

call a meeting of the commission within ten days after such notice; if the chairperson fails to do so, the chief justice shall call such meeting.

Approved March 24, 1989

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## CHAPTER 19

### JUVENILE COURT-RELATED REPORTS

*S.F. 128*

**AN ACT** relating to the collection and compilation of information regarding juvenile court activities.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 235.3, subsection 6, Code 1989, is amended to read as follows:

6. Receive and keep on file annual reports ~~from the juvenile courts of the state, and from all institutions to which neglected, dependent and delinquent children subject to the jurisdiction of the juvenile court are committed;~~ compile statistics regarding juvenile delinquency, make reports regarding the same juvenile delinquency and study prevention and cure of juvenile delinquency.

Sec. 2. Section 602.1209, subsection 6, Code 1989, is amended to read as follows:

6. Collect and compile information and statistical data, and submit reports relating to judicial business, including juvenile court activities, and other matters relating to the department.

Approved March 27, 1989

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## CHAPTER 20

### RELOCATION OF DISPLACED PERSONS

*S.F. 152*

**AN ACT** relating to relocation payments and relocation advisory assistance for displaced persons, and real property acquisition, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 316.1, subsection 2, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

2. "Displaced person" means:

a. A person who moves from real property or moves the person's personal property from real property in either of the following circumstances:

(1) As a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, the real property in whole or in part for a program or project undertaken with federal financial assistance.

(2) The person moved or moved the person's personal property from real property on which the person is either a residential tenant or conducts a small business, a farm operation, or a

business as defined in section 316.1, subsection 3, paragraph "d", as a direct result of rehabilitation or demolition for a program or project undertaken with federal financial assistance in a case in which the head of the displacing agency determines that the displacement is permanent.

b. For purposes of section 316.4, subsections 1 and 2, and section 316.7, a person who moves from real property, or moves the person's personal property from real property in either of the following circumstances:

(1) As a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, other real property in whole or in part if the person conducts a business or farm operation on the other real property for a program or project undertaken with federal financial assistance.

(2) As a direct result of rehabilitation or demolition of other real property on which the person conducts a business or a farm operation for a program or project undertaken with federal financial assistance in a case in which the head of the displacing agency determines that the displacement is permanent.

c. The term "displaced person" does not include any of the following:

(1) A person who has been determined to be either in unlawful occupancy of the real property or who has occupied the real property for the purpose of obtaining assistance under this chapter.

(2) A person, other than the person who was the occupant of the real property at the time it was acquired, who occupies the real property on a rental basis for a short term or a period subject to termination when the real property is needed for the program or project.

(3) An owner-occupant who voluntarily sells the owner-occupant's property, after being informed in writing that if a mutually satisfactory agreement of sale cannot be reached the state agency will not acquire the property.

(4) A person who retains the right of use and occupancy of the real property for life following its acquisition by a state agency.

Sec. 2. Section 316.1, subsection 3, paragraph d, Code 1989, is amended to read as follows:

d. Solely for the purposes of section 316.4, ~~subsection 1,~~ for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display or displays, whether or not ~~such~~ the display or displays are located on the premises on which any of the above activities are conducted.

Sec. 3. Section 316.1, subsection 6, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

6. "Displacing agency" means the state or a state agency carrying out a program or project, or any person carrying out a program or project with federal financial assistance, which causes a person to be a displaced person.

Sec. 4. Section 316.1, subsection 8, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

8. "State agency" means any of the following:

a. A department, agency, or instrumentality of the state or of a political subdivision of the state.

b. A department, agency, or instrumentality of two or more political subdivisions of the state, or states.

c. A person who has the authority to acquire property by eminent domain under state law.

Sec. 5. Section 316.1, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 10. "Federal Uniform Relocation Act" means the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, as amended by the Uniform Relocation Act Amendments of 1987, Title IV, Pub. L. No. 100-17.

