. If a party to the action holds an interest in the
22 property as a nominee, a fiduciary, or another representative
23 capacity for a third party, or an underlying loan on the
24 property is guaranteed by a third party, the party to the
25 action may apply to the court for a stay of action, as it
26 affects the party's interest, for a reasonable time to allow
27 the party to obtain the appropriate authority, information, or
28 instructions from or on behalf of the beneficiary or guarantor
29 as related to the property interest or underlying loan.

30 Sec. 7. Section 657A.3, Code 2019, is amended to read as
31 follows:

32 **657A.3 Interested persons — opportunity to abate public
33 nuisance.**

34 1. Before appointing a receiver to perform work or to
35 furnish material to abate a public nuisance under **this chapter**,

1 the court shall conduct a hearing at which the court shall
2 ~~offer mortgagees of record, lienholders of record, or other~~
3 known interested persons in the order of priority of interest
4 in title, the opportunity to undertake the work and to furnish
5 the materials necessary to abate the public nuisance. The
6 establish a date before which interested persons may file with
7 the court shall require the person selected to demonstrate
8 the written proof of intent and ability to promptly undertake
9 promptly the work required and to post security for the
10 performance of the work. If no such written proof is filed
11 by that date, the court may appoint a receiver pursuant to
12 subsection 3.

13 2. All amounts expended by the person toward abating the
14 public nuisance are a lien on the property if the expenditures
15 ~~were are~~ approved in advance by ~~the a~~ judge and if the person
16 desires the lien. The Unless an interested person has a
17 contract with the owner providing for a different interest
18 rate, the lien shall bear interest at the rate provided for
19 judgments pursuant to section 535.3, and shall be payable upon
20 terms approved by the judge. If a certified copy of the a
21 court order that approved approving the expenses and the terms
22 of payment for the lien, and a description of the property
23 in question, are filed for of record within thirty days of
24 the date of issuance of the order in the office of the county
25 recorder of the county in which the property is located, the
26 lien has the same priority as the mortgage of a receiver as
27 provided in section 657A.7.

28 2. 3. If the court determines by the date established
29 in subsection 1 or at the a hearing conducted pursuant
30 to subsection 1, on the sufficiency of a timely filed
31 rehabilitation plan that no interested person can undertake the
32 work and furnish the materials required to abate the public
33 nuisance, or if the court determines at any time after the
34 hearing that an interested person who is undertaking corrective
35 work pursuant to this section cannot or will not proceed, or

1 has not proceeded with due diligence, the court may appoint a
2 receiver to take possession and control of the property. The
3 receiver shall be appointed in the manner provided in section
4 657A.4.

5 4. If the building is a historic building or is located in
6 a designated historic district, the court shall give preference
7 to an economically feasible rehabilitation plan that preserves
8 the historical nature of the building.

9 5. Unless a receiver's mortgage provides for periodic
10 payments, a notice, in lieu of the notice pursuant to section
11 654.2D, shall also be served by ordinary or electronic mail
12 informing all interested persons of the date certain for the
13 maturity of the mortgage note, or the event triggering maturity
14 of the mortgage note, and that on maturity the receiver's
15 mortgage loan will be payable in full and the mortgagee may
16 then commence foreclosure without further notice. A notice
17 pursuant to section 654.4B shall also be served by ordinary or
18 electronic mail on the owner of record of the property. The
19 mortgagee shall not commence foreclosure of the mortgage until
20 sixty calendar days have passed since the date of service of a
21 notice under this subsection.

22 Sec. 8. Section 657A.4, Code 2019, is amended to read as
23 follows:

24 **657A.4 Appointment of receiver.**

25 After conducting If after expiration of a date established
26 pursuant to section 657A.3, subsection 1, or a hearing
27 pursuant to section 657A.3, the court may appoint a receiver
28 to take possession and control of the property in question.
29 A person shall not be appointed as a receiver unless the
30 person has first provided the court with a viable financial
31 and construction plan for the rehabilitation of the property
32 in question and has demonstrated the capacity and expertise
33 to perform the required work in a satisfactory manner. The
34 appointed receiver may be a financial institution that
35 possesses an interest of record in the property, a nonprofit

1 corporation that is duly organized and exists for the primary
2 purpose of improving housing conditions in the county or city
3 in which the property in question is located, or any person
4 deemed qualified by the court. No part of the net earnings of a
5 nonprofit corporation serving as a receiver under this section
6 shall benefit a private shareholder or individual. Membership
7 on the board of trustees of a nonprofit corporation does not
8 constitute the holding of a public office or employment and is
9 not an interest, either direct or indirect, in a contract or
10 expenditure of money by a city or county. No member of a board
11 of trustees of a nonprofit corporation appointed as receiver
12 is disqualified from holding public office or employment, nor
13 is a member required to forfeit public office or employment by
14 reason of the membership on the board of trustees.

15 Sec. 9. Section 657A.6, subsection 9, Code 2019, is amended
16 to read as follows:

17 9. Issue notes and secure the notes by mortgages bearing
18 interest at the rate provided for judgments pursuant to
19 section 535.3, and any terms and conditions as approved by
20 the court. The court may provide for a higher interest rate
21 if the receiver has established to the satisfaction of the
22 court that the receiver has sought financing from individuals
23 and institutions willing to lend money for rehabilitation
24 of property and that the terms proposed by the receiver are
25 reasonable. When transferred by the receiver in return for
26 valuable consideration in including money, material, labor,
27 or services, the notes issued by the receiver are freely
28 transferable. If the receiver has notice that the mortgagee
29 of the receiver's mortgage is contemplating a transfer of the
30 mortgage, the receiver shall disclose such to the court in the
31 application for approval of the mortgage.

