

# HB1517



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB1517

Introduced 2/6/2015, by Rep. Jehan A. Gordon-Booth

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Land Bank Act. Provides that a taxing district may create a land bank by the adoption of an ordinance or resolution. Establishes requirements for the creation of a land bank and a land bank's board of directors and staff. Establishes various powers and duties of a land bank. Provides that the provisions of the Act shall not apply to any land bank in effect before the effective date of the Act.

LRB099 06385 MGM 26455 b

A BILL FOR

1 AN ACT concerning land banks.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Land  
5 Bank Act.

6 Section 5. Legislative intent.

7 The General Assembly finds and declares that Illinois'  
8 communities are important to the social and economic vitality  
9 of the State. Whether urban, suburban, or rural, many  
10 communities are struggling to cope with vacant, abandoned, and  
11 tax-delinquent properties. Evidence demonstrates that a  
12 persistently high rate of vacant lots and structures harms the  
13 safety and economic strength of individual communities and  
14 neighborhoods within the State of Illinois.

15 There is a crisis in many cities and their metropolitan  
16 areas caused by disinvestment in real property and resulting in  
17 a significant amount of vacant and abandoned property. This  
18 condition of vacant and abandoned property represents lost  
19 revenue to local governments and large costs ranging from  
20 demolition, effects of safety hazards, and spreading  
21 deterioration of neighborhoods, including resulting mortgage  
22 foreclosures.

23 The need exists to strengthen and revitalize the economy of

1 the State and its units of local government by solving the  
2 problems of vacant and abandoned property in a coordinated  
3 manner and to foster the development of such property and  
4 promote economic growth. These problems may include multiple  
5 taxing jurisdictions lacking common policies, ineffective  
6 property inspection, code enforcement and property  
7 rehabilitation support, lengthy or inadequate foreclosure  
8 proceedings, and lack of coordination and resources to support  
9 economic revitalization.

10 There is an overriding public need to confront the problems  
11 caused by vacant, abandoned, and tax-delinquent properties  
12 through the creation of new tools available to communities  
13 throughout Illinois enabling them to turn vacant spaces into  
14 vibrant places. Land banks are one of the tools that can be  
15 used by communities to facilitate the return of vacant,  
16 abandoned, and tax-delinquent properties to productive use.

17 The primary focus of land bank operations is the  
18 acquisition of real property that is tax delinquent, tax  
19 foreclosed, vacant, or abandoned, and the use of tools  
20 authorized in this Act to eliminate the harms and liabilities  
21 caused by such properties. A land bank must ensure that  
22 communities affected by vacant land have substantial and  
23 meaningful involvement in decisions relating to those  
24 communities, with the community involvement directing the land  
25 bank's governance, structure, and operations. The State  
26 recognizes public health and safety as an integral part of

1 neighborhood stabilization and development; therefore, a land  
2 bank should promote development that improves health and access  
3 to health care within all communities and neighborhoods.

4 Section 10. Definitions. As used in this Act, unless the  
5 context clearly indicates otherwise:

6 "Board of directors" or "board" means the board of  
7 directors of a land bank.

8 "Land bank" means a land bank established as not-for-profit  
9 corporation and in accordance with the provisions of this Act  
10 and under the General Not For Profit Corporation Act of 1986.

11 "Foreclosing governmental unit" shall mean "taxing  
12 district" as defined in Section 1-150 of the Property Tax Code.

13 "Unit of local government" means a municipality, township,  
14 or county.

15 "School district" means a school district as defined under  
16 the School District Intergovernmental Cooperation Renewable  
17 Energy Act.

18 "Real property" means lands, lands under water, structures  
19 and any and all easements, air rights, franchises, and  
20 incorporeal hereditaments and every estate and right therein,  
21 legal and equitable, including terms for years and liens by way  
22 of judgment, mortgage or otherwise, and any and all fixtures  
23 and improvements located thereon.

24 "Brownfields site" or "brownfield" mean a parcel of real  
25 property, or a portion of the parcel, that has actual or

1 perceived contamination and an active potential for  
2 redevelopment.

3 Section 15. Creation and existence.

4 (a) Any foreclosing governmental unit may create a land  
5 bank by ordinance or resolution specifying the following:

6 (1) the name of the land bank;

7 (2) the number of members of the board of directors,  
8 which shall consist of an odd number of members, and shall  
9 be not less than 5 members nor more than 11 members;

10 (3) the individuals to serve as the initial members of  
11 the board of directors, and the length of terms for which  
12 they are to serve;

13 (4) the qualifications of members of the board under  
14 subsection (d) of Section 20;

15 (5) the manner of selection or appointment, and terms  
16 of office of members of the board; and

17 (6) the articles of incorporation for the land bank,  
18 which shall be filed with the Secretary of State in  
19 accordance with the procedures set forth in this Act.

