



Sen. Jacqueline Y. Collins

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1 AMENDMENT TO SENATE BILL 2101

2 AMENDMENT NO. _____. Amend Senate Bill 2101 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois Land Banking Act.

6 Section 5. Findings. There is a continuing need to
7 strengthen and revitalize the economy of this State. Vacant and
8 abandoned properties threaten communities around the State
9 because those properties diminish property values, enable
10 crime, and create health hazards. Municipalities are often
11 unaware of which properties are at risk of becoming vacant and
12 abandoned. Municipalities have an interest in knowing the
13 status of the housing stock located in their jurisdictions.
14 Local governments should be empowered to acquire, develop,
15 maintain, and dispose of vacant and abandoned properties that
16 present a threat to communities around the State.

1 Municipalities lack many of the tools necessary to ensure
2 adequate property maintenance. Municipalities are unable to
3 recover the reasonable costs of their property maintenance
4 activity.

5 Section 10. Definitions. In this Act:

6 "Authority" means a land bank authority created by one or
7 more municipalities pursuant to this Act.

8 "Intergovernmental agreement" means a contractual
9 agreement between one or more governmental agencies,
10 including, but not limited to, an agreement to jointly exercise
11 any power, privilege, or authority that agencies share in
12 common and that each might exercise separately under this Act.

13 Section 15. Authorization. A municipality or several
14 municipalities may create a land bank authority with any or all
15 of the powers and restrictions specified in this Act. In
16 creating an authority, the municipality or several
17 municipalities shall provide for all of the following:

18 (1) The incorporation of the authority as a public
19 body, corporate and politic.

20 (2) Articles of incorporation for the authority, which
21 must specify, in addition to any other required provision,
22 that the purpose of the land bank authority is to stabilize
23 communities by:

24 (A) Acquiring property which is (i) vacant or

1 abandoned and in the foreclosure process, (ii)
2 nonrevenue generating, or (iii) non-tax producing.

3 (B) Facilitating the reclamation and
4 rehabilitation of property which is (i) vacant or
5 abandoned and in the foreclosure process, (ii)
6 nonrevenue generating, or (iii) non-tax producing.

7 (C) Holding and managing property which is (i)
8 vacant or abandoned and in the foreclosure process,
9 (ii) nonrevenue generating, or (iii) non-tax producing
10 pending its reclamation or rehabilitation.

11 (3) The size of the board of directors for the
12 authority.

13 (4) The qualifications, methods of selection, and
14 terms of office of the board members.

15 A municipality may alter or dissolve its land bank
16 authority at anytime.

17 Section 20. Election of tax remittance. A municipality may
18 authorize the remittance of a portion of taxes collected on
19 real property, pursuant to the Property Tax Code, to the
20 authority that sold or conveyed real property in order to
21 further the purposes of this Act. The municipality may elect to
22 have up to 50% of those taxes remitted to the authority for up
23 to 5 years after the land bank has completed the sale or
24 conveyance of the property.

1 Section 25. Board of directors; conflicts of interest. An
2 authority shall be governed by a board of directors, the board
3 shall consist of 3 or more directors. The board of directors
4 shall be composed of an odd number of members.

5 Notwithstanding any law to the contrary, any public officer
6 shall be eligible to serve as a board member and the acceptance
7 of the appointment shall neither terminate nor impair such
8 public office. For the purposes of this Section, "public
9 officer" means a person who is elected to a State or local
10 government office.

11 Any State or local government employee shall be eligible to
12 serve as a board member.

13 The board of the authority shall meet from time to time as
14 required, and the presence of a majority of the board of
15 directors shall constitute a quorum. A chairperson shall be
16 elected from among the members, and he or she shall execute all
17 deeds, leases, and contracts of the authority when authorized
18 by the board. The board of the authority shall conduct meetings
19 in accordance with the Open Meetings Act. Members of the board
20 must file a written statement of economic interests in
21 accordance with the Illinois Governmental Ethics Act. The board
22 of the authority shall require that any member of the board
23 with a direct or indirect interest in any matter disclose the
24 member's interest to the board before the board takes any
25 action on that matter. Members of the board of directors of an
26 authority shall serve without compensation.

1 It shall be unlawful for a member of the board, the spouse
2 of a member of the board, or an immediate family member of a
3 member of the board to have or acquire a contract or have or
4 acquire a direct pecuniary interest in a contract with the
5 authority that relates to the authority. Any such contract
6 shall be deemed null and void. Such limitations shall remain in
7 force for one year after the conclusion of the person's term of
8 office.