32 Sec. 10. NEW SECTION. 657A.6A Receiver — prohibited acts.

33 Notwithstanding section 657A.10, it shall be unlawful, and a
34 receiver may be held liable for actual damages as determined
35 by a court, for entering a residential property that is not

1 abandoned for the purpose of forcing, intimidating, harassing,
2 or coercing a lawful occupant of the property to vacate in
3 order to render the property vacant and abandoned, and it shall
4 be unlawful to otherwise force, intimidate, harass, or coerce
5 a lawful occupant of a residential property to vacate so the
6 property may be deemed vacant and abandoned. A receiver who
7 peacefully enters a property for the purpose of rendering the
8 property vacant and abandoned shall be immune from liability
9 if the receiver makes a good-faith effort to comply with this
10 chapter and all terms of any applicable mortgage, lease, or
11 other agreement related to the occupancy of the building.

12 Sec. 11. Section 657A.7, subsection 1, Code 2019, is amended
13 to read as follows:

14 1. If the receiver's mortgage is filed ~~for of~~ record in
15 the office of the county recorder of the county in which the
16 property is located within sixty days of the issuance of a
17 secured note, the receiver's mortgage is a first lien upon the
18 property and is superior to claims of the receiver and to all
19 prior or subsequent liens and encumbrances except taxes and
20 assessments, including taxes and assessments advanced by any
21 mortgagee in the twelve-month period immediately preceding the
22 date a petition is filed pursuant to section 657A.2. Priority
23 among the receiver's mortgages is determined by the order in
24 which the mortgages are recorded.

25 Sec. 12. Section 657A.7, Code 2019, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 3. If a mortgagee of the receiver's
28 mortgage begins foreclosure procedures pursuant to chapter 655A
29 and an interested party desires to pay off the mortgage loan,
30 the interested party shall also pay the mortgagee's reasonable
31 costs and attorney fees.

32 Sec. 13. Section 657A.8, Code 2019, is amended to read as
33 follows:

34 **657A.8 Assessment of costs.**

35 The court may assess the costs and expenses set out in

1 section 657A.6, subsection 2, and may approve receiver's fees
2 to the extent that the fees are not covered by the income
3 from the property. The receiver shall pay the costs and
4 reasonable attorney fees of a plaintiff who requested an
5 inspection pursuant to section 657A.1A unless an interested
6 party not in default who appeared for the inspection objects
7 to the fees and costs in whole or in part. The court shall
8 determine the merits of such objection. If the court finds
9 that a neighboring landowner has pursued an action pursuant to
10 this chapter in bad faith, the court may assess attorney fees
11 against the neighboring landowner and may bar such neighboring
12 landowner from filing future actions under this chapter. If a
13 foreclosure of the receiver's mortgage pursuant to chapter 655A
14 is contemplated, the court may retain jurisdiction to determine
15 the amount of attorney fees payable under section 657A.7,
16 subsection 3.

17 Sec. 14. Section 657A.10A, subsection 1, paragraph a, Code
18 2019, is amended to read as follows:

19 a. In lieu of the procedures in sections 657A.2 657A.1A
20 through 657A.10 and 657A.10B, a city in which an abandoned a
21 building that has been abandoned for at least six consecutive
22 months is located may petition the court to enter judgment
23 awarding title to the abandoned property to the city. A
24 petition filed under this section shall include the legal
25 description of the abandoned property. If more than one
26 abandoned building is located on a parcel of real estate, the
27 city may combine the actions into one petition. The owner of
28 the building and grounds, mortgagees of record, lienholders
29 of record, or other known persons who hold an interest in the
30 property shall be named as respondents on the petition.

31 Sec. 15. NEW SECTION. 657A.10B Applicability.

32 The provisions of sections 657A.1A through 657A.10 shall
33 only apply to cities and counties that have, by ordinance,
34 provided that the provisions shall apply.

35 Sec. 16. NEW SECTION. 657A.10C Petition for injunction.

1 As an alternative to the remedies under this chapter, a
2 city, or a county if a property that is alleged to be a public
3 nuisance is located outside the limits of a city, may petition
4 the court for an injunction that requires the owner of the
5 property to correct or eliminate the condition or violation
6 causing the public nuisance. Service of the original notice
7 shall be made as provided in section 657A.2, subsection 1.

8 Sec. 17. CODE EDITOR DIRECTIVE.

9 1. The Code editor is directed to renumber section 657A.10B,
10 as enacted in this Act, as section 657A.10A, and to renumber
11 section 657A.10A as section 657A.10B.

12 2. The Code editor shall correct internal references in the
13 Code and in any enacted legislation as necessary due to the
14 enactment of this section.

657A Amendments – Executive Summary
by Walter Conlon

1. Summary. Especially in Iowa's small towns, but also in its urban areas, there is a considerable number of abandoned and dilapidated housing units, which not only are a hazard in themselves, attracting, for example, squatters and meth lab operations, but also destroy the value of surrounding housing, thus setting off a chain reaction of abandonments in affected neighborhoods. Since Iowa law traditionally does not allow municipalities to pursue owners and lienholders personally for needed repairs, but limits their liability to loss of the property, this often results in a situation where a building which can be economically rehabilitated in its early stages of abandonment is allowed to deteriorate to the point where the only (and expensive) alternative is to bulldoze it. Under the current language of 657A, a municipality, nonprofit housing agency or a neighboring property owner may go to court to force rehabilitation, and charge the equity in the property for the cost of repair and administrative costs, but the current statute is cumbersome and does not cover the costs of the persons initiating the action. The amendments proposed attempt to streamline the process and adequately reimburse the persons starting the action for their costs in actions under the act.

