



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2346

by Rep. Jehan Gordon-Booth

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Municipal Land Bank Authorities Division in the Illinois Municipal Code. Allows a municipality to create a land bank authority to use available resources to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use in order to combat community deterioration, create economic growth, and stabilize the housing and job market. Provides that the land bank authority is an agency of and funded by the municipality and that the land bank authority's board of directors are accountable to the city council of the municipality. Contains provisions relating to the appointment of members to the land bank authority's board of directors and operation of the land bank authority. Allows the hiring of an executive director and other staff. Provides that the municipality shall defend and indemnify the land bank authority's board of directors under specified circumstances.

LRB101 04954 AWJ 49963 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by adding  
5 Division 15.5 in Article 11 as follows:

6 (65 ILCS 5/Div. 15.5 heading new)

7 Division 15.5. Municipal Land Bank Authority

8 (65 ILCS 5/11-15.5-5 new)

9 Sec. 11-15.5-5. Purpose. The purpose of this Division is to  
10 allow a municipality to create a land bank authority that will  
11 use available resources to facilitate the return of vacant,  
12 abandoned, and tax-delinquent properties to productive use  
13 thereby combating community deterioration, creating economic  
14 growth, and stabilizing the housing and job market.

15 The land bank authority will acquire, hold, and transfer  
16 interest in real property throughout the municipality as  
17 approved by the board of directors of the authority for the  
18 following purposes: to promote redevelopment and reuse of  
19 vacant, abandoned, or tax-delinquent properties; support  
20 targeted efforts to stabilize neighborhoods; and stimulate  
21 residential, commercial, and industrial development all in  
22 ways that are consistent with goals and priorities established

1 by this Division, local government partners, and other  
2 community stakeholders.

3 (65 ILCS 5/11-15.5-10 new)

4 Sec. 11-15.5-10. Definitions. As used in this Division:

5 "Authority" means the land bank authority created by a  
6 municipality.

7 "Board of directors" means the board of directors of a land  
8 bank authority.

9 "City council" means the city council or board of trustees  
10 of a municipality that may establish or has established a land  
11 bank.

12 "Director" means the executive director of a land bank  
13 authority.

14 "Fiscal year" means the fiscal year of the land bank, which  
15 is the same as the municipality's fiscal year.

16 "Good cause" includes inefficiency, neglect of duty,  
17 malfeasance, or any cause which renders a director or member of  
18 the board of directors unfit for the position or unable to  
19 perform the duties of the position or the scope of the work.

20 "Land bank" means a land bank authority.

21 "Mayor" means the mayor or village president of a  
22 municipality that has created a land bank.

23 "Member" means a member of the board of directors.

24 "Municipality" or "municipal" means the municipality that  
25 may establish or has established a land bank.

1       "Person" means any individual, corporation, limited  
2       liability corporation, organization, government, governmental  
3       subdivision or agency, business trust, estate, trust,  
4       partnership, association, and any other legal entity.

5       "Real property" means all land and the buildings on the  
6       land, all things permanently attached to land or to the  
7       buildings on the land, and any interest existing in, issuing  
8       out of, or dependent upon land or the buildings on the land.

9           (65 ILCS 5/11-15.5-15 new)

10       Sec. 11-15.5-15. Establishment. A municipality may, by  
11       ordinance, establish a land bank authority as an agency of the  
12       municipality. All personnel, facilities, equipment, and  
13       supplies within the land bank shall be governed by a board of  
14       directors as provided in this Division. The board of directors  
15       shall be accountable to the city council. The land bank shall  
16       be funded by the municipality.

17           (65 ILCS 5/11-15.5-20 new)

18       Sec. 11-15.5-20. Principal office. The principal office of  
19       the land bank shall be at a location within the municipality,  
20       as determined by the board of directors.

21           (65 ILCS 5/11-15.5-25 new)

22       Sec. 11-15.5-25. Title to land bank assets. Except as  
23       otherwise provided in this Division, the municipality shall

1 hold title to all real property controlled by the land bank.

2 (65 ILCS 5/11-15.5-30 new)

3 Sec. 11-15.5-30. Tax-exempt status. The activities of the  
4 land bank are governmental functions carried out by an  
5 instrumentality or political subdivision of the State as  
6 described in Section 115 of Title 26 of the United States  
7 Internal Revenue Code, or any corresponding provisions of any  
8 future tax code. The activities of the land bank are  
9 governmental functions carried out by a political subdivision  
10 of the State, exempt to the extent provided under Illinois law  
11 from taxation by this State, including, but not limited to, ad  
12 valorem property tax exemption under the Property Tax Code.

13 (65 ILCS 5/11-15.5-35 new)

14 Sec. 11-15.5-35. Waiver of special assessments. Upon the  
15 request of the land bank and for the purposes of fostering the  
16 goals and objectives of the land bank, the municipality, as  
17 permitted by law, may extinguish special assessments levied by  
18 it prior to the date of acquisition by the land bank against  
19 real property controlled by the land bank, and may seek to  
20 exempt real property controlled by the land bank from the  
21 imposition of special assessments.

