

By Senator Torres

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1 A bill to be entitled
2 An act relating to municipal land banks; providing
3 definitions; authorizing one or more municipalities to
4 create a land bank; specifying contents of an
5 ordinance or agreement to create a land bank;
6 specifying a land bank's legal status and primary
7 goal; requiring a land bank to have a board; providing
8 for membership, appointment, and terms of office;
9 providing for meetings; specifying duties of the
10 board; specifying types of property a land bank may
11 acquire with an automatically accepted bid;
12 authorizing a land bank to employ agents and
13 employees; specifying powers of a land bank;
14 specifying mechanisms for a land bank to acquire real
15 property or interests in real property; providing
16 requirements for the purchase, transfer, inspection of
17 records, and sale of real property held by a land
18 bank; authorizing one or more municipalities that
19 created a land bank to establish a hierarchical
20 ranking of priorities for the use of real property
21 conveyed by a land bank; specifying mechanisms for a
22 land bank to receive funds; authorizing a land bank to
23 issue specified types of bonds and providing
24 requirements; specifying legal liabilities related to
25 the issuance of bonds; providing recordkeeping
26 requirements; specifying mechanisms for dissolving a
27 land bank; providing prohibited practices of board
28 members and employees; requiring the board to adopt
29 specified rules and guidelines; providing directives

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30 for handling encumbered property; specifying
31 procedures for tax certificate sales; authorizing
32 automatically accepted bids under certain
33 circumstances; providing a mechanism for a land bank
34 to acquire real property that is auctioned off as part
35 of a foreclosure; specifying when a land bank may
36 apply for execution of a tax deed; providing an
37 effective date.

38
39 Be It Enacted by the Legislature of the State of Florida:

40
41 Section 1. Municipal Land Bank Act.—

42 (1) For purposes of this act, the term:

43 (a) "Board" means the board of directors of a land bank.

44 (b) "Land bank" means an entity created by one more
45 municipalities as set forth in this section.

46 (c) "Real property" means lands, lands under water,
47 structures, and any and all easements, air rights, franchises,
48 and incorporeal hereditaments and every estate and right
49 therein, legal and equitable, including terms for years and
50 liens by way of judgment, mortgage, or otherwise, and any
51 fixtures and improvements located thereon.

52 (2) (a) A municipality may create a land bank by adopting an
53 ordinance to act on behalf of the municipality. Two or more
54 municipalities may enter into an agreement to create a single
55 land bank to act on behalf of such municipalities. The ordinance
56 or agreement must contain the following:

57 1. The name of the land bank.

58 2. The names of the initial individuals who will serve as

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59 members of the board, their qualifications, and the length of
60 terms for which they will serve.

61 (b) Each land bank is deemed to be a public corporation
62 acting in a governmental capacity and a political subdivision of
63 the state and has permanent and perpetual duration until
64 terminated and dissolved.

65 (c) The primary goal of any land bank is to help return
66 vacant, abandoned, and tax delinquent properties to productive
67 use.

68 (3) (a) A land bank created by a single municipality by
69 ordinance, or a land bank created by more than one municipality
70 by agreement, must have a board that consists of:

71 1. Seven voting members that have, collectively, verifiable
72 skills and knowledge in market rate and affordable residential,
73 commercial, industrial, and mixed-use real estate development,
74 financing, law, purchasing and sales, asset management, economic
75 and community development, and the acquisition of tax sale
76 certificates. If the land bank was created by one municipality,
77 the members shall be appointed by the municipality. If the land
78 bank was created by more than one municipality, the members
79 shall be appointed by agreement among the municipalities.

80 2. The planning director of the municipality or the
81 planning director of each of the municipalities that created the
82 land bank as nonvoting, ex officio members.

83 3. Such other nonvoting members as appointed by the mayor
84 of the municipality or as mutually agreed upon by the
85 municipality or municipalities that created the land bank.

86 (b) Each voting member must be a resident of the
87 municipality or municipalities that created the land bank.

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88 (c) The voting members shall represent, to the greatest
89 extent possible, the racial and ethnic diversity of the
90 municipality or municipalities that created the land bank.

91 (d) The seven voting members of the board must include:

92 1. At least one member representing realtors.