2. Who wins and who loses under the new law?

1. The winners will be property owners in affected neighborhoods; school, city and county property tax revenues; real estate attorneys; real estate brokers; lumberyards and other material suppliers, businesses seeking affordable housing for their workers, and real property repair and improvement businesses. Most of the winners would be Iowans.
2. The losers will be owners who abandon properties, and mortgage holders and other lien holders who fail to take steps to maintain properties in which they have an interest. Because of massive federal involvement in mortgage financing, such as Fannie Mae, Freddie Mac, HUD, VA etc., the biggest loser could be the federal government, assuming that it does not implement an effective program to make sure that its owned and mortgaged properties are kept in good order.

3. What does the new law do?

1. Cut down on the red tape and multiplicity of hearings under current law.
2. Makes the new procedure subject to local option.
3. Allows localities to charge for the property inspections which are the first steps in the new process, reimburseable to the plaintiff from the equity in the property.
4. Makes it clear that just because you are paying the mortgage loan and the taxes, that does

not stop the court from ordering rehabilitation if the property is vacant and in need of substantial repair.

5. Makes sure that the costs of successful plaintiffs are covered to the extent that there is equity in the property as repaired to do so.
6. Provide protection against nuisance suits due, for example, to neighborhood animosities.

4. **What doesn't the new law do?** It does not force the current owners and lienholders of properties to pay out of pocket for repair if they are willing to abandon their interest. The law only gives them the choice of fixing up the property or walking away from it.

5. **In what kind of properties would the law be workable?**

1. There generally would have to be sufficient equity in the property as repaired to pay the costs of the repair, as well as the administrative costs of the receiver and the plaintiff's attorneys fees and expenses, such as the inspection fee charged by the locality.
2. If the value of the property is "cost of lot minus rental of bulldozer," it generally won't be practicable, unless there is someone (*e.g.*, a person interested in renovating a historic structure for non-economic reasons) willing to subsidize the repairs. However, the law would give incentives to plaintiffs to act early enough after abandonment to ensure that the property does not deteriorate to the point where rehabilitation is not cost effective.
3. Agricultural buildings are not covered by the new law. All other buildings are.

6. **How would the system work?**

1. The first step would be for a neighboring property owner, a local housing nonprofit, or the municipality to contact the local housing official requesting a preliminary "drive by" determination that a property is abandoned and/or in need of rehabilitation. The housing officer could also use information which he has obtained from other sources in making that determination.
2. If the housing officer finds probable cause that the property is abandoned and in need of rehabilitation, he will set up an inspection where the owner, the lien holders, and the persons seeking rehabilitation can view the property to determine if rehabilitation is both needed and cost justified. The housing officer could go to a judicial magistrate to obtain an administrative search warrant for the inspection. The housing officer will then issue a written report, indicating whether the property is abandoned and in need of rehabilitation.
3. If the housing official's report shows that the property is abandoned and in need of abatement, after 30 days (to allow the owners or lien holders to come up with their own rehabilitation program) the neighboring property owner or nonprofit housing agency may go

to court to force rehabilitation. If the owners and lien holders do not show that either the property is occupied or is not in need of rehabilitation, and do not come up with a workable plan for rehabilitation, the court will then throw the property into receivership.

4. If the property is of historical value or in a historic district, and the owner fails to file a plan, the court gives preference to feasible plans which preserve the historical character of the property or neighborhood.
5. The receiver, funded by a court ordered mortgage against the property, which would come ahead of all current liens except property taxes, including property taxes advanced by a lender in the year before the lawsuit. Presumably by prearrangement, the receiver would write the mortgage to a local financial institution or investor, who then would upon completion of the repairs, foreclose the mortgage as necessary to get paid. The bill contains provisions to encourage foreclosure under the less expensive, "short form" provisions of current chapter 655A.

7. To what areas would it apply?

1. No municipality need participate in the program unless it wants to.
2. The procedure requires the locality, by ordinance, to opt in to allow the law to operate for properties within its limits.

Example of how the law would operate

A. - Hypothetical facts:

Abandoned house, current value - \$75,000.

Value of house after repair - \$125,000.

Estimated cost of repair - \$50,000.

Unpaid property tax - \$5,000.

Current first mortgage - \$120,000

Current second mortgage - \$50,000

Costs of receiver - \$5,000

Plaintiff attorney fees - \$5,000

B- Priorities after rehabilitation

Value of property as repaired - \$125,000

Receiver costs and advances -

1. Receiver's fees and costs - \$5,000

2. Plaintiff's attorney fees - \$5,000
3. Pay off delinquent property taxes - \$5,000
4. Cost of repairs to property - \$50,000.

Total receiver mortgage - \$65,000 against \$125,000 property.

Prior first (now second) and second (now third) mortgage lenders would have to pay off receiver's mortgage or be foreclosed out. Presumably, after this happens a few times to them, they will proactively prevent their properties from become dilapidated.



PROJECT STATUS REPORT

Project Name: City of Muscatine - West Hill Sewer Separation **Month:** August 2019
Prepared By: Stanley Consultants **Project Number:** SCI: 17660: 30.02, 42.00; 43.00
"PHASE" refers to Design Package/Construction Contract

Progress for Last Month (August 2019):

Phase 4 – Construction:

- Attend contractor progress meetings
- Sort out elevations for storm sewer manholes (revised shop drawing transmittal 14.) Communication with contractor and Draft ITC 10.
- Site visit and review of sanitary sewer elevations at 8th and Pine. Provided email instruction on elevations.