22 (65 ILCS 5/11-15.5-40 new)

23 Sec. 11-15.5-40. Compliance with law. The land bank shall

1 comply with all applicable federal and State laws, rules,  
2 regulations, and orders.

3 (65 ILCS 5/11-15.5-45 new)

4 Sec. 11-15.5-45. No third-party beneficiaries. Except as  
5 otherwise provided, this Division does not create for any  
6 person, other than the municipality, and is not intended to  
7 create by implication or otherwise, a direct or indirect  
8 benefit, obligation, duty, promise, right to be indemnified  
9 (such as contractually, legally, equitably, or by  
10 implication), right to be subrogated to the municipality's  
11 rights under this Division, or any other right or benefit.

12 (65 ILCS 5/11-15.5-50 new)

13 Sec. 11-15.5-50. Board of directors. The land bank shall be  
14 governed by a board of directors that shall be appointed by the  
15 mayor, subject to approval by the city council, no later than  
16 45 days after the effective date of the ordinance creating the  
17 authority. Members of the board of directors shall be residents  
18 of the municipality.

19 (65 ILCS 5/11-15.5-55 new)

20 Sec. 11-15.5-55. Appointment of members. Candidates for  
21 the board of directors shall be selected from the following  
22 categories:

23 (1) the mayor to serve as an ex officio member with

1 voting rights. The ex officio member shall serve as a  
2 liaison between the city council and the board of  
3 directors;

4 (2) 2 city council members, not including the mayor;

5 (3) one representative from the municipality as  
6 recommended by the mayor;

7 (4) one representative from the municipality's  
8 economic development agency, if any;

9 (5) one representative from a community development  
10 finance institution;

11 (6) one representative from the banking community;

12 (7) one representative from a local or State  
13 association of realtors;

14 (8) one representative from the non-profit housing  
15 development community;

16 (9) one representative from the commercial or  
17 industrial development community;

18 (10) one representative from a community organization  
19 in the municipality, if any;

20 (11) one representative from the legal community; and

21 (12) one representative with commercial retail  
22 development experience.

23 If an initial appointment is not made under paragraph (4)  
24 or (10) because there is not a municipal economic development  
25 agency or community organization in the municipality, an  
26 appointment for those positions, if any, shall be made as

1 provided in subsection (b) of Section 11-15.5-75.

2 (65 ILCS 5/11-15.5-60 new)

3 Sec. 11-15.5-60. Term of office.

4 (a) Except as otherwise provided in this Section or Section  
5 11-15.5-75, the members of the board of directors shall be  
6 appointed for a term of 3 years.

7 (b) The ex officio member shall serve until the expiration  
8 of his or her term as mayor.

9 (c) The initial members, except as provided in subsection  
10 (b), shall serve terms as follows as determined by lot at the  
11 board of directors first meeting next following all member  
12 appointments:

13 (1) Three of the members shall serve a term that  
14 expires on the January 1 next following the establishment  
15 of the land bank, except that these members shall serve  
16 until the 2nd January 1 next following the establishment of  
17 the land bank if the land bank was established after July  
18 1.

19 (2) Three of the members shall serve a term that  
20 expires on the January 1 next following the expiration of  
21 the members' terms under paragraph (1).

22 (3) Two of the members shall serve a term that expires  
23 on the January, 1 next following the expiration of the  
24 members' terms under paragraph (2).

25 (4) Members appointed under paragraph (4) or (10) of



1       Section 11-15.5-55, if any, shall serve a term that expires  
2       on the January 1 next following the expiration of the  
3       members' terms under paragraph (3).

4       (d) After the initial appointed terms under subsection (c),  
5       each member, other than the ex officio member, shall serve a  
6       term of 3 years.

7       (e) A member shall serve until a successor is appointed and  
8       has qualified.

9       (f) A member who is appointed to fill a vacancy, other than  
10      a vacancy caused by the expiration of the predecessor's term,  
11      shall serve until the expiration of his or her predecessor's  
12      term.

13      (g) Other than the ex officio member, a member may not  
14      serve more than 2 consecutive full terms.

15           (65 ILCS 5/11-15.5-65 new)

16           Sec. 11-15.5-65. Officers.

17           (a) The board of directors shall select an initial  
18      chairperson from among the initial members. The chairperson  
19      shall serve a 2-year term as chairperson and, thereafter, the  
20      board of directors shall annually elect a chairperson from  
21      among its members. A member may be elected to serve successive  
22      terms as chairperson.

23           The chairperson shall preside at meetings of the board of  
24      directors and is entitled to vote on all matters before the  
25      board of directors.

1       (b) The board of directors may appoint from its members a  
2 member to serve as the land bank secretary and appoint  
3 additional officers from its members as it may deem  
4 appropriate.