NEW SUBSECTION. 11. "Federal financial assistance" means a grant, loan, or contribution provided by the United States, however, "federal financial assistance" does not include

any federal guarantee or insurance and any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.

NEW SUBSECTION. 12. "Comparable replacement dwelling" means any single family residential unit that is all of the following:

- a. Decent, safe, and sanitary.
- b. Adequate in size to accommodate the occupants.
- c. Within the financial means of the displaced person.
- d. Functionally equivalent to the displaced person's dwelling.
- e. In an area not subject to unreasonably adverse environmental conditions.
- f. In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment.

Sec. 6. Section 316.2, subsection 3, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

3. A payment made or to be made under the authority granted in this chapter shall be for compensating or reimbursing the displaced person or owner of real property in accordance with the requirements of the federal Uniform Relocation Act and this chapter and the payments shall not for any purpose be deemed or considered compensation for real property acquired or compensation for damages to remaining property.

Payments authorized to be made by the federal Uniform Relocation Act and this chapter shall be made as relocation payments and in order to prevent unjust enrichment or a duplication of payments to any condemnee in any condemnation proceeding or appeal from any condemnation proceeding, an allowance shall not be made in determining just compensation in a condemnation proceeding for any damages, for any item of damage, or any cost, which is authorized to be paid as a relocation payment.

Moving cost payments and allowances for personal property which is damaged or destroyed or reduced in value by an acquisition of property authorized under section 472.14 or any other provision of the Code under the powers of eminent domain on projects where relocation assistance payments are paid under this chapter shall be those payments and allowances authorized by this chapter and shall not be made or included as part of an award of damages in any condemnation proceeding or appeal from any condemnation proceeding.

Sec. 7. Section 316.3, Code 1989, is amended to read as follows:

316.3 DECLARATION OF POLICY — AUTHORIZATION — DIVISIBILITY OF APPLICATION.

1. The purpose of this chapter is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of state and federally assisted highway programs or projects in order that such the persons shall not suffer disproportionate injuries as a result of programs or projects designed for the benefit of the public as a whole and to minimize the hardship of displacement on the persons. The general assembly declares that replacement housing relocation assistance for persons displaced by highway programs and projects is a necessary and essential part of such highway the programs and projects. This chapter shall be known and may be cited as the "Highway Relocation Assistance Law."

2. If a displacing agency subject to the provisions of the federal Uniform Relocation Act, or if another entity required or electing to provide any of the programs or payments authorized by this chapter, undertakes a project which results in the acquisition of real property or in a person being displaced from the person's home, business, or farm, the displacing agency or other entity may provide relocation assistance, and make relocation payments to the displaced person and do the other acts and follow the procedures and practices as may be necessary to comply with the provisions of the federal Uniform Relocation Act and this chapter. Displacing agencies may provide all or a part of the program and payments authorized under this chapter to persons displaced by any program or project regardless of the funding

source. However, to the extent a program or a payment is provided, the program or payment shall be provided on a uniform basis to all displaced persons.

3. If a provision, clause, or phrase of this chapter, or application of this chapter to a person or circumstance is adjudged invalid by any court of competent jurisdiction, the judgment shall not invalidate the remainder of the chapter, and the application of the chapter to other persons or circumstances shall not be affected by the adjudication.

Sec. 8. Section 316.4, Code 1989, is amended to read as follows:

#### 316.4 MOVING AND RELATED EXPENSES.

1. Whenever the acquisition of real property for ~~If a program or project undertaken by the department~~ a displacing agency will result in the displacement of any a person, the department displacing agency shall make a payment to any the displaced person, upon proper application as approved by such department the displacing agency, for:

a. Actual actual reasonable and necessary expenses incurred in moving the person, the person's family, business, farm operation, or other personal property,

b. Actual subject to rules and limits established by the department. The payment may also provide for actual direct losses of tangible personal property, as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the department; and

e. Actual reasonable expenses purchase of substitute personal property, business reestablishment expenses, storage expenses, and expenses incurred in searching for a replacement business or farm.