Phase 5 – Planning:

- Project reporting and program maintenance
- Phase 5 surveying by Martin & Whitacre in August. Field work is approximately 70% complete with office processing of data at 30% complete.

Work Items for Coming Month (September 2019):

Phase 4 – Construction:

- Provide construction services as needed
- Answer questions during construction
- Attend construction progress meetings
- Assist with shop drawings

Phase 5 – Planning:

- Program Maintenance & Planning.
 - Continue to review televising data/report. Write summary memo.
 - Review sanitary services data and info collected by City staff.
 - Review survey data from ravine survey.
 - Provide updates to City as needed.
 - Phase 5 project budgeting, resource scheduling.
 - Concept Design Phase 5 (30% design) scheduled November 2019 – March 2020.
 - Survey to continue – Martin and Whitacre survey of the remaining part of the Phase 5 area. Estimated delivery early November 2019.

Key Issues & Information Required / Critical Information:

- none

PROJECT MEETING NOTES – September 12, 2019

1. Phase IVB – West Hill Sewer Separation:

Phase IVB work includes general construction of approximately 2,600' of new 8" and 24" sanitary sewer on West Eighth Street, Sycamore Street, Iowa Avenue, and Pine Street. In addition it includes approximately 2,000' of new 15" through 30" storm sewer on West Eighth Street, Chestnut Street, and Fuller Street. Water main replacement includes approximately 2,900' of new 6" through 10" main. The following work is also included: new inlets, inlet piping, full-width pavement removal and replacement, sidewalk construction, seeding, filling and grading at the ravine fill site at the west end of Sixth Street.

Contractor: KE Flatwork

Bid Amount: \$2,407,510.60

a. Work Accomplished:

- 1) Iowa Ave. paved
- 2) Poured driveways, sidewalks, alley ways, retaining wall on Iowa Ave.
- 3) Surface restoration (topsoil, backfill, seeding, matting) along 8th St. and Iowa Ave
- 4) Completed Storm sewer at Chestnut
- 5) Installed water main from Chestnut to Linn
- 6) Maintained Fulliam Fill Site
- 7) September 13th – Open 8th St. from Cedar to Sycamore

b. Upcoming Work:

- 1) Finish retaining wall
- 2) Continue excavating, backfilling and topsoil
- 3) Begin excavation to Pine St.
- 4) Finish water line to Linn
- 5) GOAL: September 23rd – Open 8th to Iowa Ave. and Iowa Ave.
- 6) Council Action: Extend Substantial Completion to November 22nd

2. Mississippi Drive Corridor Project:

a. Remaining Punch List Work

- 1) Order replacement plants
- 2) Cleanout sanitary sewer line at the old Hotel
- 3) Clean, televise and record sewer
- 4) Finish Mad Creek Channel Armoring

3. Riverside Park Master Plan:

- a. "Almost Friday Fest"
 - 1) Provide Map of Riverfront Master Plan for future display
- b. Facilitate Master Plan Development
 - 1) Beer Garden
 - 2) Truck Vendors
 - 3) Entertainment Area
 - 4) Riverview Center/Papoose Pump Station
 - 5) Tiered Amphitheater
 - 6) Riverfront Demountable Floodwall
 - August 16, 2019 Study
 - CP Rail contributing funds for study
- c. Winter 19/20 – begin In-Depth Discussion on Implementation

4. Grandview Ave. Reconstruction Project:

- a. Plans completed
- b. Property Acquisition Underway
 - 1) Three (3) remaining
 - 2) November 1st deadline
 - 3) Need this completed to meet schedule
- c. Alliant relocating utility at this time
- d. Schedule:
 - 1) December 5, 2019: Set Public Hearing
 - 2) December 19, 2019: Public Hearing
 - 3) December 19, 2019: Resolution Approving Plans & Specs
 - 4) January 21, 2020: DOT Bid Letting
 - 5) February 6, 2020: Award Contract
 - 6) February 20, 2019: Approve Contract & Bond

5. 2nd Street Streetscape Project:

- a. September 19th: Public Meeting
- b. Reconstruct Iowa/Sycamore/Cedar intersections
- c. Focus on sidewalk design
- d. Keep street repairs to a minimum
- e. Make street parking adjustments
- f. Basement/chutes locations and construction options TBD
- g. Set up October meeting with CBD merchants and property owners
- h. Tentative Schedule: 2020 Construction
 - 1) November 7, 2019: Set Public Hearing
 - 2) November 21, 2019: Public Hearing
 - 3) November 21, 2019: Resolution Approving Plans & Specs
 - 4) December 17, 2019: Bid Letting

- 5) December 19, 2019: Award Contract
- 6) January 2, 2020: Approve Contract & Bond
- 7) July 1, 2020: Tentative Construction Start

6. 2nd & Mulberry Roundabout:

The 2nd & Mulberry Roundabout project consists of the reconstruction of the intersection of Mulberry Avenue and East 2nd Street intersection as a roundabout. Construction primarily includes pavement removal, excavation, concrete paving, subdrains, granular subbase, underground utility improvements, concrete pavers, and streetscape amenities.

Contractor: Heuer Construction

Bid Amount: \$2,114,738

- a. September 4th: Met with Merchants
- b. Schedule – Building(s) removal:
 - 1) September 15th: Begin demolition of City owned building (Valley Construction)
 - 2) October 15th: HNI owned building demolition (Valley Construction)
- c. Schedule – 2nd Mulberry Construction
 - 1) Winter Construction start: After January 1, 2020
 - 2) Underground work – duct bank and storm sewer
 - 3) Above ground – pavement removal
- d. Tentative Completion – Spring 2020

7. Westside Trail:

The Westside Trail project will construct a 1.26 mile graded and paved pedestrian and bike trail from approximately the southwest corner of Hershey Ave. at S. Houser St., parallel N. Houser Street to the north side of Crossroads Inc. property, then turn directly west to Discovery Park utilizing a permanent easement across the Crossroads Inc. and Brian St. or Lori Wolfe properties.