5           (65 ILCS 5/11-15.5-70 new)

6       Sec. 11-15.5-70. Removal. A member may be removed for good  
7 cause by the mayor prior to the expiration of the member's term  
8 of appointment. The mayor shall provide written notice to that  
9 member, the director, and the city of council of the removal of  
10 that member from the board of directors. The notice shall state  
11 the specific grounds which constitute cause for removal. The  
12 member, in receipt of a notice, may request to appear before  
13 the city council and present reasons in support of his or her  
14 retention. Thereafter, the city council shall vote upon whether  
15 there are sufficient grounds to remove that member from office.  
16 The mayor shall notify the member of the final action of the  
17 city council.

18           (65 ILCS 5/11-15.5-75 new)

19       Sec. 11-15.5-75. Vacancies.

20       (a) Any vacancy on the board of directors caused by death,  
21 resignation, disqualification, or removal shall be filled by  
22 the mayor as soon as practicable, but not to exceed 60 days  
23 following the occurrence of the vacancy. The vacancy shall be  
24 filled for the remainder of the unexpired term in the same

1 manner as the original appointment. Expired terms shall be  
2 filled by the mayor within 60 days of the term's expiration in  
3 the same manner as the original appointment.

4 (b) If an initial appointment is not made under paragraph  
5 (4) or (10) of Section 11-15.5-55, that position is considered  
6 vacant and an appointment may be made by the mayor to that  
7 position when a municipal economic development agency or  
8 community organization in the municipality is established. The  
9 person appointed to fill the vacancy shall serve until the  
10 expiration of the initial term under paragraph (4) or (10) of  
11 subsection (c) of Section 11-15.5-60 or the expiration of a  
12 subsequent 3-year term if the initial term would have already  
13 expired.

14 (65 ILCS 5/11-15.5-80 new)

15 Sec. 11-15.5-80. Meetings. The board of directors shall  
16 conduct its first meeting no later than 60 days after the  
17 appointment of the board of directors. The place, date, and  
18 time of the land bank meetings shall be determined at the  
19 discretion of the board of directors. All meetings of the board  
20 of directors shall comply with the Open Meetings Act.

21 (65 ILCS 5/11-15.5-85 new)

22 Sec. 11-15.5-85. Initial bylaws and policies and  
23 procedures. The board of directors shall adopt bylaws and  
24 policies and procedures consistent with the provisions of this

1 Division no later than 120 days after the first meeting of the  
2 board of directors.

3 (65 ILCS 5/11-15.5-90 new)

4 Sec. 11-15.5-90. Quorum; voting. A quorum is necessary for  
5 the transaction of any business by the board of directors. A  
6 majority of the members of the board of directors shall  
7 constitute a quorum. The board of directors shall act by a  
8 majority vote of the members at a meeting at which a quorum is  
9 present, except as otherwise provided in this Division.  
10 Presence for both quorum and voting at the land bank shall be  
11 articulated by the board of directors in its bylaws or  
12 procedures in a manner consistent with the Open Meetings Act.

13 (65 ILCS 5/11-15.5-95 new)

14 Sec. 11-15.5-95. Records of meetings. Minutes of all  
15 meetings of the board of directors and its committees shall be  
16 made and maintained as required by the Open Meetings Act.

17 (65 ILCS 5/11-15.5-100 new)

18 Sec. 11-15.5-100. Board of directors responsibilities. The  
19 board of directors shall:

20 (1) ensure that all personnel matters are conducted  
21 free from any political interference and in accordance with  
22 all applicable laws;

23 (2) ensure that all operations, including contractual

1 matters, are conducted free from any political  
2 interference; and

3 (3) ensure efficiency in service delivery and sound  
4 fiscal management of all aspects of the land bank including  
5 the collection of all revenues from all sources.

6 (65 ILCS 5/11-15.5-105 new)

7 Sec. 11-15.5-105. Board of directors actions. The board of  
8 directors shall do all of the following:

9 (1) adopt, amend, or repeal rules and policies and  
10 procedures governing the board of directors and its actions  
11 and meetings and adopt, amend, or repeal policies and  
12 procedures to implement day-to-day operation of the land  
13 bank, including policies governing any staff of the land  
14 bank;

15 (2) elect additional officers, including, but not  
16 limited to, initial officers who shall be elected at the  
17 first meeting of the board of directors in accordance with  
18 the bylaws;

19 (3) provide for a system of accounting;

20 (4) adopt or amend the land bank's budget to submit  
21 annually to the municipality for approval and adoption in a  
22 time frame mandated by the municipality's treasurer or  
23 other financial officer;

24 (5) adopt, amend, or repeal policies and procedures for  
25 contracting and procurement;

1           (6) commission, collect, and receive data from public,  
2           private, professional, and volunteer sources to compile an  
3           inventory and analysis of desirable properties for  
4           acquisition;

5           (7) establish banking arrangements for the land bank;  
6           and

7           (8) organize and reorganize the executive,  
8           administrative, clerical, and other departments of the  
9           land bank and fix the duties, powers, and compensation of  
10           all employees, agents, and consultants of the land bank  
11           hired pursuant to Section 11-15.5-125.