9 If a member of the board, the spouse of a member of the
10 board, or an immediate family member of a member of the board
11 is entitled to receive distributable income of a partnership,
12 association, corporation, or other business entity, then it is
13 unlawful for that partnership, association, corporation, or
14 other business entity to have or acquire a contract or a direct
15 pecuniary interest in a contract with the authority that
16 relates to the authority. Any such contract shall be deemed
17 null and void. Such limitations shall remain in force for one
18 year after the conclusion of the person's term of office.

19 The board of the authority may establish an additional code
20 of ethics for its directors, officers, and employees. The board
21 of the authority may create additional policies and procedures
22 requiring the disclosure of relationships that may give rise to
23 a conflict of interest.

24 Section 30. Powers. A municipality or several
25 municipalities may grant an authority any or all of the powers

1 enumerated in this Section, subject to any conditions,
2 restrictions, or limitations of the municipality, including
3 the power to:

4 (a) Acquire property pursuant to Section 35 of this
5 Act.

6 (b) Extinguish taxes pursuant to Section 40 of this
7 Act.

8 (c) Adopt, amend, and repeal bylaws for the regulation
9 of its affairs and the conduct of its business.

10 (d) Sue and be sued in its own name and plead and be
11 impleaded, including, but not limited to, defending the
12 authority in an action to clear title to property conveyed
13 by the authority.

14 (e) Take any action, provide any notice, or instate any
15 proceeding required to clear or quiet title to property
16 held by the authority in order to establish ownership by
17 and vest title to property in the authority.

18 (f) Be made party to and defend any action or
19 proceeding concerning title claims against property held
20 by the authority.

21 (g) Subject to the written approval of the board of
22 directors and the municipality or several municipalities
23 that created the authority, borrow money and issue bonds
24 and notes according to the provisions of this Act.

25 (h) Enter into contracts and other instruments
26 necessary, incidental, or convenient to the performance of

1 its duties and the exercise of its powers, including, but
2 not limited to, intergovernmental agreements, for the
3 joint exercise of power under this Act.

4 (i) Enter into contracts for the management of, the
5 collection of rent from, and the sale of real property held
6 by an authority.

7 (j) Enter into contracts with other entities, public or
8 private, for the provision of all or a portion of the
9 services necessary for the management and operation of the
10 authority.

11 (k) Solicit and accept gifts, grants, labor, loans, and
12 other aid from any person, the federal government, this
13 State, a political subdivision of this State or any agency
14 of the federal government, or an intergovernmental entity
15 created under the laws of this State or participate in any
16 other way in a program of the federal government, this
17 State, a political subdivision of this State, or an
18 intergovernmental entity created under the laws of this
19 State.

20 (l) Procure insurance against loss in connection with
21 the property, assets, or activities of the authority.

22 (m) Control, hold, manage, maintain, operate, repair,
23 lease as lessor, secure, prevent the waste or deterioration
24 of, demolish, and take all other actions necessary to
25 preserve the value of the property it holds or owns.

26 (n) Remediate environmental contamination on any

1 property held by the authority.

2 (o) Fix, charge, and collect rents, fees, and charges
3 for use of property under the control of the authority or
4 for services provided by the authority.

5 (p) Grant or acquire a license, easement, or option
6 with respect to property as the authority determines is
7 reasonably necessary to achieve the purposes of the Act.

8 (q) Convey, sell, transfer, exchange, lease as lessor,
9 or otherwise dispose of property, rights, or interests in
10 property to which the authority holds a legal interest to
11 any public or private person for value determined by the
12 authority.

13 (r) Pay any tax or special assessment due on property
14 acquired or owned by the authority.

15 (s) Subject to the Public Funds Investment Act, invest
16 money of the authority, at the discretion of the board of
17 directors of the authority, in instruments, obligations,
18 securities, or property determined proper by the board of
19 directors of the authority, and name and use depositories
20 for its money.

21 (t) Employ its own employees or use employees of the
22 authorizing municipality or employees of the parties to
23 intergovernmental agreements.

24 (u) Employ legal and technical experts, other
25 officers, agents, or employees and pay them from the funds
26 of the authority and determine the qualifications, duties,

1 and compensation of those it employs.

2 (v) The board of directors of an authority may delegate
3 to one or more of its members, officers, agents, or
4 employees any powers or duties it considers proper.