Contractor: Heuer Construction

Bid Amount: \$1,221,380.28

- a. Schedule:
 - 1) September 25th: Pre-Construction Meeting
 - 2) October 1st: Construction Start
 - 3) Arbor Commons progress could impact schedule
- b. First use of Doc Express

8. DOT Lake Park Blvd. Site:

- a. RFP for preliminary design and cost estimate underway
- b. 2019 Design
- c. 2020/21 Construction (Perhaps smaller projects, but plan, costs, funding and council approval will determine final construction)

9. Carver Corner Development:

The purpose of the Request For Proposals issued by the City of Muscatine is to identify private developers and development teams interested in redeveloping what is referred to as "Carver Corner". The City is seeking a development team with the capacity to create an urban mixed-use project on 7+ acres of property located along the Mississippi River and 0.5 miles from the Central Business District.

a. Goals:

- 1) Promote goals of the CBD and Riverfront Area
 - Urban, walkable neighborhoods
 - High quality architectural and site design
- 2) A variety of commercial and residential uses to be considered
- 3) Residential uses
 - Designed and marketed for quality/high amenity building(s)

b. Objectives:

- 1) Redevelop vacant property
- 2) Achieve high quality architectural and site design
- 3) Establish land uses consistent with redevelopment plans
- 4) Promote in-fill opportunities
- 5) Create high quality employment opportunities
- 6) Encourage destination points to draw people
- 7) Provide opportunities to live, work and recreate near the river
- 8) Enhance visitor experience along an important corridor in the community
- 9) Establish an outdoor recreational or green space
- 10) Improve long-term economic benefit

- c. August 14th: One Proposal submitted (Merge)
- d. September: Request Authorization to enter into negotiations

10. Old Library Site:

- a. City to consider development options
- b. Winter 19/20 discussion needed

11. 2019 Full Depth Program:

The 2019 PCC Full Depth Patch Construction Project consists of constructing P.C. Concrete curb and gutter, full depth patching, driveways, sidewalks and handicap ramps at Fulliam, Houser, Lake Park Blvd., University Dr. and Musser

Contractor: Heuer Construction

Bid Amount: \$919,875

- a. Streets: Fulliam, Houser, Lake Park Blvd., University Dr., Musser
- b. Houser: Work underway from Musser to Grandview
- c. Musser: Next project (to Grandview)
- d. Spring 2020: Construction completed

12. City Hall Security:

- a. Recommended doors identified and ordered

13. Phase V – West Hill Sewer Separation Design:

- a. Next schedule meeting with Stanley's – September 26, 2019
- b. Survey work to be completed by October/November 2019
- c. Paving profile and street configuration under review by staff

14. Park Ave. Three Lane Configuration Project:

- a. Costs to be divided between City/DOT/MPW
- b. Schedule:
 - 1) September 13th: Staff Review of Plans
 - 2) December 5th: Set Public Hearing
 - 3) December 19th: Public Hearing
 - 4) December 19th: Approve Plans & Specs
 - 5) February 18, 2020: DOT Bid Letting
 - 6) March 5th: Award Contract
 - 7) March 19th: Approve Contract & Bond
 - 8) April 1st: Construction Start date

15. High Strength Waste Receiving Station Project:

Work comprises general construction of new high strength waste facilities including various pumps, piping, building mechanical systems, and electrical/control systems work in existing control building and tunnel system and within the existing digester control building at the Water Resource Recovery Facility. Work also includes modifications at the Muscatine Solid

Waste Transfer and Recycling Center including plumbing, electrical, concrete modifications and paving.

Contractor: Leander Construction

Bid Amount: \$1,728,000

- a. 20% of work completed
- b. Poured concrete at Water Resource Recovery Facility & Transfer Station
- c. Piping rework and concrete trench underway at Transfer Station
- d. Construction to be completed by January 30, 2020

16. Arbor Commons:

- a. Inspecting public infrastructure (underground)
 - 1) Sanitary sewer being installed
 - 2) Water being installed

17. South End Sewer District Study:

- a. 61/Grandview
- b. September: Agreement approved
- c. Kickoff meeting September 17th

18. Redundant Force Main Line: Musser Park – Water Resource Recovery Facility

- a. DNR/EPA mandate to be completed by 2026
- b. RFP needed for design

19. Cedar to Houser Trail Segment

- a. MPW approves using their r-o-w for trail route
- b. Project design submitted to City staff for cost estimate
- c. Request TAP funds to pay 80% of costs

2019 Projects:

- a. Mad Creek Channel Armoring
- b. Westside Trail
- c. West Hill Sewer Separation Project – IVB
- d. 2019 Full Depth Patch Program and Asphalt Overlay (alleys)
- e. DOT Lake Park Facility Design
- f. City Hall Security
- g. Carver Corner Development

- h. 2nd/Mulberry Roundabout
- i. High Strength Waste Receiving Station
- j. Arbor Commons Development
- k. Riverfront Demountable Flood Wall Study
- l. South End Sewer District Study

2020 Projects:

- a. 2nd Street Streetscape Project
- b. West Hill Sewer Separation Phase V Design
- c. Park Ave. 3 lane configuration
- d. Riverside Park Development and Master Plan Implementation
- e. Grandview Ave. Reconstruction Project
- f. West Hill Sewer Separation Project – IVC

Phase IVC work includes general construction of approximately 2,700' of new 8" sanitary sewer of Linn Street, West Eighth Street, Roscoe Avenue, Maiden Lane, West Ninth Street, and Iowa Avenue. In addition it includes approximately 200' of storm sewer on West Eighth Street. Water main replacement includes approximately 3,100' of new 6" through 10" main.