20 (b) Two or more foreclosing governmental units may enter  
21 into an intergovernmental agreement that creates a single land  
22 bank to act on behalf of both foreclosing governmental units.  
23 The intergovernmental agreement shall be authorized by and be  
24 in accordance with the provisions of subsection (a) of this  
25 Section. The agreement shall include provisions for

1 dissolution of the land bank.

2 (c) Any foreclosing governmental units and any other unit  
3 of local government may enter into an intergovernmental  
4 agreement that creates a single land bank to act on behalf of  
5 the foreclosing governmental unit and the unit of local  
6 government. The intergovernmental agreement between the  
7 foreclosing governmental unit and the unit of local government  
8 shall be in accordance with the provisions of subsection (a) of  
9 this Section. The agreement shall include provisions for  
10 dissolution of the land bank.

11 (d) Except when a land bank is created under subsection (b)  
12 or (c) of this Section, a county creating a land bank shall  
13 have the power to acquire real property only in those portions  
14 of the county located outside of the geographical boundaries of  
15 any other land bank created by any other foreclosing  
16 governmental unit located partially or wholly within the  
17 county.

18 (e) A school district may participate in a land bank under  
19 an intergovernmental agreement with the foreclosing  
20 governmental unit that creates the land bank. Any such  
21 intergovernmental agreement between a foreclosing governmental  
22 unit and a school district shall specify the membership, if  
23 any, of such school district on the board of directors of the  
24 land bank and the actions of the land bank that are subject to  
25 approval by the school district.

26 (f) Each land bank created under this Act shall be a

1 not-for-profit corporation, and shall have permanent and  
2 perpetual duration until terminated and dissolved in  
3 accordance with the provisions of Section 60.

4 (g) The Auditor General shall have the authority to audit  
5 any land bank under this Act.

6 Section 20. Board of directors.

7 (a) The initial size of the board shall be determined in  
8 accordance with Section 15. Unless restricted by the actions or  
9 agreements specified in Section 15, the provisions of this  
10 Section shall apply.

11 The size of the board may be adjusted in accordance with  
12 by-laws of the land bank.

13 (b) In the event that a land bank is created under an  
14 intergovernmental agreement in accordance with Section 15,  
15 such intergovernmental agreement shall meet the requirements  
16 of subsection (a) of Section 15, provided that each foreclosing  
17 governmental unit shall have at least one appointment to the  
18 board.

19 (c) Any public officer shall be eligible to serve as a  
20 board member and the acceptance of the appointment shall  
21 neither terminate nor impair such public office. For purposes  
22 of this Section, "public officer" shall mean a person who is  
23 elected to an office representing a unit of local government.  
24 Any employee or appointed officer of a unit of local government  
25 shall be eligible to serve as a board member.

1           (d) Board members shall: (1) include individuals with  
2 expertise in relevant areas, including, but not limited to,  
3 community planning, environmental health, public health, and  
4 publicly accessible open space; and (2) live or work within the  
5 State. One-fifth of the Board membership shall be comprised of  
6 community residents or community members from existing  
7 grassroots or community-based organizations. These members  
8 shall have particular knowledge of conditions and needs in  
9 communities with significant rates of vacant or publicly-owned  
10 properties.

11           (e) The members of the board of directors shall select  
12 annually from among themselves a chairman, vice-chairman,  
13 treasurer, and such other officers as the board may determine,  
14 and shall establish their duties as may be regulated by rules  
15 adopted by the board.

16           (f) The board shall by rule establish requirements  
17 concerning the attendance and participation of members in its  
18 meetings, both regular and special. The rules may prescribe a  
19 procedure whereby, if any member fails to comply with the  
20 rules, that member may be disqualified and removed  
21 automatically from office by a majority vote of the other  
22 members of the board, and that member's position shall be  
23 vacant as of the first day of the next calendar month. Any  
24 person removed under the provisions of this subsection (f)  
25 shall be ineligible for reappointment to the board, unless such  
26 reappointment is confirmed unanimously by the board.

1 (g) A vacancy on the board shall be filled in the same  
2 manner as the original appointment.

3 (h) Board members shall serve without compensation, shall  
4 have the power to organize and reorganize the executive,  
5 administrative, clerical, and other departments of the land  
6 bank, and to fix the duties, powers, and compensation of all  
7 employees, agents, and consultants of the land bank. The board  
8 may reimburse any member for reasonable expenses actually  
9 incurred in the performance of duties on behalf of the land  
10 bank.

11 (i) The board shall meet in regular session according to a  
12 schedule adopted by the board, and also shall meet in special  
13 session as convened by the chairman or upon written notice  
14 signed by a majority of the members.