12           (65 ILCS 5/11-15.5-110 new)

13           Sec. 11-15.5-110. Fiduciary duty. The members of the board  
14           of directors are under a fiduciary duty to conduct the  
15           activities and affairs of the land bank in the best interests  
16           of the residents of the municipality, including the safekeeping  
17           and use of all land bank moneys and assets. The members of the  
18           board of directors shall discharge their duties in good faith  
19           with the care an ordinarily prudent person in a like position  
20           would exercise under similar circumstances.

21           (65 ILCS 5/11-15.5-115 new)

22           Sec. 11-15.5-115. Compensation. The members of the board of  
23           directors shall receive no compensation for the performance of  
24           their duties. A member may engage in private or public

1 employment or in a profession or business, except to the extent  
2 prohibited by law or municipal ordinance. The land bank may  
3 reimburse members of the board of directors for actual and  
4 necessary expenses incurred in the discharge of their official  
5 duties as provided by the board of directors.

6 (65 ILCS 5/11-15.5-120 new)

7 Sec. 11-15.5-120. Executive director. The board of  
8 directors shall retain the professional services of an  
9 individual to perform the duties of an executive director on a  
10 contractual basis with the advice and consent of the mayor. The  
11 director is not an employee of the land bank or municipality.  
12 The director shall administer the land bank in accordance with  
13 the operating budget approved by the municipality, general  
14 policy guidelines established by the board of directors, other  
15 applicable governmental procedures and policies, and this  
16 Division. The director is responsible for the day-to-day  
17 operations of the land bank; the control, management, and  
18 oversight of the land bank's functions; and supervision of all  
19 land bank contractual agreements. All terms and conditions of  
20 the director's service shall be specified in a written contract  
21 between the director and the board of directors. The director  
22 may be removed by the mayor or the board of directors, for good  
23 cause, prior to the expiration of the director's contract. The  
24 board of directors may delegate to the director any powers or  
25 duties it considers proper under such terms, conditions, and to

1 the extent that the board of directors may specify.

2 (65 ILCS 5/11-15.5-125 new)

3 Sec. 11-15.5-125. Staffing services.

4 (a) The board of directors may approve contracts for  
5 staffing as requested by the director that are deemed necessary  
6 to carry out the duties and responsibilities of the land bank  
7 and in accordance with the policies and procedures established  
8 by the board of directors. Such staff shall be retained  
9 pursuant to contracts entered into in accordance with the  
10 procurement rules established by the board of directors.

11 (b) If the board of directors elects to have staff, staff  
12 employed by the board of directors for the land bank not  
13 otherwise retained through the board of directors' procurement  
14 rules shall be recruited or employed through the municipality  
15 employment plan, if any, and are municipal employees.

16 (65 ILCS 5/11-15.5-130 new)

17 Sec. 11-15.5-130. Ethics and oversight. The land bank and  
18 its director, board of directors, employees, and contractors  
19 are subject to municipal ethics rules or ordinances and  
20 municipal ethics officers, if any.

21 (65 ILCS 5/11-15.5-135 new)

22 Sec. 11-15.5-135. Indemnification.

23 (a) Except as otherwise provided in this Section, the



1 municipality shall defend and indemnify the land bank and its  
2 board members, officers, and employees from all claims or  
3 judgments arising out of their activities as board members,  
4 officers, or employees for all negligence claims and claims or  
5 judgments arising out of land bank activities performed on  
6 behalf of the municipality.

7 (b) The municipality is not obligated to indemnify the land  
8 bank or its members for:

9 (1) Punitive damages or liability arising out of  
10 conduct which is based upon willful or wanton conduct.

11 (2) Conduct which is outside of the scope of the land  
12 bank's authority.

13 (3) A settlement or judgment in which the municipality  
14 did not participate.

15 (4) The defense of any criminal or disciplinary  
16 proceeding.

17 (c) To be eligible for defense and indemnification, the  
18 land bank or its board members, officers, or employees shall:

19 (1) notify, within 5 days of receipt, the city council  
20 and the State's Attorney's Office in the county, or one of  
21 the counties, in which the municipality is located of any  
22 claim made against the board member, officer, or employee  
23 or land bank and deliver all written demands, complaints,  
24 and other legal papers received by the practitioner with  
25 respect to such claim to the city council;

26 (2) cooperate with the State's Attorney's Office in the

1 investigation and defense of any claim against the  
2 municipality or any board member, officer, or employee,  
3 including, but not limited to, preparing for and attending  
4 depositions, hearings, and trials and otherwise assisting  
5 in securing and giving evidence; and

6 (3) promptly notify the city council and the State's  
7 Attorney's Office of any change in the member's address or  
8 telephone number.

9 (d) All actions shall be defended by the State's Attorney  
10 in the county in which the municipality is located. If the  
11 municipality is located in more than one county, the State's  
12 Attorney notified under paragraph (1) of subsection (c) shall  
13 defend the action unless the State's Attorney from another  
14 county in which the municipally is located agrees that he or  
15 she will defend the action. Decisions to settle indemnified  
16 claims shall be made by the municipality or the State's  
17 Attorney's Office, as delegated by the municipality, and shall  
18 not require the consent of the indemnified member, officer, or  
19 employee. If a board member, officer, or employee declines  
20 representation by the State's Attorney's Office, the  
21 municipality shall have no obligation to defend or indemnify  
22 the member.