2. Any A displaced person eligible for payments under subsection 1, who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection 1, may receive a moving expense and dislocation allowance, determined according to a schedule established by the department not to exceed three hundred dollars; and a dislocation allowance of two hundred dollars.

3. Any A displaced person, as defined in section 316.1, subsection 2, paragraph "a", eligible for payments under subsection 1, who is displaced from the person's place of business or farm operation and who elects is eligible, may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection 1, may receive. The payment shall consist of a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall be not less than two thousand five hundred dollars nor more than ten thousand dollars to be determined according to criteria established by the department. In the case of a business, no payment shall be made under this subsection unless the department is satisfied that the business cannot be relocated without a substantial loss of its existing patronage, and is not a part of a commercial enterprise having at least one other establishment not being acquired for a highway project which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before federal, state, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, or during such other period as the department determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, the owner's spouse, or the owner's dependents during such period A person whose sole business at the displaced dwelling is the rental of the real property does not qualify for a payment under this subsection.

Sec. 9. Section 316.5, Code 1989, is amended to read as follows:

#### 316.5 REPLACEMENT HOUSING FOR HOMEOWNER.

1. In addition to payments otherwise authorized by this chapter, the department displacing agency shall make an additional payment not in excess of fifteen thousand dollars to any a displaced person who is displaced from a dwelling actually owned and occupied by such the

displaced person for not less than one hundred eighty days immediately prior to the initiation of negotiations for the acquisition of the property. Such All determinations to carry out this section shall be made in accordance with administrative rules adopted by the department. The additional payment shall include the following elements:

a. The amount, if any, which when added to the acquisition cost of the dwelling acquired by the department displacing agency, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment and available on the private market. All determinations required to carry out this paragraph shall be made in accordance with administrative rules established by the department in making these additional payments.

b. The amount, if any, which will compensate such the displaced person for any increased interest costs and other debt service costs which such the displaced person is required to pay for financing the acquisition of any such a comparable replacement dwelling. Such The amount shall be paid only if the dwelling acquired by the department displacing agency was encumbered by a bona fide mortgage which was a valid lien on such the dwelling for not less than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of such the dwelling. Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, over the remainder term of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.

c. Reasonable Actual, reasonable, and necessary expenses incurred by such the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the a replacement dwelling, but not including prepaid expenses.

2. The additional payment authorized by this section shall be made only to such a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling which is decent, safe, and sanitary not later than the end of the one-year period beginning on within one year after the date on which the person receives from the department final payment from the displacing agency of all costs of the acquired dwelling, or on the date on which the person moves from the acquired dwelling obligation of the displacing agency under section 316.8 is met, whichever is the later, date except that the displacing agency may extend the eligibility period for good cause. If the period is extended, the payment under this section shall be based on the costs of relocating the person to a comparable replacement dwelling within one year of the applicable date.

Sec. 10. Section 316.6, Code 1989, is amended to read as follows:

#### 316.6 REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS.

In addition to amounts otherwise authorized by this chapter, the department displacing agency shall make a payment to or for any a displaced person, displaced from any a dwelling, not eligible to receive a payment under section 316.5, which dwelling was actually and lawfully occupied by such the displaced person for not less than ninety days immediately prior to the initiation of negotiations for acquisition of such the dwelling, or as a result of the written order of the displacing agency to vacate the real property. Such payment shall be All determinations to carry out this section shall be made in accordance with administrative rules adopted by the department. The displaced person may elect either of the following:

1. The amount necessary to enable such the displaced person to lease or rent for a period not to exceed four years, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to the person's place of employment, but not to exceed four thousand dollars, or a comparable replacement dwelling. At the discretion of the displacing agency, a payment under this subsection may be made in periodic installments. Computations of a payment under this subsection to a low-income displaced person

for a comparable replacement dwelling shall take into account the person's income.

