



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3693

Introduced 2/22/2021, 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.

LRB102 13259 AWJ 18603 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
5 adding 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
10 to allow a municipality to create a land bank authority that
11 will use available resources to facilitate the return of
12 vacant, abandoned, and tax-delinquent properties to productive
13 use thereby combating community deterioration, creating
14 economic 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
8 land 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,
15 which 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
18 of 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
14 be governed by a board of directors that shall be appointed by
15 the mayor, subject to approval by the city council, no later
16 than 45 days after the effective date of the ordinance
17 creating the authority. Members of the board of directors
18 shall be residents 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
5 Section 11-15.5-75, the members of the board of directors
6 shall be 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
17 of the land bank if the land bank was established after
18 July 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
2 expires on the January 1 next following the expiration of
3 the members' terms under paragraph (3).

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

7 (e) A member shall serve until a successor is appointed
8 and 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
11 state the specific grounds which constitute cause for removal.
12 The member, in receipt of a notice, may request to appear
13 before the city council and present reasons in support of his
14 or her retention. Thereafter, the city council shall vote upon
15 whether there are sufficient grounds to remove that member
16 from office. The mayor shall notify the member of the final
17 action of the 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
20 board 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
22 with 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
5 including 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
11 actions and meetings and adopt, amend, or repeal policies
12 and procedures to implement day-to-day operation of the
13 land bank, including policies governing any staff of the
14 land 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
22 a time frame mandated by the municipality's treasurer or
23 other financial officer;

24 (5) adopt, amend, or repeal policies and procedures
25 for 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
17 safekeeping and use of all land bank moneys and assets. The
18 members of the board of directors shall discharge their duties
19 in good faith with the care an ordinarily prudent person in a
20 like position 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
23 of directors shall receive no compensation for the performance
24 of their duties. A member may engage in private or public

1 employment or in a profession or business, except to the
2 extent prohibited by law or municipal ordinance. The land bank
3 may 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.
11 The director is not an employee of the land bank or
12 municipality. The director shall administer the land bank in
13 accordance with the operating budget approved by the
14 municipality, general policy guidelines established by the
15 board of directors, other applicable governmental procedures
16 and policies, and this Division. The director is responsible
17 for the day-to-day operations of the land bank; the control,
18 management, and oversight of the land bank's functions; and
19 supervision of all land bank contractual agreements. All terms
20 and conditions of the director's service shall be specified in
21 a written contract between the director and the board of
22 directors. The director may be removed by the mayor or the
23 board of directors, for good cause, prior to the expiration of
24 the director's contract. The board of directors may delegate
25 to the director any powers or duties it considers proper under

1 such terms, conditions, and to the extent that the board of
2 directors may specify.

3 (65 ILCS 5/11-15.5-125 new)

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

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

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

17 (65 ILCS 5/11-15.5-130 new)

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

22 (65 ILCS 5/11-15.5-135 new)

23 Sec. 11-15.5-135. Indemnification.

1 (a) Except as otherwise provided in this Section, the
2 municipality shall defend and indemnify the land bank and its
3 board members, officers, and employees from all claims or
4 judgments arising out of their activities as board members,
5 officers, or employees for all negligence claims and claims or
6 judgments arising out of land bank activities performed on
7 behalf of the municipality.

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

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

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

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

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

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

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

1 (2) cooperate with the State's Attorney's Office in
2 the investigation and defense of any claim against the
3 municipality or any board member, officer, or employee,
4 including, but not limited to, preparing for and attending
5 depositions, hearings, and trials and otherwise assisting
6 in securing and giving evidence; and

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

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

24 (65 ILCS 5/11-15.5-140 new)

25 Sec. 11-15.5-140. General powers. The land bank has the

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

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

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

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

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

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

1 pledge, conveyance, contract, lien, or other consensual
2 transfer in order to secure the repayment of any moneys
3 loaned or credit extended by the land bank;