Contractor: KE Flatwork

Bid Amount: \$2,105,175.75

SENATE FILE _____
BY LOFGREN

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:

DRAFT

1

DIVISION I

2

LAND BANKS

3

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

4

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

6

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

7

The legislature finds and declares all of the following:

8

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

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

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

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

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

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

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

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

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

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

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

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

18 7. *"Municipality"* means a city, county, or township.

19 8. *"Trump bid"* means the expression of intent by a land bank
20 to purchase a property for sale at a tax sale under chapter 446
21 by informing the treasurer for the municipality holding the
22 sale.

23 Sec. 4. NEW SECTION. 358A.4 Creation.

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

31 2. *a.* Any municipality may create a land bank. Creation
32 shall be by ordinance in the case of a city or by resolution in
33 the case of a county or township. The ordinance or resolution
34 shall make reference to the purposes listed under section
35 358A.2.

1 b. Any city, county, or township may create a land bank
2 in combination with other cities, counties, or townships.
3 Municipalities seeking to create such a land bank shall comply
4 with the procedures set forth in chapter 28E. A land bank
5 shall be considered a "public agency" for the purposes of
6 chapters 28E and 28H.

7 c. (1) Any city or township passing an ordinance or a
8 resolution or entering into a chapter 28E agreement under
9 paragraph "a" or "b" of this subsection shall promptly deliver
10 copies of the ordinance, resolution, or agreement to the
11 auditor, treasurer, and the county attorney of each county in
12 which the municipality is situated.

13 (2) Any board of supervisors adopting a resolution or
14 entering into a chapter 28E agreement creating a land bank
15 pursuant to this section shall deliver a copy of the resolution
16 or agreement to the county auditor, county treasurer, and
17 county attorney.

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

20 (1) The initial board of directors and the initial terms of
21 those directors.

22 (2) General term lengths and limits for the board of
23 directors.

24 (3) Procedures that the board of directors will follow in
25 exercising discretionary provisions of this chapter.

26 b. A chapter 28E agreement shall include procedures for the
27 distribution of assets between participating municipalities
28 upon the dissolution of the land bank.

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

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

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

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

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

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

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

13 3. a. A local official may serve as a board member and
14 service as a land bank board member shall neither terminate nor
15 impair that public office.

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

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

21 (1) A local government.

22 (2) A chamber of commerce.

23 (3) Persons with experience in banking.

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

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

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

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

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

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

35 e. A member removed under subsection 9 shall be ineligible

1 for reappointment to the board unless the reappointment is
2 confirmed unanimously by the board.

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

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

9 6. Board members shall serve without compensation.

10 However, the board may reimburse a member for expenses actually
11 incurred in the performance of duties on behalf of the land
12 bank as provided in bylaws adopted pursuant to subsection 9.

13 7. The board shall meet as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (9) Other matters necessary to govern the conduct of a land
15 bank.

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

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

24 b. Action of the board on the following matters must be
25 approved by a majority of the entire board membership excluding
26 vacancies:

27 (1) Adoption of bylaws.

28 (2) Hiring or firing of an employee or contractor of the
29 land bank. This function may be delegated by the board to a
30 specified officer or committee of the land bank.

31 (3) Incurring of debt.

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

33 (5) Sale, lease, encumbrance, or alienation of real
34 property or personal property with a value of more than fifty
35 thousand dollars.

1 c. A resolution regarding dissolution of the land bank under
2 section 358A.18 must be approved by two-thirds of the entire
3 board membership.

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

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

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

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

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

22 2. An employee of the land bank is not and shall not be
23 deemed to be an employee of the municipality for whose benefit
24 the land bank is organized solely because the employee is
25 employed by the land bank.

26 3. The land bank shall determine the compensation for an
27 executive director who shall manage the operations of a land
28 bank and employ or contract for the employment of others for
29 the benefit of the land bank as approved and funded by the
30 board of directors.

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

32 1. In furtherance of the purposes set forth in section
33 358A.2, a land bank shall have all of the following powers:

34 a. To borrow money for any of the purposes of the land bank
35 by means of loans, lines of credit, or any other financial

1 instruments or securities other than through the issuance
2 of bonds, debentures, or notes. A land bank may secure its
3 indebtedness by mortgage, pledge, deed of trust, or other lien
4 on its property, franchises, rights, and privileges of every
5 kind and nature or any part thereof or interest therein.

6 b. To make loans to any person and to establish and regulate
7 the terms and conditions of the loans, provided that a land
8 bank shall not approve any application for a loan unless and
9 until the person applying for the loan shows that the person
10 has applied for the loan through ordinary banking or commercial
11 channels and that the loan has been refused by at least one
12 financial institution.

13 c. To purchase, receive, hold, manage, lease,
14 lease-purchase, or otherwise acquire and to sell, convey,
15 transfer, lease, sublease, or otherwise dispose of real and
16 personal property, together with any incidental or appurtenant
17 rights, privileges, or uses, including but not limited to any
18 real or personal property acquired by the land bank in the
19 satisfaction of debts or the enforcement of obligations.

20 d. (1) To acquire the good will, business, rights, real
21 and personal property, and other assets, or any part or
22 interest, of any person, and to assume, undertake, or pay the
23 obligations, debts, and liabilities of any person.