93 2. At least one member representing the banking industry.

94 3. At least one member representing real estate developers.

95 4. At least one member representing a chamber of commerce.

96 5. At least one member representing a nonprofit corporation
97 involved in affordable housing.

98 6. At least one member representing owners of multiple
99 residential or commercial properties.

100 (4) (a) The members of the board shall select annually from
101 among themselves a chair, a vice chair, a treasurer, and such
102 other officers as the board may determine.

103 (b) A vacancy on the board shall be filled in the same
104 manner as the original appointment.

105 (c) Board members shall serve without compensation.

106 (d) The board must meet regularly according to a schedule
107 adopted by the board, at the call of the chair, or upon written
108 notice signed by a majority of the voting members. The presence
109 of a majority of the voting members of the board constitutes a
110 quorum.

111 (e) Except as otherwise specifically stated in this
112 section, actions of the board shall be approved by a majority
113 vote of the board present to vote when the action is taken.

114 (f) Members of a board are liable personally on the bonds
115 or other obligations of the land bank, and the rights of
116 creditors shall be solely against such land bank.

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117 (5) The board must adopt policies and procedures to specify
118 the conditions that must be met for the land bank to make an
119 automatically accepted bid as authorized in subsection (16). The
120 adoption of the policies and procedures requires approval of
121 two-thirds of the voting members of the board. At a minimum, the
122 policies and procedures must ensure that an automatically
123 accepted bid is only made for one of the following reasons:

124 (a) The real property substantially meets more than one of
125 the following criteria:

126 1. The property is not occupied by the owner or any lessee
127 or licensee of the owner;

128 2. There are no utilities currently being provided to the
129 property;

130 3. Any buildings on the property have been deemed unfit for
131 human habitation, occupancy, or use by local housing officials;

132 4. Any buildings on the property are exposed to the
133 elements such that deterioration of the building is occurring;

134 5. Any buildings on the property are boarded up;

135 6. There have been no previous efforts to rehabilitate any
136 buildings on the property;

137 7. There is a presence of vermin, uncut vegetation, or
138 debris accumulation on the property;

139 8. There have been past actions by the municipality to
140 maintain the grounds or any buildings on the property; or

141 9. The property has been out of compliance with orders of
142 local housing officials;

143 (b) The real property is contiguous to a parcel that meets
144 more than one of the criteria in paragraph (a) or a parcel that
145 is already owned by the land bank; or

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146 (c) Acquisition of the real property by the land bank would
147 serve the best interests of the community. In determining
148 whether the acquisition would serve the best interests of the
149 community, the board must consider the hierarchical ranking of
150 priorities for the use of real property conveyed by a land bank
151 established pursuant to subsection (9), if any such hierarchical
152 ranking is established.

153 (6) (a) A land bank may employ such agents and employees,
154 permanent or temporary, as it may require, and may determine the
155 qualifications and fix the compensation and benefits of those
156 persons.

157 (b) A land bank may:

158 1. Adopt, amend, and repeal bylaws for the regulation of
159 its affairs and the conduct of its business.

160 2. Sue and be sued in its own name.

161 3. Borrow money from the municipality or municipalities
162 that created it, from any other municipality, from the state,
163 from the federal government, or from other public or private
164 sources as may be necessary for its operation and work.

165 4. Issue negotiable revenue bonds and notes.

166 5. Procure insurance or guarantees from the state or the
167 federal government of the payments of any debts or parts thereof
168 incurred by it and to pay premiums in connection therewith.

169 6. Enter into contracts and other instruments necessary,
170 incidental, or convenient to the performance of its duties and
171 the exercise of its powers.

172 7. Enter into contracts and other instruments necessary,
173 incidental, or convenient to the performance of its functions on
174 behalf of municipalities or agencies or departments of

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175 municipalities or the performance by municipalities or agencies
176 or departments of municipalities of functions on its behalf.

177 8. Make and execute contracts and other instruments
178 necessary or convenient to the exercise of its powers.

179 9. Provide foreclosure prevention counseling and rehousing
180 assistance.

181 10. Procure insurance against losses in connection with its
182 real property, assets, or activities.