5 (w) Reimburse members of the board of directors of the
6 authority for actual and necessary expenses subject to
7 available appropriations.

8 (x) Contract for goods and services and engage
9 personnel as necessary and engage the services of private
10 consultants, managers, legal counsel, engineers, accounts,
11 and auditors for rendering professional financial
12 assistance and advice payable out of any money available to
13 the authority.

14 (y) Prepare the reports or plans the authority
15 considers necessary to assist it in the exercise of its
16 powers under this Act and to monitor and evaluate progress
17 under this Act.

18 The powers granted by this Act are in addition to the
19 powers granted by any other law, statute, or charter.

20 The authority may only acquire property within the
21 jurisdiction of one of the municipalities granting the
22 authority power under this Act or within the jurisdiction of a
23 governmental entity pursuant to an intergovernmental agreement
24 with that governmental entity. Property located outside the
25 corporate limits of a municipality is not considered within the
26 jurisdiction of the municipality until annexation is completed

1 pursuant to Division 7-1 of the Illinois Municipal Code.

2 An authority shall not exercise the power of eminent
3 domain.

4 Section 35. Acquisition of property. An authority may
5 acquire by gift, devise, transfer, exchange, foreclosure,
6 purchase, or otherwise on terms and conditions and in a manner
7 the authority considers proper, real property within the
8 authority's jurisdiction, or rights or interests in real
9 property within the authority's jurisdiction.

10 An authority may acquire by gift, devise, transfer,
11 exchange, foreclosure, purchase, or otherwise on terms and
12 conditions and in a manner the authority considers proper, real
13 property outside of the authority's jurisdiction pursuant to an
14 intergovernmental agreement, or rights or interests in real
15 property outside of the authority's jurisdiction pursuant to an
16 intergovernmental agreement.

17 An authority may acquire by gift, devise, transfer,
18 exchange, foreclosure, purchase, or otherwise on terms and
19 conditions and in a manner the authority considers proper,
20 personal property, or rights or interests in personal property.

21 Real property acquired by an authority by purchase may be
22 by purchase contract, lease purchase agreement, installment
23 sales contract, land contract, or otherwise.

24 An authority may hold and own in its name any property
25 acquired by it or conveyed to it by this State, a foreclosing

1 governmental unit, a unit of local government, an
2 intergovernmental entity created under the laws of this State,
3 or any other public or private person, including, but not
4 limited to, property without clear title.

5 All deeds, mortgages, contracts, leases, purchases, or
6 other agreements regarding property of an authority, including
7 agreements to acquire or dispose of real property, shall be
8 approved by and executed in the name of the authority.

9 An authority shall have the right to purchase properties at
10 tax sales conducted in accordance with Division 3.5 of Article
11 21 of the Property Tax Code. The authority may tender a bid at
12 a tax sale that is a credit bid, consisting of the obligation
13 of the authority to satisfy the component parts of the bid by
14 payments to the respective political subdivisions.

15 Section 40. Taxes. When a property is acquired by the
16 authority, the authority shall have the power to extinguish all
17 outstanding county and city or consolidated government taxes,
18 including school district taxes, at the time it sells or
19 otherwise disposes of property.

20 Property of an authority is public property devoted to an
21 essential public and governmental function and purpose. Income
22 of the authority is considered to be for a public and
23 governmental purpose. The property of the authority and its
24 income and operation are exempt from all taxes and special
25 assessments of this State and all units of local government.

1 Bonds or notes issued by the authority, and the interest on and
2 income from those bonds and notes, are exempt from all taxation
3 of this State or a unit of local government.

4 Section 45. Receipt of taxes. All moneys received by an
5 authority as payment of taxes, penalties, or interest, or from
6 the redemption or sale of property subject to a tax lien of any
7 taxing unit shall be returned to the appropriate local tax
8 collecting unit in which the property is located.

9 Section 50. Proceeds. Except as otherwise provided in this
10 Act, as required by other law, as required under the provisions
11 of a deed, or as an authority otherwise agrees, any proceeds
12 received by the authority may be retained by the authority for
13 the purposes of this Act.

14 Section 55. Record maintenance. The authority shall
15 maintain a written inventory of all property held by the
16 authority. The property shall be inventoried and classified by
17 the authority according to title status and suitability for
18 use. The inventory shall be available for public inspection
19 during regular business hours.

20 For each property held, the authority shall establish and
21 maintain itemized records and accounts reflecting all
22 transactions, expenditures, and revenues relating to all
23 property held by the authority.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".