2. The amount necessary to enable such the person to make a down payment, including incidental expenses described in section 316.5, subsection 1, paragraph "c", on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed four thousand dollars, except that if such amount exceeds two thousand dollars, such person must equally match any such amount in excess of two thousand dollars, in making the down payment. The person may, at the discretion of the displacing agency, be eligible under this subsection for the maximum payment allowed under subsection 1, except that, in the case of a displaced homeowner who has owned and occupied the displaced dwelling for at least ninety days but not more than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of the dwelling, the payment shall not exceed the payment the person would otherwise have received under section 316.5, subsection 1, had the person owned and occupied the displaced dwelling for one hundred and eighty days immediately prior to the initiation of the negotiations.

Sec. 11. Section 316.7, Code 1989, is amended to read as follows:

316.7 RELOCATION ASSISTANCE ADVISORY SERVICES.

1. Whenever the acquisition of real property for a highway project undertaken by the department will result in the displacement of any person, the department shall provide a relocation assistance advisory program for displaced persons which shall offer the services described in subsection 3 A displacing agency shall ensure that relocation assistance advisory services are made available to all persons displaced by the displacing agency. If the department displacing agency determines that any a person occupying property immediately adjacent to the real property acquired where the displacing activity occurs, is caused substantial economic injury because as a result of the acquisition displacing activity, the department displacing agency may offer such the person relocation assistance advisory services under such program.

2. The department displacing agency shall co-operate to the maximum extent feasible with federal, state, or local agencies to assure ensure that such the displaced persons receive the maximum assistance available to them.

3. Each relocation assistance advisory program required by subsection 1 shall include such measures, facilities, or services as may be necessary or appropriate in order to:

- a. Determine the need, if any, of displaced persons, for relocation assistance;
- b. Provide current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and locations for displaced businesses;
- c. Assure that, within a reasonable period of time, prior to displacement there will be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, as defined by the department, equal in number to the number of and available to such displaced persons who require such dwellings and reasonably accessible to their places of employment, except that the department may prescribe by departmental rules situations when such assurances may be waived;
- d. Assist a displaced person displaced from the person's business or farm operation in obtaining and becoming established in a suitable replacement location;
- e. Supply information concerning federal and state housing programs, and other federal or state programs offering assistance to displaced persons; and comply with the provisions of the federal Uniform Relocation Act and this chapter.

f 4. Provide The displacing agency shall provide other advisory services to displaced persons in order to minimize hardships to such the displaced persons in adjusting to relocation.

4 5. The department displacing agency shall co-ordinate relocation activities with project work, and other planned or proposed governmental actions or displacing activities in the community or nearby areas which may affect the carrying out of relocation assistance programs.

Sec. 12. Section 316.8, Code 1989, is amended to read as follows:

316.8 HOUSING REPLACEMENT BY DEPARTMENT THE DISPLACING AGENCY AS LAST RESORT.

1. If a highway project cannot proceed to actual construction on a timely basis because comparable replacement sale or rental housing is dwellings are not available, and the department displacing agency determines that such housing dwellings cannot otherwise be made available, the department displacing agency may take such action as is necessary or appropriate to provide such housing the dwellings by use of funds authorized for such the program or project. The department displacing agency may let contracts for the construction of said housing to the dwellings, approve plans and specifications for the building thereof of the dwellings, and to supervise, inspect, and approve the housing dwellings once constructed in order that the housing dwellings so constructed complies comply with the terms and conditions of this chapter. The displacing agency may under this section exceed the maximum amounts which may be paid under sections 316.5 and 316.6 on a case by case basis for good cause as determined in accordance with administrative rules adopted by the department.

2. No A person shall not be required to move from the person's dwelling on or after July 1, 1971, on account of any highway program or project, unless the department displacing agency is satisfied that a comparable replacement housing, in accordance with section 316.7, subsection 3, paragraph "e", dwelling is available to such the person.