183 11. Invest its money, at the discretion of the board, in
184 instruments, obligations, securities, or property determined
185 proper by the board and name and use depositories for its money.

186 12. Enter into contracts for the management of, the
187 collection of rent from, or the sale of its real property.

188 13. Design, develop, construct, demolish, reconstruct,
189 rehabilitate, renovate, relocate, and otherwise improve its real
190 property or rights or interests in its real property.

191 14. Fix, charge, and collect fees and charges for the
192 provision of its services.

193 15. Fix, charge, and collect rents and leasehold payments
194 for the use of its real property for a period not to exceed 12
195 months, except that such 12-month limitation does not apply if
196 the real property of the land bank is subject to a lease with a
197 remaining term of more than 12 months at the time the land bank
198 acquires the real property.

199 16. Grant or acquire a license, easement, lease, as lessor
200 or lessee, or any option with respect to its real property.

201 17. Enter into partnerships, joint ventures, and other
202 collaborative relationships with municipalities and other public
203 and private entities for the ownership, management, development,

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204 and disposition of its real property.

205 18. Do all other things necessary to achieve its objectives
206 and purposes.

207 (c) A land bank does not possess and may not exercise the
208 power of eminent domain.

209 (7) (a) A land bank may acquire real property or interests
210 in real property by gift, devise, transfer, exchange,
211 foreclosure, purchase, or otherwise on terms and conditions and
212 in a manner the land bank considers proper.

213 (b) A land bank may acquire real property or interests in
214 real property by purchase contracts, lease-purchase agreements,
215 installment sales contracts, or land contracts and may accept
216 transfers from political subdivisions upon such terms and
217 conditions as agreed to by the land bank and the political
218 subdivision. Notwithstanding any other law to the contrary, a
219 political subdivision may transfer to the land bank real
220 property and interests in real property of the political
221 subdivision on such terms and conditions and according to such
222 procedures as determined by the political subdivision and in
223 accordance with law.

224 (c) A land bank must maintain its real property in
225 accordance with the laws and ordinances of the jurisdiction in
226 which the real property is located.

227 (d) A land bank may not own or hold real property located
228 outside the jurisdictional boundaries of the municipality or
229 municipalities that created the land bank. For purposes of this
230 paragraph, jurisdictional boundaries of a municipality do not
231 include the extraterritorial zoning jurisdiction of a
232 municipality.

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233 (e) A land bank may not hold legal title at any one time to
234 more than 7 percent of the total number of parcels of real
235 property located in the municipality or municipalities that
236 created the land bank.

237 (f) The real property of a land bank and the land bank's
238 income and operations are exempt from taxation by the state or
239 any political subdivision.

240 (8) (a) A land bank shall hold in its own name all real
241 property acquired by the land bank irrespective of the identity
242 of the transferor of the real property.

243 (b) A land bank shall maintain and make available for
244 public review and inspection an inventory of all real property
245 held by the land bank.

246 (c) A land bank shall set forth in its policies and
247 procedures the general terms and conditions it will use when
248 considering the transfer of real property and interests in real
249 property. The land bank may consider monetary payments and
250 secured financial obligations, covenants and conditions related
251 to the present and future use of the real property, contractual
252 commitments of the transferee, and such other forms of
253 consideration as determined by the board to be in the best
254 interest of the land bank.

255 (d) A land bank may convey, exchange, sell, transfer,
256 grant, or release any interest related to the real property of
257 the land bank. A land bank may lease as lessor real property of
258 the land bank for a period not to exceed 12 months, except that
259 such 12-month limitation does not apply if the real property of
260 the land bank is subject to a lease with a remaining term of
261 more than 12 months at the time the land bank acquires the real

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262 property.

263 (9) (a) The municipality or municipalities that created the
264 land bank may establish by resolution or ordinance a
265 hierarchical ranking of priorities for the use of real property
266 conveyed by a land bank. The ranking must take into
267 consideration the highest and best use of the real property and
268 that will bring the greatest benefit to the community. The
269 priorities may include:

270 1. Use for purely public spaces and places.

271 2. Use for affordable housing.

272 3. Use for retail, commercial, and industrial activities.