24 (2) To acquire, reclaim, manage, or contract for the
25 management of improved or unimproved and underutilized
26 real property for the purpose of constructing or causing
27 the construction of business establishments or housing on
28 the property, for the purpose of assembling and enhancing
29 utilization of the real property, or for the purpose of
30 disposing of such real property to others in whole or in part
31 for the construction of business establishments or housing.

32 (3) To acquire, reclaim, manage, contract for the
33 management of, construct or reconstruct, alter, repair,
34 maintain, operate, sell, convey, transfer, lease, sublease, or
35 otherwise dispose of business establishments or housing.

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

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

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

16 h. To charge fees or exchange in-kind goods or services for
17 services rendered to political subdivisions and other persons
18 for whom services are rendered.

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

22 j. To be assigned a mortgage on real property from a
23 mortgagee in lieu of acquiring such real property subject to
24 a mortgage.

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

27 l. To issue trump bids for properties subject to tax sale
28 under chapter 446 at least five business days prior to the
29 beginning of the sale and purchase such properties at the
30 amount initially proposed at such a sale. At the beginning of
31 a sale, properties that a land bank has expressed intent to
32 purchase via a trump bid will be publicly sold to the land bank
33 for the entirety of the delinquent tax debt on the property
34 with the land bank acquiring full ownership with clear title
35 of the property subject to the expiration of the applicable

1 redemption period established in chapter 447 and issuance of
2 the tax deed under chapter 448.

3 *m.* A land bank may petition for abatement pursuant to
4 chapter 657A and is an "interested person" for purposes of that
5 chapter.

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

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

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

19 A land bank shall not possess or exercise the power of
20 eminent domain.

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

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

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

33 2. *a.* A land bank may acquire real property by purchase
34 contracts, lease-purchase agreements, installment sales
35 contracts, land contracts, or other contracts that convey an

1 interest in real property. A land bank may accept transfers
2 of property or interests in property from the state or
3 any political subdivision of the state upon such terms and
4 conditions as agreed to by the land bank and that unit of
5 government so long as the real property is located within the
6 geographical boundaries of the land bank.

7 b. A land bank may register as a bidder for purposes
8 of chapter 446. A land bank is not subject to a bidder
9 registration fee imposed pursuant to section 446.16. A land
10 bank shall not be considered a city or county for purposes of
11 bidding on property under chapter 446 or redeeming property
12 under chapter 447. If a municipality does not elect to tender
13 a bid at a public sale pursuant to section 446.7 or sale
14 pursuant to the provisions of a county charter, city charter,
15 or administrative code, the land bank may tender a trump bid
16 at the sale in an amount equal to the total amount of the
17 delinquent tax debt on the property. If the land bank tenders
18 a trump bid, the property shall be sold to the land bank, even
19 if bids have been tendered by other third parties, subject to
20 the expiration of the applicable redemption period established
21 in chapter 447 and issuance of the tax deed under chapter 448.
22 As the purchaser at the public sale or sale pursuant to the
23 provisions of a county charter, city charter, or administrative
24 code, the land bank shall receive the tax deed in accordance
25 with chapters 446, 447, and 448. The deed to the land bank
26 assigns all rights resulting from the land bank's successful
27 tender for the property to the foreclosing governmental unit,
28 allowing the property to be deeded directly to the foreclosing
29 governmental unit. All land bank acquisitions pursuant to this
30 paragraph shall comply with other provisions in this section
31 and all dispositions of property acquired pursuant to this
32 paragraph shall comply with section 358A.10.

33 c. The acquisition of property by the land bank shall not
34 be governed or controlled by any regulations or laws relating
35 to procurement or acquisition of property of any municipality

1 that created the land bank, unless specifically provided in the
2 ordinance, resolution, or chapter 28E agreement establishing
3 the land bank.

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

7 e. A land bank may be granted, pursuant to an
8 intergovernmental contract with a political subdivision of
9 this state, the authority to manage and maintain real property
10 located within the geographical boundaries of the political
11 subdivision, but outside the geographical boundaries of the
12 land bank.

13 3. A land bank shall maintain all of its real property in
14 accordance with the laws and ordinances of the jurisdiction in
15 which the real property is located.

16 4. A land bank shall maintain and make available for public
17 review and inspection an inventory of all real property held
18 by the land bank.

19 Sec. 10. NEW SECTION. 358A.10 Disposition of property.

20 1. a. A land bank may convey, exchange, sell, transfer,
21 lease, grant, or mortgage interests in real property of the
22 land bank at such times, to such persons, upon such terms and
23 conditions, and subject to such restrictions and covenants as
24 the land bank deems necessary or appropriate to assure the
25 effective use of the bank in accordance with the purposes of
26 section 358A.2.

27 b. Unless otherwise provided in the enabling resolution,
28 ordinance, or agreement, requirements that may be applicable to
29 the disposition of real property and interests in real property
30 by municipalities shall not be applicable to the disposition of
31 real property and interests in real property by a land bank.

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

35 b. Consideration may take the form of monetary payments and

1 secured financial obligations, covenants and conditions related
2 to the present and future use of the property, contractual
3 commitments by the transferee, and other forms of consideration
4 as determined by the board to be in the best interest of the
5 land bank.

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

13 b. Except as otherwise provided under paragraph "a" of this
14 subsection, the board may delegate to officers and employees
15 the authority to enter into and execute agreements, instruments
16 of conveyance, and other related documents pertaining to the
17 conveyance of real property by the land bank.