Sec. 13. Section 316.9, subsection 4, Code 1989, is amended to read as follows:

4. Any A person aggrieved by a determination as to eligibility for assistance or a payment authorized by this chapter, or the amount of a payment, upon application may have the person's application matter reviewed by the department. Rules governing reviews shall provide for a prompt one-step uncomplicated fact-finding process. Such a review is an appeal of an agency action as defined in section 17A.2, subsection 9, and is not a contested case. The decision rendered shall be the displacing agency's final agency action.

Sec. 14. Section 316.12, Code 1989, is amended to read as follows:

316.12 PAYMENTS TO DISPLACED PERSONS NOT TO BE CONSIDERED AS INCOME.

No Except for any federal or state law providing low-income housing assistance, a payment received by a displaced person under this chapter shall not be considered as income for the purpose of determining the eligibility or extent of eligibility of any person for assistance under any federal or state law or for the purposes of chapter 422.

Sec. 15. Section 316.13, Code 1989, is amended to read as follows:

316.13 ADMINISTRATION.

In order to prevent unnecessary expenses and duplications of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, the department displacing agency may enter into contracts with any individual, firm, association, or corporation for services in connection with such the programs, or may carry out its functions through any governmental agency, political subdivision, or instrumentality having an established organization for conducting relocation assistance programs. The department shall, in carrying out the relocation assistance activities described in section 316.8 whenever If practicable, utilize the services of state or local housing agencies, or other agencies having experience in the administration or conduct of similar housing assistance activities shall be used.

Sec. 16. Section 316.14, Code 1989, is amended to read as follows:

316.14 FUNDING.

Funds appropriated or otherwise available to any state agency for a program or project shall also be available to carry out the provisions of this chapter.

Payments and expenditures under this chapter for highway projects are incident to and arise out of the construction, maintenance, and supervision of public highways and streets, and, in the case of any federal-aid highway project, may be made by the department from the primary road fund and funds made available by the federal government for the purpose of carrying

out this chapter. Payments made under section 316.10 this chapter may be made from the primary road fund in case of a primary road project only, and in other cases may be made from appropriate funds under the control of a political subdivision.

Sec. 17. Section 331.382, subsection 1, paragraph h, Code 1989, is amended to read as follows:

h. Provision of relocation programs and payments as provided in sections 316.10 and 316.11 chapter 316.

Sec. 18. Section 472.42, Code 1989, is amended to read as follows:

472.42 EMINENT DOMAIN — PAYMENT TO DISPLACED PERSONS.

1. Any A utility or railroad subject to section 327C.2, chapter 479, or chapter 476, authorized by law to acquire property by condemnation, that does acquire which acquires the property of any a person who is displaced thereby after July 1, 1971 or displaces a person for a program or project which has received or will receive federal financial assistance as defined in section 316.1, shall pay provide to such the person in addition to all any other sums of money in payment of just compensation, the payments and assistance required by law, a displacement allowance in accordance with and in the same manner as provided for acquisition for highway projects in sections 316.4, 316.5, 316.6 and 316.8 chapter 316.

2. The displacement allowance to be paid by a utility subject to the provisions of chapter 479 or 476, shall be paid in the manner provided in sections 316.4, 316.5, 316.6, and 316.8 and pursuant to rules promulgated by the Iowa state commerce commission. Any A person aggrieved by a determination made by a utility as to eligibility for relocation assistance, a payment, or the amount of the payment may, upon application, may have the matter reviewed by the Iowa state utilities division of the department of commerce commission. The decision of the Iowa state commerce commission upon review shall be final as to all parties.

3. The displacement allowance to be paid by a railroad subject to section 327C.2, shall be paid in the manner provided in sections 316.4, 316.5, 316.6, and 316.8 and pursuant to rules promulgated by the transportation regulation authority. Any A person aggrieved by a determination made by a railroad as to eligibility for relocation assistance, a payment, or the amount of the payment may, upon application, may have the matter reviewed by the state department of transportation regulation authority. The decision of the transportation regulation authority upon review shall be final as to all parties.