273 4. Such other uses and in such hierarchical order as
274 determined by the municipality or municipalities that created
275 the land bank.

276 (b) The municipality or municipalities that created the
277 land bank may require by resolution or ordinance that any
278 disposition of real property, or any disposition of real
279 property located within specified jurisdictions, be subject to
280 specified voting and approval requirements of the board. Except
281 and unless restricted or constrained in this manner, the board
282 may delegate to officers and employees the authority to enter
283 into and execute agreements, instruments of conveyance, and all
284 other related documents pertaining to the conveyance of real
285 property by the land bank.

286 (10) (a) A land bank may receive funding through grants or
287 loans from the municipality or municipalities that created the
288 land bank, from any other municipality, from the state, from the
289 federal government, or from other public or private sources.

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

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291 services rendered, for rents and leasehold payments received,
292 for consideration for disposition of real and personal property,
293 for proceeds of insurance coverage for losses incurred, for
294 income from investments, and for any other asset and lawful
295 activity.

296 (11) (a) A land bank may issue bonds for any corporate
297 purpose, the principal and interest of which are payable from
298 its revenue generally. Bonds shall be secured by a pledge of any
299 revenue of the land bank or by a mortgage of any property of the
300 land bank.

301 (b) Bonds issued by a land bank are deemed to have all of
302 the qualities of negotiable instruments under the Uniform
303 Commercial Code.

304 (c) Bonds of a land bank and the income therefrom are
305 exempt from all taxes imposed by the state or any political
306 subdivision.

307 (d) Bonds issued by the land bank must be authorized by
308 resolution of the board and shall be limited to obligations of
309 the land bank. The principal and interest, costs of issuance,
310 and other costs incidental thereto are payable solely from the
311 income and revenue derived from the sale, lease, or other
312 disposition of the assets of the land bank. Any refunding bonds
313 issued are payable from any source described in this paragraph
314 or from the investment of any of the proceeds of the refunding
315 bonds, and do not constitute an indebtedness or pledge of the
316 general credit of any municipality within the meaning of any
317 constitutional or statutory limitation of indebtedness and must
318 contain a recital to that effect. Bonds of the land bank shall
319 be issued in such form, shall be in such denominations, shall

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320 bear such interest, shall mature in such manner, and shall be
321 executed by one or more members of the board as provided in the
322 resolution authorizing the issuance of the bonds. The bonds may
323 be subject to redemption at the option of and in the manner
324 determined by the board in the resolution authorizing the
325 issuance of those bonds.

326 (e) Bonds issued by the land bank shall be issued, sold,
327 and delivered in accordance with the terms and provisions of a
328 resolution adopted by the board. The board may sell such bonds
329 in such manner, either at public or private sale, and for such
330 price as it may determine to be in the best interests of the
331 land bank. The resolution issuing bonds shall be published in a
332 newspaper of general circulation within the municipality or
333 municipalities that created the land bank.

334 (f) Neither the members of the board nor any person
335 executing the bonds are liable personally on any such bonds by
336 reason of the issuance thereof. The bonds or other obligations
337 of a land bank are not a debt of any municipality or
338 municipalities that created the land bank and must state such on
339 their face, and the revenue and the property of the municipality
340 or municipalities may not be used to pay off any debt of the
341 land bank.

342 (12) (a) The board shall cause minutes and a record to be
343 kept of all its proceedings. Meetings of the board are subject
344 to the applicable provisions of chapter 286, Florida Statutes.

345 (b) All of a land bank's records and documents are
346 considered public records.

347 (c) The board shall provide monthly reports to the
348 municipality or municipalities that created the land bank. The

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349 board shall also provide an annual report to the municipality or
350 municipalities that created the land bank and to the relevant
351 substantive committees of the Legislature by December 31 of each
352 year summarizing the board's activities for the year. The report
353 submitted to the substantive committees must be submitted
354 electronically.