15 (j) A majority of the members of the board, not including  
16 vacancies, shall constitute a quorum for the conduct of  
17 business. All actions of the board shall be approved by the  
18 affirmative vote of a majority of the members of that board  
19 present and voting, provided, however, that no action of the  
20 board shall be authorized on the following matters, unless  
21 approved by a majority of the total board membership:

22 (1) adoption of by-laws and other rules and regulations  
23 for conduct of the land bank's business;

24 (2) hiring or firing of any employee or contractor of  
25 the land bank; this function may, by majority vote of the  
26 total board membership, be delegated to a specified officer

1 or committee of the land bank, under such terms and  
2 conditions, and to the extent, that the board may specify;

3 (3) the incurring of debt;

4 (4) adoption or amendment of the annual budget; and

5 (5) sale, lease, encumbrance, or alienation of real  
6 property, improvements, or personal property.

7 (k) Members of a board shall not be liable personally on  
8 the bonds or other obligations of the land bank, and the rights  
9 of creditors shall be solely against such land bank.

10 (l) Members of the board shall not be permitted to vote by  
11 proxy. Any member may request a recorded vote on any resolution  
12 or action of the land bank.

13 Section 25. Staff. A land bank may employ a secretary, an  
14 executive director, its own counsel and legal staff, and such  
15 technical experts, and such other agents and employees,  
16 permanent or temporary, as it may require, and may determine  
17 the qualifications and fix the compensation and benefits of  
18 such persons. A land bank may also enter into contracts and  
19 agreements with units of local government for staffing services  
20 to be provided to the land bank by units of local government or  
21 agencies or departments thereof, or for a land bank to provide  
22 such staffing services to units of local government or agencies  
23 or departments thereof.

24 Section 30. Powers.

1           (a) A land bank shall be incorporated as a not-for-profit  
2 corporation under Illinois law. The land bank's powers shall  
3 include all powers necessary to carry out and effectuate the  
4 purposes and provisions of this Act, provided there is  
5 meaningful community involvement regarding decisions that  
6 impact those communities. The land bank shall have the  
7 following powers, in addition to those otherwise granted:

8           (1) to adopt, amend, and repeal bylaws for the  
9 regulation of its affairs and the conduct of its business;

10           (2) to sue and be sued in its own name and plead and be  
11 impleaded in all civil actions, including, but not limited  
12 to, actions to clear title to property of the land bank;

13           (3) to adopt a seal and to alter the same at pleasure;

14           (4) to make contracts, give guarantees and incur  
15 liabilities, borrow money at such rates of interest as the  
16 land bank may determine;

17           (5) to issue negotiable revenue bonds and notes  
18 according to the provisions of this Act;

19           (6) to procure insurance or guarantees from the State  
20 or federal government of the payments of any debts or  
21 portion of debt incurred by the land bank, and to pay  
22 premiums in connection with such insurance;

23           (7) to enter into contracts and other instruments  
24 necessary to the performance of its duties and the exercise  
25 of its powers;

26           (8) to enter into contracts and other instruments

1 necessary to the performance of functions by the land bank  
2 on behalf of units of local government or agencies or  
3 departments of units of local government, or the  
4 performance by units of local government or agencies or  
5 departments of units of local government of functions on  
6 behalf of the land bank;

7 (9) to make and execute contracts and other instruments  
8 necessary to the exercise of the powers of the land bank;  
9 and any contract or instrument when signed by the chairman  
10 or vice-chairman of the land bank, or by an authorized use  
11 of their facsimile signatures, and by the secretary or  
12 assistant secretary, or, treasurer or assistant treasurer  
13 of the land bank, or by an authorized use of their  
14 facsimile signatures, shall be held to have been properly  
15 executed for and on its behalf;

16 (10) to procure insurance against losses in connection  
17 with the real property, assets, or activities of the land  
18 bank;

19 (11) to invest money of the land bank, at the  
20 discretion of the board of directors, in instruments,  
21 obligations, securities, or property determined proper by  
22 the board of directors, and name and use depositories for  
23 its money;

24 (12) to enter into contracts for the management of, the  
25 collection of rent from, or the sale of real property of  
26 the land bank;

1           (13) to design, develop, construct, demolish,  
2           reconstruct, rehabilitate, renovate, relocate, and  
3           otherwise improve real property or rights or interests in  
4           real property;

5           (14) to fix, charge, and collect rents, fees, and  
6           charges for the use of real property of the land bank and  
7           for services provided by the land bank;

8           (15) to grant or acquire a license, easement, lease (as  
9           lessor or as lessee), or option with respect to real  
10          property of the land bank;

11          (16) to enter into partnership, joint ventures, and  
12          other collaborative relationships with units of local  
13          government and other public and private entities for the  
14          ownership, management, development, and disposition of  
15          real property;

16          (17) to inventory vacant, abandoned and tax foreclosed  
17          properties;

18          (18) to develop a redevelopment plan to be approved by  
19          the foreclosing governmental unit or units;

20          (19) to be subject to building codes and zoning laws of  
21          the corresponding unit of local government;

22          (20) to enter in agreements with a foreclosing  
23          governmental unit for the distribution of revenues to the  
24          foreclosing governmental unit and school district; and

25          (21) to do all other things necessary to achieve the  
26          objectives and purposes of the land bank or other laws that

1 relate to the purposes and responsibility of the land bank.