23 (65 ILCS 5/11-15.5-140 new)

24 Sec. 11-15.5-140. General powers. The land bank has the  
25 authority to do all things necessary or convenient to implement

1 the purposes, objectives, and provisions of this Division or  
2 the purposes, objectives, and powers granted to the land bank  
3 by any federal, state, or local government unit consistent with  
4 the municipality's annual budget, including, but not limited  
5 to, the following:

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

8 (2) to acquire by purchase, donation, or other  
9 transfers and to hold, lease, manage, and dispose of real  
10 property of every kind and character, or any interest  
11 therein, in furtherance of the public purposes of the land  
12 bank;

13 (3) to discharge and extinguish real property taxes  
14 owed to the municipality, State, or unit of local  
15 government pursuant to an agreement with the municipality,  
16 State, or unit of local government that encumber real  
17 property owned by the municipality through the land bank,  
18 as permitted by the Property Tax Code or other applicable  
19 law;

20 (4) to pay any tax or special assessment due on real  
21 property acquired or owned by the land bank;

22 (5) to acquire, accept, or retain equitable interests,  
23 security interests, or other interests in real property or  
24 other fixtures by loan agreement, note, mortgage, deed to  
25 secure debt, trust deed, security agreement, assignment,  
26 pledge, conveyance, contract, lien, or other consensual

1       transfer in order to secure the repayment of any moneys  
2       loaned or credit extended by the land bank;

3           (6) borrow money from private lenders, from cities or  
4       counties, from the State or from federal government funds,  
5       subject to the approval of the city council, to further or  
6       carry out the land bank's public purpose by executing  
7       leases, trust indentures, trust agreements, agreements for  
8       the sale notes, loan agreements, mortgages, deeds to secure  
9       debt, trust deeds, security agreements, assignments, and  
10       other agreements or instruments as may be necessary or  
11       desirable, in the judgment of the land bank, to evidence  
12       and to provide security for the borrowing;

13           (7) to make application directly or indirectly to any  
14       federal, state, municipal, or local unit of government or  
15       agency or to any other source, whether public or private,  
16       for loans, grants, gifts, guarantees, labor, or other aid  
17       or financial assistance in furtherance of the land bank's  
18       public purpose and to accept and use the same upon terms  
19       and conditions as are prescribed by the federal, state,  
20       municipal, or local unit of government, agency, or other  
21       source;

22           (8) to enter into agreements with the federal  
23       government or any agency of the federal government to use  
24       the facilities or services of the federal government or  
25       agency in order to further or carry out the public purposes  
26       of the land bank;

1           (9) to extend credit or make loans to any person,  
2           subject to limitations established by the city council, for  
3           the costs of land bank projects which credit or loans may  
4           be evidenced or secured by loan agreements, notes,  
5           mortgages, deeds to secure debt, trust deeds, security  
6           agreements, assignments, or other instruments or by  
7           rentals, revenues, fees, or charges, upon terms and  
8           conditions as the land bank shall determine to be  
9           reasonable in connection with such extension of credit or  
10           loans, including provision for the establishment and  
11           maintenance of reserve funds, and, in the exercise of  
12           powers in connection with a land bank project, the land  
13           bank may require the inclusion in a loan agreement, note,  
14           mortgage, deed to secure debt, trust deed, security  
15           agreement, assignment, or other instrument such provisions  
16           or requirements, including but not limited to: guarantee an  
17           obligation, insurance, construction, use, operation,  
18           maintenance, and financing and other terms and conditions  
19           as the land bank may deem necessary or desirable;

20           (10) as security for repayment of any note, or other  
21           obligations of the land bank, to pledge, mortgage, convey,  
22           assign, hypothecate, or otherwise encumber any property of  
23           the land bank, including, but not limited to, real  
24           property, fixtures, and revenues or other funds, and to  
25           execute any lease, trust indenture, trust agreement,  
26           agreement for the sale of the land bank's notes or other

1 obligations, loan agreement, mortgage, deed to secure  
2 debt, trust deed, security agreement, assignment, or other  
3 agreement or instrument as may be necessary or desirable,  
4 in the judgment of the land bank, to secure any notes or  
5 other obligations, which instruments or agreements may  
6 provide for foreclosure or forced sale of any real property  
7 of the land bank upon default in any obligation of the land  
8 bank, either in payment of principal, premium, or interest  
9 or in the performance of a term or condition contained in  
10 the agreement or instrument;

11 (11) to receive and administer gifts, grants, and  
12 bequests of money and real property consistent with the  
13 purpose of the land bank;

14 (12) to use any real property or fixtures, or any  
15 interest in real property or fixtures, to rent, license, or  
16 lease the real property to or from others or make contracts  
17 with respect to the use of the real property or fixtures,  
18 or to sell, lease, exchange, transfer, assign, pledge, or  
19 otherwise dispose of or grant options for the real property  
20 in any manner as it deems to be in the best interests of  
21 the land bank and the public purpose;