355 (13) A land bank may be dissolved 60 calendar days after a
356 resolution of dissolution is approved by two-thirds of the
357 voting members of the board and by two-thirds of the membership
358 of the governing body of the municipality or municipalities that
359 created the land bank. The board must provide 60 calendar days'
360 advance written notice of its consideration of a resolution of
361 dissolution by publishing such notice in a newspaper of general
362 circulation within the municipality or municipalities that
363 created the land bank and must send such notice by certified
364 mail to the trustee of any outstanding bonds of the land bank.
365 Upon dissolution of the land bank, all real property, personal
366 property, and other assets of the land bank shall become the
367 assets of the municipality or municipalities that created the
368 land bank.

369 (14) (a) A member of the board or an employee of a land bank
370 may not acquire any interest, direct or indirect, in real
371 property of the land bank or in any real property to be acquired
372 by or from the land bank. A member of the board or an employee
373 of a land bank may not have any interest, direct or indirect, in
374 any contract or proposed contract for materials or services to
375 be furnished or used by a land bank.

376 (b) The board shall adopt:

377 1. Rules addressing potential conflicts of interest.

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378 2. Ethical guidelines for members of the board and
379 employees of the land bank.

380 (15) (a) If a land bank acquires real property that is
381 encumbered by a lien or claim for real property taxes owed to
382 one or more political subdivisions, the land bank may, by
383 resolution of the board, discharge and extinguish such liens or
384 claims, except that a lien or claim represented by a tax sale
385 certificate held by a private third party may not be discharged
386 or extinguished under this paragraph.

387 (b) If a land bank receives payments of any kind
388 attributable to liens or claims for real property taxes owed to
389 one or more political subdivisions on property acquired by the
390 land bank, the land bank must remit the full amount of the
391 payments to the county that levied the taxes for distribution to
392 the appropriate taxing entity.

393 (16) (a) At any sale of real property for the nonpayment of
394 taxes conducted under chapter 197, Florida Statutes, a land bank
395 may:

396 1. Bid on the real property in an amount equal to the total
397 amount of taxes, interest, and costs due on the real property.
398 If a bid is made pursuant to this subsection, the bid may not
399 receive any special treatment by the tax collector and must be
400 accepted or rejected in the same manner as any other bid on such
401 real property; or

402 2. Make an automatically accepted bid on any real property
403 that meets more than one of the criteria in subsection (5) in an
404 amount equal to the total amount of taxes, interest, and costs
405 due on the real property. If an automatically accepted bid is
406 made, it shall be accepted by the sheriff regardless of any

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407 other bids on such real property. An automatically accepted bid
408 may be made only if the land bank has obtained written consent
409 to make an automatically accepted bid from the holder of a
410 mortgage or the beneficiary or trustee under a trust deed giving
411 rise to a lien against such real property. To obtain such
412 written consent, the land bank shall send, by certified mail, a
413 notice of its intent to make an automatically accepted bid to
414 any such holder of a mortgage or beneficiary or trustee under a
415 trust deed and shall request that written consent be provided
416 within 30 days. If no response is provided within 30 days, such
417 holder of a mortgage or beneficiary or trustee under a trust
418 deed shall be deemed to have provided written consent.

419 (b) If any real property is auctioned off as part of any
420 foreclosure proceedings and no bid is made at such sale equal to
421 the total amount of taxes, interest, and costs due thereon, and
422 the real property being sold lies within a municipality with a
423 land bank, the land bank shall be deemed to have bid the total
424 amount of taxes, interest, and costs due thereon and such bid
425 shall be accepted by the sheriff. The land bank may discharge
426 and extinguish the liens for delinquent taxes included in the
427 foreclosure proceedings and shall be entitled to a deed to the
428 real property.

429 (c) If a land bank's bid in subparagraph (a)1. is accepted
430 by the tax collector, the land bank must pay the tax collector
431 and is entitled to a tax sale certificate for the real property.

432 (d) Within 6 months after the expiration of 3 years from
433 the date of sale of real property for the nonpayment of taxes
434 under chapter 197, Florida Statutes, a land bank that acquired a
435 tax sale certificate for such real property may:

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436 1. Apply to the tax collector for execution of a tax deed
437 for the real property described in the tax sale certificate. A
438 land bank applying for execution of a tax deed must comply with
439 the applicable provisions of chapter 197, Florida Statutes; or

440 2. Foreclose the lien represented by the tax sale
441 certificate.

442 Section 2. This act shall take effect July 1, 2021.