2 (b) A land bank shall neither possess nor exercise the  
3 power of eminent domain.

4 Section 35. Acquisition of property.

5 (a) The real property of a land bank and its income and  
6 operations are exempt from all taxation by the State of  
7 Illinois and by any of its political subdivisions.

8 (b) The land bank may acquire real property or interests in  
9 real property by gift, devise, transfer, exchange,  
10 foreclosure, purchase, or otherwise on terms and conditions and  
11 in a manner the land bank considers proper.

12 (c) The land bank may acquire real property by purchase  
13 contracts, lease purchase agreements, installment sales  
14 contracts, and land contracts and may accept transfers from  
15 units of local government upon such terms and conditions as  
16 agreed to by the land bank and the unit of local government.  
17 Notwithstanding any other law to the contrary, any unit of  
18 local government may transfer to the land bank real property  
19 and interests in real property of the unit of local government  
20 on such terms and conditions and according to such procedures  
21 as determined by the unit of local government.

22 (d) The land bank shall maintain all of its real property  
23 in accordance with the laws and ordinances of the jurisdiction  
24 in which the real property is located.

25 (e) The land bank shall not own or hold real property

1 located outside the jurisdictional boundaries of the  
2 foreclosing governmental unit or units which created the land  
3 bank; provided, however, that a land bank may be granted  
4 authority under an intergovernmental agreement with another  
5 unit of local government to manage and maintain real property  
6 located within the jurisdiction of such other unit of local  
7 government.

8 (f) Notwithstanding any other provision of law to the  
9 contrary, any unit of local government may convey to a land  
10 bank real property and interests in real property on such terms  
11 and conditions, form and substance of consideration, and  
12 procedures, all as determined by the transferring unit of local  
13 government in its discretion.

14 (g) The acquisition of real property by a land bank under  
15 this Act, from entities other than political subdivisions,  
16 shall be limited to real property that is tax-delinquent,  
17 tax-foreclosed, vacant or abandoned; provided, however, that a  
18 land bank shall have authority to enter into agreements to  
19 purchase other real property consistent with an approved  
20 redevelopment plan.

21 (h) The land bank shall maintain and make available for  
22 public inspection a complete inventory of all property received  
23 by the land bank. Such inventory shall include: the location of  
24 the parcel; the purchase price, if any, for each parcel  
25 received; the current value assigned to the property for  
26 purposes of real property taxation; the amount, if any, owed to

1 the locality for real property taxation; the identity of the  
2 transferor; and any conditions or restrictions applicable to  
3 the property.

4 (i) All parcels received by the land bank shall be listed  
5 on the received inventory established under subsection (h) of  
6 this Section within one week of acquisition and shall remain in  
7 such inventory for one week prior to disposition.

8 (j) Failure to comply with the requirements in subsections  
9 (h) and (i) of this Section with regard to any particular  
10 parcel shall cause such acquisition by the land bank to be null  
11 and void.

12 Section 40. Disposition of property.

13 (a) The land bank shall hold in its own name all real  
14 property acquired by the land bank irrespective of the identity  
15 of the transferor of such property.

16 (b) The land bank shall maintain and make available for  
17 public inspection a complete inventory of all real property  
18 dispositions by the land bank. The inventory shall include a  
19 complete copy of the sales contract, including all terms and  
20 conditions, including, but not limited to, any form of  
21 compensation received by the land bank or any other party that  
22 is not included within the sale price.

23 (c) The land bank shall determine and set forth in policies  
24 and procedures of the board of directors, the general terms and  
25 conditions for consideration to be received by the land bank

1 for the transfer of real property and interests in real  
2 property, which consideration may take the form of monetary  
3 payments and secured financial obligations, covenants and  
4 conditions related to the present and future use of the  
5 property, contractual commitments of the transferee, and any  
6 other forms of consideration as are consistent with State and  
7 local law.

8 (d) The land bank may convey, exchange, sell, transfer,  
9 lease as lessor, grant, release, demise, or pledge any and all  
10 interests in, upon, or to real property of the land bank.

11 (e) Upon creating a land bank, any foreclosing governmental  
12 unit shall determine, in consultation with the impacted  
13 community, how the real property conveyed by the land bank will  
14 be used, selecting one or more of the following uses:

15 (1) neighborhood health clinics and centers,  
16 hospitals, or urgent care clinics;

17 (2) services and enrichment facilities, such as senior  
18 and community centers;

19 (3) community open space, green-space, or wildlife  
20 conservation areas; or

21 (4) urban agriculture, such as community gardens and  
22 composting sites.