22 (13) to procure insurance or guarantees from the State  
23 or federal government of the payments of any debts or parts  
24 incurred by the land bank and to pay premiums in connection  
25 with the insurance or guarantees;

26 (14) to procure, if required, insurance against losses

1 in connection with the real property, assets, or activities  
2 of the land bank;

3 (15) to enter into contracts and other instruments  
4 necessary, incidental, or convenient to the performance of  
5 its duties and the exercise of its powers, including, but  
6 not limited to, an agreement with a party for the joint  
7 exercise of powers. An agreement with a party may include  
8 contracts for the performance of services by a party on  
9 behalf of the land bank or by the land bank on behalf of a  
10 party;

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

15 (17) to enter into contracts and other instruments  
16 necessary, incidental, or convenient to the performance of  
17 its duties and the exercise of its powers, including, but  
18 not limited to, agreements with a party regarding the  
19 disposition of land bank properties located within their  
20 boundaries;

21 (18) to finance (by loan, grant, lease, or otherwise),  
22 refinance, construct, erect, assemble, purchase, acquire,  
23 own, repair, remodel, rehabilitate, modify, maintain,  
24 extend, improve, install, sell, equip, expand, add to,  
25 operate, or manage real property or rights or interests in  
26 real property and to pay the costs of any such project from

1 the proceeds of revenue bonds or loans by persons,  
2 corporations, partnerships, whether limited or general, or  
3 other entities, all of which the land bank is authorized to  
4 receive, accept, and use;

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

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

11 (21) to enter into contracts with not-for-profit  
12 community land trusts, including, but not limited to,  
13 long-term lease contracts;

14 (22) to contract for goods and services and employ  
15 personnel, as necessary, to be paid from the funds of the  
16 land bank. The board of directors shall determine the  
17 qualifications, duties, and compensation of those it  
18 contracts with and employs;

19 (23) to organize and reorganize the executive,  
20 administrative, clerical, and other departments of the  
21 land bank and to fix the duties, powers, and compensation  
22 of all employees, agents, and consultants of the land bank;

23 (24) to remediate environmental contamination on any  
24 real property held by the land bank;

25 (25) to acquire, hold, and manage property;

26 (26) to dispose of property; and



1           (27) to do all other things necessary or convenient to  
2           achieve the objectives and purposes of the land bank and  
3           this Division.

4           (65 ILCS 5/11-15.5-145 new)

5           Sec. 11-15.5-145. Municipality's governmental immunity.  
6           Nothing in this Division may be construed as a waiver by the  
7           municipality of any governmental immunity provided under any  
8           applicable law.

9           (65 ILCS 5/11-15.5-150 new)

10          Sec. 11-15.5-150. Discrimination.

11          (a) The land bank shall comply with all applicable laws  
12          prohibiting discrimination.

13          (b) The land bank shall not provide services in a manner  
14          that discriminates against an individual because of the actual  
15          or perceived status, practice, or expression of that  
16          individual's race, color, sex, age, religion, disability,  
17          national origin, ancestry, sexual orientation, marital status,  
18          parental status, military discharge status, source of income,  
19          gender identity, or housing status or the actual or perceived  
20          association with such an individual.

21          (c) The land bank shall not refuse to hire, recruit,  
22          promote, demote, discharge, or otherwise discriminate against  
23          an individual with respect to employment, compensation or a  
24          term, condition, or privilege of employment because of the

1 actual or perceived status, practice, or expression of that  
2 individual's race, color, sex, age, religion, disability,  
3 national origin, ancestry, sexual orientation, marital status,  
4 parental status, military discharge status, source of income,  
5 gender identity, or housing status or the actual or perceived  
6 association with such an individual.

7 (65 ILCS 5/11-15.5-155 new)

8 Sec. 11-15.5-155. Acquisition of property.

9 (a) The land bank may acquire real property or rights or  
10 interests in real property by gift, bequest, transfer,  
11 exchange, foreclosure, purchase, purchase contracts, lease  
12 purchase agreements, installment sales contracts, land  
13 contracts, tax sale, scavenger sale, or other method of  
14 acquisition on terms and conditions and in a manner the land  
15 bank considers proper.

16 (b) The land bank may acquire any property conveyed to it  
17 by any person, including, but not limited to, property without  
18 clear title.

19 (c) All deeds, mortgages, contracts, leases, purchases, or  
20 other agreements regarding real property of the land bank,  
21 including agreements to acquire or dispose of real property,  
22 shall be approved by and executed by the land bank in the name  
23 of the municipality.

24 (d) The land bank may purchase property in the name of the  
25 municipality at tax sales conducted under the Property Tax

1 Code. The land bank may tender a bid at a tax sale that is a  
2 credit bid consisting of the obligation of the land bank to  
3 satisfy the component parts of the bid by payments to the  
4 respective political subdivisions.