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

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

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

1 purposes of the land bank;

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

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

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

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

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

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

1 (14) to procure, if required, insurance against losses
2 in connection with the real property, assets, or
3 activities of the land bank;

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

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

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

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

1 real property and to pay the costs of any such project from
2 the proceeds of revenue bonds or loans by persons,
3 corporations, partnerships, whether limited or general, or
4 other entities, all of which the land bank is authorized
5 to receive, accept, and use;

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

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

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

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

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

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

1 (25) to acquire, hold, and manage property;
2 (26) to dispose of property; and
3 (27) to do all other things necessary or convenient to
4 achieve the objectives and purposes of the land bank and
5 this Division.

6 (65 ILCS 5/11-15.5-145 new)

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

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

12 Sec. 11-15.5-150. Discrimination.

13 (a) The land bank shall comply with all applicable laws
14 prohibiting discrimination.

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

23 (c) The land bank shall not refuse to hire, recruit,
24 promote, demote, discharge, or otherwise discriminate against

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

9 (65 ILCS 5/11-15.5-155 new)

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

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

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

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

1 (d) The land bank may purchase property in the name of the
2 municipality at tax sales conducted under the Property Tax
3 Code. The land bank may tender a bid at a tax sale that is a
4 credit bid consisting of the obligation of the land bank to
5 satisfy the component parts of the bid by payments to the
6 respective political subdivisions.

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

12 (65 ILCS 5/11-15.5-160 new)

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

20 (65 ILCS 5/11-15.5-165 new)

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

1 the value of the real property it controls on behalf of the
2 municipality. The land bank shall maintain all real property
3 held by the land bank in accordance with applicable laws and
4 codes. Real property shall be inventoried and classified by
5 the land bank according to suitability for use. The inventory
6 shall be maintained as a public record and shall be filed
7 electronically and in the principal office of the land bank.

8 (65 ILCS 5/11-15.5-170 new)

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

20 (65 ILCS 5/11-15.5-175 new)

21 Sec. 11-15.5-175. Criteria for conveyance. Real property
22 shall be conveyed by the land bank in accordance with this
23 Division and according to criteria determined in the
24 discretion of the board of directors and contained in the

1 policies and procedures adopted by the board of directors. The
2 board of directors may adopt policies and procedures that set
3 forth priorities for a transferee's use of real property
4 conveyed by the land bank, including, but not limited to,
5 affordable housing.

6 (65 ILCS 5/11-15.5-180 new)

7 Sec. 11-15.5-180. Transactions.

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

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

18 (65 ILCS 5/11-15.5-185 new)

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

1 (65 ILCS 5/11-15.5-190 new)

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

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

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

23 (c) All intergovernmental agreements shall be interpreted,
24 enforced, and governed under the laws of this State without
25 regard to the doctrines of conflict of laws. The language of an

1 intergovernmental agreements shall in all cases be construed
2 as a whole according to its plain and fair meaning and not
3 construed strictly for or against any party.

4 (65 ILCS 5/11-15.5-195 new)

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

13 (65 ILCS 5/11-15.5-200 new)

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

22 (65 ILCS 5/11-15.5-205 new)

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

1 (a) The land bank shall prepare an annual budget in a
2 manner and under a time frame mandated by municipality's
3 treasurer or other financial officer.

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

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

14 (65 ILCS 5/11-15.5-210 new)

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

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

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

24 (65 ILCS 5/11-15.5-215 new)

1 Sec. 11-15.5-215. Performance objectives. Each fiscal
2 year, the director or other individual designated by the board
3 of directors shall prepare, for review and approval by the
4 board of directors, objectives for the land bank's
5 performance.

6 (65 ILCS 5/11-15.5-220 new)

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

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

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

17 (65 ILCS 5/11-15.5-225 new)

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

1 (65 ILCS 5/11-15.5-230 new)

2 Sec. 11-15.5-230. Authorized expenditures. The land bank
3 shall, in its sole discretion and within its budget, expend
4 funds as necessary to carry out the powers, duties, functions,
5 and responsibilities of the land bank under this Division.