23 (f) A foreclosing governmental unit may require that any  
24 particular form of disposition of real property, or any  
25 disposition of real property located within specified  
26 jurisdictions, be subject to voting and approval requirements

1 of the board of directors. Except and unless restricted or  
2 constrained in this manner, the board of directors may delegate  
3 to officers and employees the authority to enter into and  
4 execute agreements, instruments of conveyance, and all other  
5 related documents pertaining to the conveyance of real property  
6 by the land bank.

7 (g) All property dispositions shall be listed on the  
8 property disposition inventory established under subsection  
9 (b) of this Section within one week of disposition. Such  
10 records shall remain available for public inspection in the  
11 property disposition inventory indefinitely.

12 (h) Failure to comply with the requirements of subsection  
13 (g) of this Section shall subject the land bank to a civil  
14 penalty of \$100 per violation up to a maximum of \$10,000 for  
15 each parcel, recoverable in an action brought by the Attorney  
16 General or State's Attorney. The Attorney General or State's  
17 Attorney may also seek rescission of the real property  
18 transaction.

19 Section 45. Financing of land bank operations.

20 (a) A land bank may receive funding through grants and  
21 loans from the foreclosing governmental unit or units which  
22 created the land bank, from other units of local government,  
23 from the State, from the federal government, and from other  
24 public and private sources.

25 (b) A land bank may receive and retain payments for

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

6 (c) Upon the adoption of an ordinance or resolution by unit  
7 of local government, school district, or any taxing district,  
8 50% of the real property taxes collected on any specific parcel  
9 of real property identified by such unit of local government,  
10 school district, or any taxing jurisdiction may be remitted to  
11 the land bank in accordance with procedures established by  
12 rules adopted by the Department of Revenue. Such allocation of  
13 real property tax revenues shall begin with the first taxable  
14 year following the date of conveyance and shall continue for a  
15 period of 5 years.

16 Section 50. Bonds.

17 (a) Any foreclosing governmental unit or school district  
18 which receives funds from the Department of Revenue, including  
19 without limitation funds received pursuant to Sections 8-11-1,  
20 8-11-1.4 or 8-11-5 of the Illinois Municipal Code, the Home  
21 Rule County Retailers' Occupation Tax Act or the Home Rule  
22 County Service Occupation Tax Act, Section 5.01 of the Local  
23 Mass Transit District Act, Sections 2 or 12 of "An Act in  
24 relation to State revenue sharing with local governmental  
25 entities", approved July 31, 1969, from the Department of

1 Transportation pursuant to Section 8 of the Motor Fuel Tax Law,  
2 or from the State Superintendent of Education (directly or  
3 indirectly through regional superintendents of schools)  
4 pursuant to Article 18 of The School Code, or any foreclosing  
5 governmental unit or school district which receives other funds  
6 which are at any time in the custody of the State Treasurer,  
7 the State Comptroller, the Department of Revenue, the  
8 Department of Transportation or the State Superintendent of  
9 Education may, by appropriate proceedings, pledge to a land  
10 bank which it has created by ordinance or resolution, or with  
11 which it has an intergovernmental agreement, any or all of such  
12 receipts to the extent that such receipts are necessary to  
13 provide revenues to pay the principal of, premium, if any, and  
14 interest on, and other fees related to, or to secure, any bonds  
15 issued by the land bank. Any pledge of such receipts (or any  
16 portion thereof) shall constitute a first and prior lien  
17 thereon and shall be binding from the time the pledge is made.

18 (b) Upon receipt of a certified copy of proceedings under  
19 subsection (a) by the State Treasurer, the State Comptroller,  
20 the Department of Revenue, the Department of Transportation or  
21 the State Superintendent of Education, as the case may be, such  
22 Department or State Superintendent shall direct the State  
23 Comptroller and State Treasurer to pay to, or on behalf of, the  
24 land bank or such other entity (including, without limitation,  
25 any trustee) all or such portion of the pledged receipts from  
26 the Department of Revenue, or the Department of Transportation

1 or the State Superintendent of Education (directly or  
2 indirectly through regional superintendents of schools), as  
3 the case may be, sufficient to pay the principal of and  
4 premium, if any, and interest on, and other fees related to,  
5 the local governmental securities for which the pledge was  
6 made. The proceedings shall constitute authorization for a  
7 directive to the State Comptroller to cause orders to be drawn  
8 and to the State Treasurer to pay in accordance with the  
9 directive. To the extent that the land bank or its designee  
10 notifies the Department of Revenue, the Department of  
11 Transportation or the State Superintendent of Education, as the  
12 case may be, that the foreclosing governmental unit or school  
13 district has previously paid to the land bank or its designee  
14 the amount of any principal, premium, interest and fees payable  
15 from such pledged receipts, the State Comptroller shall cause  
16 orders to be drawn and the State Treasurer shall pay such  
17 pledged receipts to the foreclosing governmental unit or school  
18 district as if they were not pledged receipts. To the extent  
19 that such receipts are pledged and paid to the land bank or  
20 such other entity, any taxes which have been levied or fees or  
21 charges assessed pursuant to law on account of the issuance of  
22 such bonds issued by the land bank shall be paid to the  
23 foreclosing governmental unit or school district and may be  
24 used for the purposes which the pledged receipts would have  
25 been used.