5 (e) The land bank may make offers to purchase real property  
6 that is subject to a listing agreement. The offer or purchase  
7 of a property by the land bank that is subject to a listing  
8 agreement shall not extinguish any legal rights existing under  
9 the listing agreement.

10 (65 ILCS 5/11-15.5-160 new)

11 Sec. 11-15.5-160. Execution of legal documents relating to  
12 real property. Deeds, mortgages, contracts, easements, leases,  
13 licenses, franchises, purchases, covenants or other agreements  
14 regarding real property of the land bank, including agreements  
15 to acquire or dispose of real property, shall be executed in  
16 the name of the municipality by the land bank and approved in  
17 accordance with the bylaws of the land bank.

18 (65 ILCS 5/11-15.5-165 new)

19 Sec. 11-15.5-165. Holding and managing property. The land  
20 bank may control, manage, maintain, operate, repair, lease as  
21 lessor, license, secure, prevent the waste or deterioration of,  
22 demolish, or take all other actions necessary to preserve the  
23 value of the real property it controls on behalf of the  
24 municipality. The land bank shall maintain all real property

1 held by the land bank in accordance with applicable laws and  
2 codes. Real property shall be inventoried and classified by the  
3 land bank according to suitability for use. The inventory shall  
4 be maintained as a public record and shall be filed  
5 electronically and in the principal office of the land bank.

6 (65 ILCS 5/11-15.5-170 new)

7 Sec. 11-15.5-170. Property disposition. On fair and  
8 reasonable terms and conditions and in a manner and for an  
9 amount of consideration the land bank considers proper  
10 (including for no monetary consideration, if appropriate), the  
11 land bank may convey, sell, transfer, exchange, or otherwise  
12 dispose of real property or rights or interests in real  
13 property which the land bank controls and the municipality  
14 holds a legal interest to any public or private person. The  
15 disposition of real property under this Section shall be  
16 considered a necessary public purpose and for the benefit of  
17 the public.

18 (65 ILCS 5/11-15.5-175 new)

19 Sec. 11-15.5-175. Criteria for conveyance. Real property  
20 shall be conveyed by the land bank in accordance with this  
21 Division and according to criteria determined in the discretion  
22 of the board of directors and contained in the policies and  
23 procedures adopted by the board of directors. The board of  
24 directors may adopt policies and procedures that set forth

1 priorities for a transferee's use of real property conveyed by  
2 the land bank, including, but not limited to, affordable  
3 housing.

4 (65 ILCS 5/11-15.5-180 new)

5 Sec. 11-15.5-180. Transactions.

6 (a) Transactions shall be structured in a manner that  
7 permits the land bank to enforce contractual agreements, real  
8 covenants, and the provisions of any subordinate financing held  
9 by the land bank pertaining to development and use of the real  
10 property.

11 (b) Notwithstanding any other provision of this Division,  
12 any transaction involving property located within a  
13 municipality with a population over 100,000 shall only be made  
14 pursuant to an agreement between that municipality and the land  
15 bank.

16 (65 ILCS 5/11-15.5-185 new)

17 Sec. 11-15.5-185. Disposition of proceeds. Any proceeds  
18 from the sale or transfer of real property by the land bank  
19 shall be retained, expended, or transferred by the land bank as  
20 determined by the board of directors in the best interests of  
21 the land bank and in accordance with applicable laws and  
22 agreements.

23 (65 ILCS 5/11-15.5-190 new)

1           Sec. 11-15.5-190. Intergovernmental agreements.

2           (a) The board of directors may negotiate and propose  
3 intergovernmental agreements necessary, incidental, or  
4 convenient to the performance of its duties and the exercise of  
5 its powers with a unit of local government located in whole or  
6 in part within the municipality, subject to the approval of the  
7 city council. An intergovernmental agreement may include, but  
8 is not limited to, contracts for the joint exercise of powers,  
9 contracts for the ownership, management, development, and  
10 disposition of real property, or contracts for the performance  
11 of services by a unit of local government on behalf of the land  
12 bank or by the land bank on behalf of a unit of local  
13 government.

14           (b) A party to an intergovernmental agreement shall agree  
15 that no party to an intergovernmental agreement shall be  
16 responsible, in whole or in part, for the acts of the  
17 employees, agents, and servants of any other party, whether  
18 acting separately or in conjunction with the implementation of  
19 an intergovernmental agreement. The parties shall only be bound  
20 and obligated under an intergovernmental agreement as  
21 expressly agreed to by each party.

22           (c) All intergovernmental agreements shall be interpreted,  
23 enforced, and governed under the laws of this State without  
24 regard to the doctrines of conflict of laws. The language of an  
25 intergovernmental agreements shall in all cases be construed as  
26 a whole according to its plain and fair meaning and not

1 construed strictly for or against any party.

2 (65 ILCS 5/11-15.5-195 new)

3 Sec. 11-15.5-195. Land bank records. The land bank shall  
4 keep and maintain at the principal office of the land bank all  
5 documents and records of the land bank. The records of the land  
6 bank shall be available to the public and shall include, but  
7 not be limited to, a copy of this Division, the land bank's  
8 bylaws, and any agreements and any amendments to an agreement.  
9 The records and documents shall be maintained and shall be  
10 delivered to any successor entity.