6 (65 ILCS 5/11-15.5-235 new)

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

13 (65 ILCS 5/11-15.5-240 new)

14 Sec. 11-15.5-240. Distribution of assets. At a reasonable
15 time prior to the dissolution of the land bank under Section
16 11-15.5-235, the land bank shall wind up its affairs as
17 follows:

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

22 (2) the remaining real property and personal property
23 owned by the land bank, if any, shall be distributed to any

1 successor entity, subject to approval by the municipality.
2 If a successor entity does not exist, the remaining real
3 property, personal property, and other assets of the land
4 bank shall become assets of the municipality unless
5 provided otherwise in any applicable agreement.

6 (65 ILCS 5/11-15.5-998 new)

7 Sec. 11-15.5-998. Interpretation of Division. All powers
8 granted to the land bank under this Division shall be
9 interpreted broadly to effectuate the intent and purposes of
10 this Division and not to serve as a limitation of powers.

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

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

1 INDEX

2 Statutes amended in order of appearance

3 65 ILCS 5/Div. 15.5

4 heading new

5 65 ILCS 5/11-15.5-5 new

6 65 ILCS 5/11-15.5-10 new

7 65 ILCS 5/11-15.5-15 new

8 65 ILCS 5/11-15.5-20 new

9 65 ILCS 5/11-15.5-25 new

10 65 ILCS 5/11-15.5-30 new

11 65 ILCS 5/11-15.5-35 new

12 65 ILCS 5/11-15.5-40 new

13 65 ILCS 5/11-15.5-45 new

14 65 ILCS 5/11-15.5-50 new

15 65 ILCS 5/11-15.5-55 new

16 65 ILCS 5/11-15.5-60 new

17 65 ILCS 5/11-15.5-65 new

18 65 ILCS 5/11-15.5-70 new

19 65 ILCS 5/11-15.5-75 new

20 65 ILCS 5/11-15.5-80 new

21 65 ILCS 5/11-15.5-85 new

22 65 ILCS 5/11-15.5-90 new

23 65 ILCS 5/11-15.5-95 new

24 65 ILCS 5/11-15.5-100 new

25 65 ILCS 5/11-15.5-105 new

1 65 ILCS 5/11-15.5-110 new
2 65 ILCS 5/11-15.5-115 new
3 65 ILCS 5/11-15.5-120 new
4 65 ILCS 5/11-15.5-125 new
5 65 ILCS 5/11-15.5-130 new
6 65 ILCS 5/11-15.5-135 new
7 65 ILCS 5/11-15.5-140 new
8 65 ILCS 5/11-15.5-145 new
9 65 ILCS 5/11-15.5-150 new
10 65 ILCS 5/11-15.5-155 new
11 65 ILCS 5/11-15.5-160 new
12 65 ILCS 5/11-15.5-165 new
13 65 ILCS 5/11-15.5-170 new
14 65 ILCS 5/11-15.5-175 new
15 65 ILCS 5/11-15.5-180 new
16 65 ILCS 5/11-15.5-185 new
17 65 ILCS 5/11-15.5-190 new
18 65 ILCS 5/11-15.5-195 new
19 65 ILCS 5/11-15.5-200 new
20 65 ILCS 5/11-15.5-205 new
21 65 ILCS 5/11-15.5-210 new
22 65 ILCS 5/11-15.5-215 new
23 65 ILCS 5/11-15.5-220 new
24 65 ILCS 5/11-15.5-225 new
25 65 ILCS 5/11-15.5-230 new
26 65 ILCS 5/11-15.5-235 new

- 1 65 ILCS 5/11-15.5-240 new
- 2 65 ILCS 5/11-15.5-998 new
- 3 65 ILCS 5/11-15.5-999 new