26 (c) Any such foreclosing governmental unit or school

1 district may, by such proceedings, direct that such pledged  
2 receipts payable to such foreclosing governmental unit or  
3 school district be paid to the land bank or such other entity  
4 (including without limitation any trustee) upon a default in  
5 the payment of any principal of, premium, if any, or interest  
6 on, or fees relating to, any of the bonds issued by the land  
7 bank which have been sold or delivered to the land bank or its  
8 designee or any of the bonds issued by the land bank which have  
9 been sold or delivered to the land bank or its designee and  
10 which are secured by such lease rental payments. If such local  
11 governmental security is in default as to the payment of  
12 principal thereof, premium, if any, or interest thereon, or  
13 fees relating thereto, to the extent that the State Treasurer,  
14 the State Comptroller, the Department of Revenue, the  
15 Department of Transportation or the State Superintendent of  
16 Education (directly or indirectly through regional  
17 superintendents of schools) shall be the custodian at any time  
18 of any other available funds or moneys pledged to the payment  
19 of such bonds issued by the land bank under this Section and  
20 due or payable to such a foreclosing governmental unit or  
21 school district at any time subsequent to written notice to the  
22 State Comptroller and State Treasurer from the land bank or any  
23 entity acting on behalf of the land bank (including, without  
24 limitation, any trustee) to the effect that such foreclosing  
25 governmental unit or school district has not paid or is in  
26 default as to payment of the principal of, premium, if any, or

1 interest on, or fees relating to, any local government security  
2 sold or delivered to the land bank or any such entity  
3 (including, without limitation, any trustee) or has not paid or  
4 is in default as to the payment of such lease rental payments  
5 securing the payment of the principal of, premiums, if any, or  
6 interest on, or other fees relating to, any local government  
7 security sold or delivered to the land bank or such other  
8 entity (including, without limitation, any trustee):

9 (1) The State Comptroller and the State Treasurer shall  
10 withhold the payment of such funds or moneys from such  
11 foreclosing governmental unit or school district until the  
12 amount of such principal, premium, if any, interest or fees  
13 then due and unpaid has been paid to the land bank or any  
14 such entity (including, without limitation, any trustee),  
15 or the State Comptroller and the State Treasurer have been  
16 advised that arrangements, satisfactory to the land bank or  
17 such entity, have been made for the payment of such  
18 principal, premium, if any, interest and fees; and

19 (2) Within 10 days after a demand for payment by the  
20 land bank or such entity given to such foreclosing  
21 governmental unit or school district, the State Treasurer  
22 and the State Comptroller, the State Treasurer shall pay  
23 such funds or moneys as are legally available therefor to  
24 the land bank or such entity for the payment of principal  
25 of, premium, if any, or interest on, or fees relating to,  
26 such bonds issued by the land bank. The land bank or any

1           such entity may carry out this Section and exercise all the  
2           rights, remedies and provisions provided or referred to in  
3           this Section.

4           (d) Upon the sale or delivery of any local government  
5           securities of the land bank or its designee, the foreclosing  
6           governmental unit or school district which issued such local  
7           government securities shall be deemed to have agreed that upon  
8           its failure to pay interest or premium, if any, on, or  
9           principal of, or fees relating to, the local government  
10          securities sold or delivered to the land bank or any entity  
11          acting on behalf of the land bank (including, without  
12          limitation, any trustee) when payable, all statutory defenses  
13          to nonpayment are thereby waived. Upon a default in the payment  
14          of principal of or interest on any bonds issued by the land  
15          bank and sold by the land bank or its designee, and upon demand  
16          on the foreclosing governmental unit or school district for  
17          payment, if the bonds issued by the land bank are payable from  
18          property taxes and funds are not legally available in the  
19          treasury of the foreclosing governmental unit or school  
20          district to make payment, an action in mandamus for the levy of  
21          a tax by the foreclosing governmental unit or school district  
22          to pay the principal of or interest on the bonds issued by the  
23          land bank shall lie, and the land bank or such entity shall be  
24          constituted a holder or owner of the bonds issued by the land  
25          bank as being in default. Upon the occurrence of any failure or  
26          default with respect to any bonds issued by the land bank, the

1 land bank or such entity may thereupon avail itself of all  
2 remedies, rights and provisions of law applicable in the  
3 circumstances, and the failure to exercise or exert any rights  
4 or remedies within a time or period provided by law may not be  
5 raised as a defense by the foreclosing governmental unit or  
6 school district.