11 (65 ILCS 5/11-15.5-200 new)

12 Sec. 11-15.5-200. Financial statements and reports. The  
13 land bank shall annually prepare or have prepared, at the land  
14 bank's expense, audited financial statements, including  
15 balance sheet, statement of revenue and expense, statement of  
16 cash flows, and changes in fund balance. The financial  
17 statements shall be prepared in accordance with generally  
18 accepted accounting principles and accompanied by a written  
19 opinion of an independent certified public accounting firm.

20 (65 ILCS 5/11-15.5-205 new)

21 Sec. 11-15.5-205. Annual budget.

22 (a) The land bank shall prepare an annual budget in a  
23 manner and under a time frame mandated by municipality's

1 treasurer or other financial officer.

2 (b) For the first complete fiscal year and each fiscal year  
3 thereafter, the board of directors shall recommend, approve,  
4 and submit an annual budget to be included in the  
5 municipality's annual budget for approval by the city council.

6 (c) The obligations and expenditures of the board of  
7 directors shall conform to the municipality's annual budget.  
8 The city council retains the authority to impose additional  
9 limitations. A commitment, contract, or other obligation  
10 entered into by the board of directors in violation of this  
11 Section shall be voidable by the city council.

12 (65 ILCS 5/11-15.5-210 new)

13 Sec. 11-15.5-210. Deposits and investments.

14 (a) The land bank shall deposit funds of the land bank in a  
15 special fund to be held by the treasurer of the municipality.  
16 The fund shall be designated as the "Land Bank Fund" and the  
17 moneys in the fund shall be expended exclusively for the  
18 operation of the land bank.

19 (b) Expenditures of funds from the Land Bank Fund shall be  
20 in accordance with guidelines established by the board of  
21 directors.

22 (65 ILCS 5/11-15.5-215 new)

23 Sec. 11-15.5-215. Performance objectives. Each fiscal  
24 year, the director or other individual designated by the board



1 of directors shall prepare, for review and approval by the  
2 board of directors, objectives for the land bank's performance.

3 (65 ILCS 5/11-15.5-220 new)

4 Sec. 11-15.5-220. Annual report.

5 (a) The board of directors shall submit a report to the  
6 mayor and the city council, no later than 6 months after the  
7 end of each fiscal year, which shall set forth a complete and  
8 detailed operating and financial statement of the land bank  
9 during the fiscal year.

10 (b) Included in the report shall be any recommendations for  
11 additional legislation or other action which may be necessary  
12 to carry out the mission, purpose, and intent of the land bank.

13 (65 ILCS 5/11-15.5-225 new)

14 Sec. 11-15.5-225. Management of funds. The director or  
15 other individual designated by the board of directors is  
16 authorized to make deposits and withdraw funds from the Land  
17 Bank Fund for the management of sales proceeds, revenue, and  
18 other land bank funds as authorized by the board of directors.  
19 Standard accounting procedures shall be used in the management  
20 of accounts and approved by the municipality's treasurer.

21 (65 ILCS 5/11-15.5-230 new)

22 Sec. 11-15.5-230. Authorized expenditures. The land bank  
23 shall, in its sole discretion and within its budget, expend

1 funds as necessary to carry out the powers, duties, functions,  
2 and responsibilities of the land bank under this Division.

3 (65 ILCS 5/11-15.5-235 new)

4 Sec. 11-15.5-235. Dissolution. If the city council  
5 determines that the purposes of the land bank have been  
6 completed and that there is no longer a need for the land bank,  
7 the city council may dissolve the land bank. The dissolution  
8 date shall allow sufficient time for the land bank to carry out  
9 the distribution of assets under Section 11-15.5-240.

10 (65 ILCS 5/11-15.5-240 new)

11 Sec. 11-15.5-240. Distribution of assets. At a reasonable  
12 time prior to the dissolution of the land bank under Section  
13 11-15.5-235, the land bank shall wind up its affairs as  
14 follows:

15 (1) all of the land bank's debts, liabilities, and  
16 obligations to its creditors and all expenses incurred in  
17 connection with the termination of the land bank and  
18 distribution of its assets shall be paid first; and

19 (2) the remaining real property and personal property  
20 owned by the land bank, if any, shall be distributed to any  
21 successor entity, subject to approval by the municipality.  
22 If a successor entity does not exist, the remaining real  
23 property, personal property, and other assets of the land  
24 bank shall become assets of the municipality unless

1 provided otherwise in any applicable agreement.

2 (65 ILCS 5/11-15.5-998 new)

3 Sec. 11-15.5-998. Interpretation of Division. All powers  
4 granted to the land bank under this Division shall be  
5 interpreted broadly to effectuate the intent and purposes of  
6 this Division and not to serve as a limitation of powers.

7 (65 ILCS 5/11-15.5-999 new)

8 Sec. 11-15.5-999. Severability. The provisions of this Act  
9 are severable under Section 1.31 of the Statute on Statutes.

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