18 Sec. 11. NEW SECTION. 358A.11 Financing.

19 1. A land bank may receive funding through grants, loans,
20 and other funds from the municipality that created the land
21 bank, from other municipalities, from the state of Iowa, from
22 the federal government, and from other public and private
23 sources, including but not limited to donations, gifts, or
24 bequests.

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

31 3. Up to seventy-five percent of the real property taxes
32 remaining after the division of taxes pursuant to section
33 403.19, if applicable, and exclusive of any amount levied by
34 a school district, collected on real property that a land
35 bank has conveyed shall be remitted to the land bank. The

1 specific percentage of the taxes to be remitted, as to each
2 municipality that created the land bank, shall be set forth in
3 the enabling ordinance, resolution, or chapter 28E agreement.
4 The allocation of property tax revenues shall commence with the
5 first assessment year beginning January 1 following the date of
6 conveyance by the land bank and shall be allocated for a period
7 of five consecutive assessment years. The funds shall be
8 remitted to the land bank in accordance with the administrative
9 procedures established by the county or counties in which the
10 land bank is located.

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

15 a. Furtherance of land bank operations.
16 b. Recovery of land bank expenses.

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

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

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

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

15 Sec. 13. NEW SECTION. 358A.13 Expedited quiet title action.
16 1. a. A land bank may file an action to quiet title to any
17 real property in which the land bank has an interest. Chapter
18 649 shall apply to quiet title actions initiated by a land
19 bank to the extent that chapter is not inconsistent with this
20 section.

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

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

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

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

35 3. The court shall schedule a hearing on the petition within

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

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

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

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

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

5 Sec. 14. NEW SECTION. 358A.14 Exemption from taxation.

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

12 Sec. 15. NEW SECTION. 358A.15 Public records and public
13 meetings.

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

19 Sec. 16. NEW SECTION. 358A.16 Reports.

20 1. A land bank shall submit to the governing body of the
21 municipality that created the land bank a monthly report that
22 informs the municipality of the land bank's activities for the
23 previous month.

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

28 3. A land bank shall submit an annual report, by January
29 31 of each year, to the general assembly's standing committees
30 on commerce concerning the land bank's activities for the
31 preceding calendar year.

32 Sec. 17. NEW SECTION. 358A.17 Audits.

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

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

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

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

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

24 1. A member of the board or employee of a land bank shall
25 not acquire any direct or indirect interest in real property
26 of the land bank, in any real property to be acquired by the
27 land bank, or in any real property to be acquired from the land
28 bank. A member of the board or employee of a land bank shall
29 not have any direct or indirect interest in any contract or
30 proposed contract for material or services to be furnished or
31 used by a land bank.

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

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

1 or the use of evidences of office or employment to give the
2 person or member of the person's immediate family, as defined
3 in section 68B.2, an advantage or pecuniary benefit that is
4 not available to other similarly situated members or classes
5 of members of the general public. For purposes of this
6 subparagraph, a person is not "*similarly situated*" merely by
7 being, or being related to, a person who serves or is employed
8 by the land bank.

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, or a member of the person's
12 immediate family, as defined in section 68B.2, from anyone
13 other than the land bank for the performance of any act that
14 the person would be required or expected to perform as a part
15 of the person's regular duties or during the hours during which
16 the person performs service or work for the land bank.

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

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

28 (1) Cease the outside employment or activity.

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

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

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

DIVISION II

COORDINATING PROVISIONS

11 Sec. 20. Section 11.1, subsection 1, paragraph c, Code 2020,
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. 21. Section 21.2, subsection 1, Code 2020, is amended
21 by adding the following new paragraph:

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

23 Sec. 22. Section 22.1, subsection 1, Code 2020, 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. 23. Section 331.361, subsections 2 and 4, Code 2020,
6 are amended to read as follows:

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

12 a. The board shall set forth its proposal in a resolution
13 and shall publish notice of the time and place of a public
14 hearing on the proposal, in accordance with section 331.305.

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

17 c. When unused highway right-of-way is not being sold or
18 transferred to another governmental authority, the county shall
19 comply with the requirements of section 306.23.

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

25 Sec. 24. Section 364.7, Code 2020, is amended to read as
26 follows:

27 **364.7 Disposal of property.**

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

31 1. a. The council shall set forth its proposal in a
32 resolution and shall publish notice as provided in section
33 362.3, of the resolution and of a date, time and place of a
34 public hearing on the proposal.

35 2. b. After the public hearing, the council may make a

1 final determination on the proposal by resolution.

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

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

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

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

16 Sec. 26. Section 657A.2, subsection 1, Code 2020, is amended
17 to read as follows:

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

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

10

EXPLANATION

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

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

28 Division I of the bill grants a land bank various powers
29 and duties, including the authority to acquire properties
30 through certain procedures such as issuing a trump bid, which
31 shall be for all delinquent taxes owed on a property, at a tax
32 sale. However, the bill explicitly prohibits a land bank from
33 possessing or exercising the power of eminent domain. The
34 bill establishes financing procedures that govern land banks,
35 including allowing to be remitted to the land bank up to 75

1 percent of real property taxes collected on a real property
2 conveyed by a land bank that remains after the division of
3 taxes for an urban renewal area and exclusive of any amount
4 levied by a school district for five consecutive assessment
5 years. The bill provides procedures for removing encumbrances
6 on acquired property, including the extinguishing of tax liens
7 and the use of an expedited quiet title action. The bill
8 provides procedures for disposing of property that is acquired
9 by the land bank. The bill also provides procedures for
10 dissolving a land bank.

11 Division II of the bill makes changes throughout the Code to
12 conform with land bank procedures established in Division I of
13 the bill.