7 (e) The issuance of bonds under this Section is deemed an  
8 essential public and governmental purpose. Interest on the  
9 bonds issued under this Section after the effective date of  
10 this Act is exempt from taxation within this State. For  
11 purposes of Section 250 of the Illinois Income Tax Act, the  
12 exemption of the interest from bonds granted under this Section  
13 shall terminate after all of the bonds have been paid. The  
14 amount of such income that shall be added and then subtracted  
15 on the Illinois income tax return of a taxpayer, pursuant to  
16 Section 203 of the Illinois Income Tax Act, from federal  
17 adjusted gross income or federal taxable income in computing  
18 Illinois base income shall be the interest net of any bond  
19 premium amortization.

20 Section 55. Public records and public meetings.

21 (a) The board shall cause minutes and a record to be kept  
22 of all its proceedings. Except as otherwise provided in this  
23 Section, the land bank shall be subject to the Open Meetings  
24 Act and the Freedom of Information Act.

25 (b) A land bank shall hold a public hearing prior to

1 financing or issuance of bonds. The land bank shall schedule  
2 and hold a public hearing and solicit public comment. After the  
3 conclusion of the public hearing and comments, the land bank  
4 shall consider the results of the public hearing and comments  
5 with respect to the proposed actions. This consideration by the  
6 land bank shall include the accommodation of the public  
7 interest with respect to such actions. If an accommodation is  
8 deemed in the best interest of the community proposed actions  
9 shall include that accommodation.

10 (c) In addition to any other report required by this Act,  
11 the land bank, through its chairperson, shall annually deliver,  
12 in oral and written form, a report to the units of local  
13 government in which the land bank is located. This report shall  
14 be presented by March 15 of each year to the governing body or  
15 board of the units of local government. The report shall  
16 describe in detail the projects undertaken by the land bank  
17 during the past year, the moneys expended by the land bank  
18 during the past year, and the administrative activities of the  
19 land bank during the past year. At the conclusion of the  
20 report, the chairperson of the land bank shall be prepared to  
21 answer the questions of the units of local government with  
22 respect to the projects undertaken by the authority during the  
23 past year, the moneys expended by the unit of local government  
24 during the past year, and the administrative activities of the  
25 units of local government during the past year.

1           Section 60. Dissolution of land bank. A land bank may be  
2 dissolved as a not-for-profit corporation 60 calendar days  
3 after an affirmative resolution approved by two-thirds of the  
4 membership of the board of directors. Sixty calendar days  
5 advance written notice of consideration of a resolution of  
6 dissolution shall be given to the foreclosing governmental unit  
7 or units that created the land bank, shall be published in a  
8 local newspaper of general circulation, and shall be sent  
9 certified mail to the trustee of any outstanding bonds of the  
10 land bank. Upon dissolution of the land bank, all real  
11 property, personal property, and other assets of the land bank  
12 shall become the assets of the foreclosing governmental unit or  
13 units that created the land bank. In the event that 2 or more  
14 foreclosing governmental units create a land bank in accordance  
15 with Section 15, the withdrawal of one or more foreclosing  
16 governmental units shall not result in the dissolution of the  
17 land bank unless the intergovernmental agreement so provides  
18 and there is no foreclosing governmental unit that desires to  
19 continue the existence of the land bank.

20           Section 65. Conflicts of interest. No member of the board  
21 or employee of a land bank shall acquire any interest, direct  
22 or indirect, in real property of the land bank, in any real  
23 property to be acquired by the land bank, or in any real  
24 property to be acquired from the land bank. No member of the  
25 board or employee of a land bank shall have any interest,

1 direct or indirect, in any contract or proposed contract for  
2 materials or services to be furnished or used by a land bank.  
3 The board may adopt supplemental regulations addressing  
4 potential conflicts of interest and ethical guidelines for  
5 members of the board and land bank employees.

6 Section 70. Construction. The provisions of this Act shall  
7 be construed liberally to effectuate the legislative intent and  
8 the purposes as complete and independent authorization for the  
9 performance of each and every act authorized by this Act, and  
10 all powers granted shall be broadly interpreted to effectuate  
11 the intent and purposes and not as a limitation of powers.  
12 Except as otherwise expressly set forth in this Act, in the  
13 exercise of its powers and duties under this Act and its powers  
14 relating to property held by the land bank, the land bank shall  
15 have complete control as fully and completely as if it  
16 represented a private property owner and shall not be subject  
17 to restrictions imposed by the charter, ordinances, or  
18 resolutions of a unit of local government.

19 Section 75. Delinquent property tax enforcement. Units of  
20 local government may enter into contracts to sell some or all  
21 of the delinquent tax liens held by the unit of local  
22 government to a land bank, subject to the following conditions:

23 (a) The consideration to be paid may be more or less than  
24 the face amount of the tax liens sold.

1           (b) Property owners shall be given advance notice of such  
2 sale in the same form and manner as is provided by Section  
3 21-135 of the Property Tax Code. Failure to provide such notice  
4 or the failure of the addressee to receive the same shall not  
5 in any way affect the validity of any sale of a tax lien or tax  
6 liens or the validity of the taxes or interest prescribed by  
7 law.

8           (c) The unit of local government shall set the terms and  
9 conditions of the contract of sale.

10          (d) Thirty days before the commencement of any foreclosure  
11 action, the land bank must provide to the unit of local  
12 government a list of liens to be foreclosed. The unit of local  
13 government may, at its sole option and discretion, repurchase a  
14 lien or liens on the foreclosure list from the land bank. The  
15 repurchase price shall be the amount of the lien or liens plus  
16 any accrued interest and collection fees incurred by the land  
17 bank. The land bank shall provide the foreclosure list to the  
18 unit of local government, along with the applicable repurchase  
19 price of each lien, by certified mail, and the unit of local  
20 government shall have 30 days from receipt to notify the land  
21 bank of its option to purchase one or more of the liens. If the  
22 unit of local government opts to purchase the lien, it shall  
23 provide payment within 30 days of receipt of the repurchase  
24 price of said lien or liens. If the unit of local government  
25 shall fail to opt to repurchase the lien or liens the land bank  
26 shall have the right to commence a foreclosure action

1 immediately.

2 (e) The sale of a tax lien under this Act shall not shorten  
3 the otherwise applicable redemption period or change the  
4 otherwise applicable interest rate.

5 (f) After sale, the purchaser shall comply with the  
6 provisions for notice of sale, redemption rights, notice of  
7 expiration of period of redemption, and issuance of deed in  
8 accordance with Article 22 of the Property Tax Code.

9 (g) The provisions of Section 21-72 of the Property Tax  
10 Code shall apply so far as is practicable to a contract for the  
11 sale of tax liens under this Act.

12 (h) If the court orders a public sale under Article 21 of  
13 Division 3.5 of the Property Tax Code, and the purchaser of the  
14 property is the land bank, then the form, substance, and timing  
15 of the land bank's payment of the sales price may be according  
16 to such agreement as is mutually acceptable to the plaintiff  
17 and the land bank. The obligation of the land bank to perform  
18 in accordance with such agreement shall be deemed to be in full  
19 satisfaction of the tax claim which was the basis for the  
20 judgment.

21 (i) Notwithstanding any other provision of law to the  
22 contrary, in the event that no unit of local government elects  
23 to tender a bid at a judicially ordered sale under the  
24 provisions of Article 21 of Division 3.5 of the Property Tax  
25 Code, the land bank may tender a bid at such sale in an amount  
26 equal to the total amount of all municipal claims and liens

1 which were the basis for the judgment. In the event of such  
2 tender by the land bank the property shall be deemed sold to  
3 the land bank regardless of any bids by any other third  
4 parties. The bid of the land bank shall be paid as to its form,  
5 substance, and timing according to such agreement as is  
6 mutually acceptable to the plaintiff and the land bank. The  
7 obligation of the land bank to perform in accordance with such  
8 agreement shall be deemed to be in full satisfaction of the  
9 municipal claim which was the basis for the judgment. The land  
10 bank, as purchaser at such sale, shall take and forever  
11 thereafter have, an absolute title to the property sold, free  
12 and discharged of all tax and municipal claims, liens,  
13 mortgages, charges, and estates of any kind. The deed to the  
14 land bank shall be executed, acknowledged, and delivered within  
15 30 days of the sale.

16 Section 80. Contracts.

17 (a) The land bank may, in its discretion, assign contracts  
18 for supervision and coordination to the successful bidder for  
19 any subdivision of work for which the land bank receives bids.  
20 Any construction, demolition, renovation, and reconstruction  
21 contract awarded by the land bank shall contain any other terms  
22 and conditions as the land bank may deem desirable.

23 (b) The land bank should award contracts, whenever possible  
24 under subsection (c) of this Section, to locally-owned and  
25 staffed, or minority-owned construction, demolition,

1 renovation, and reconstruction companies, in order maximize  
2 the employment of community residents.

3 (c) The land bank shall not award any construction,  
4 demolition, renovation, and reconstruction contract greater  
5 than \$10,000 except to the lowest bidder who, in the opinion of  
6 the land bank, is qualified to perform the work required and  
7 who is responsible and reliable. The land bank may, however,  
8 reject any or all bids or waive any informality in a bid if it  
9 believes that the public interest will be promoted by that  
10 rejection of the bid. The land bank may reject any bid, if, in  
11 its judgment, the business and technical organization, plant,  
12 resources, financial standing, or experience of the bidder  
13 justifies such rejection in view of the work to be performed.

14 Section 85. Existing land banks. This Act shall not apply  
15 to any land bank in existence before the effective date of this  
16 Act.