4. Any A utility or railroad subject to the provisions of this section that proposes to acquire the property of any displace a person who will be displaced by such acquisition shall inform the person of the person's right to receive a displacement allowance and, if the person's right to the displacement allowance or the amount of the allowance is in dispute, the relocation assistance and payments, and of an aggrieved person's right to appeal to the Iowa state utilities division of the department of commerce commission or the state department of transportation regulation authority.

Sec. 19. NEW SECTION. 472.54 FEDERALLY ASSISTED PROJECT AND DISPLACING ACTIVITIES — ACQUISITION POLICIES.

If a project or displacing activity has received or will receive federal financial assistance as defined in section 316.1, an acquiring agency shall be guided by the following policies:

1. Every reasonable effort shall be made to acquire expeditiously real property by negotiation.

2. Real property shall be appraised as required by section 472.45 before the initiation of negotiations, and the owner or the owner's designated representative shall be given an opportunity to accompany at least one appraiser of the acquiring agency during an inspection of the property, except that the state department of transportation may prescribe a procedure to waive the appraisal in cases involving the acquisition of property with a low fair market value.

3. Before the initiation of negotiations for real property, the acquiring agency shall establish an amount which it believes to be just compensation for the real property, and shall make a prompt offer to acquire the property for the full amount established by the agency. In no event shall the amount be less than the agency's approved appraisal of the fair market value of the property.



4. The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling or to move the person's business or farm operation without at least ninety days' written notice of the date by which the move is required.

5. If an owner or tenant is permitted to occupy the real property acquired on a rental basis for a short term or for a period subject to termination on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

6. In no event shall the time of condemnation be advanced, or negotiations or condemnation and the deposit of funds in court for the use of the owner be deferred, or any other coercive action be taken to compel an agreement on the price to be paid for the property.

7. If an interest in real property is to be acquired by exercise of the power of eminent domain, formal condemnation proceedings shall be instituted. The acquiring agency shall not intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of the owner's real property.

8. If the acquisition of only a portion of property would leave the owner with an uneconomical remnant, the head of the agency concerned shall offer to acquire that remnant. For the purposes of this chapter, an "uneconomical remnant" is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property where the head of the agency concerned determines that the parcel has little or no value or utility to the owner.

9. A person whose real property is being acquired in accordance with this chapter, after the person has been fully informed of the person's right to receive just compensation for the property, may donate the property, any part of the property, any interest in the property, or any compensation paid for it to any agency as the person may determine.

10. As soon as practicable after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire real property, whichever is earlier, the acquiring agency shall reimburse the owner, to the extent the acquiring agency deems fair and reasonable, for expenses the owner necessarily incurred for all of the following:

a. Recording fees, transfer taxes, and similar expenses incidental to conveying the real property to the acquiring agency.

b. Penalty costs for full or partial prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property.

Payments and expenditures under this subsection are incident to and arise out of the program or project for which the acquisition activity takes place. Such payments and expenditures may be made from the funds made available for the program or project.

A person aggrieved by a determination as to the eligibility for or amount of a reimbursement may have the matter reviewed in accordance with section 316.9.

11. An owner shall not be required to surrender possession of real property before the acquiring agency concerned pays the agreed purchase price.

#### Sec. 20. NEW SECTION. 472.55 BUILDINGS, STRUCTURES, AND IMPROVEMENTS ON FEDERALLY ASSISTED PROGRAMS AND PROJECTS.

If a program or project has received or will receive federal financial assistance as defined in section 316.1, an acquiring agency shall be guided by the following policies:

1. If an interest in real property is acquired, the acquiring agency shall acquire an equal interest in all buildings, structures, or other improvements located upon the real property which are required to be removed from the real property or which are determined to be adversely affected by the use to which the real property will be put.

2. For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be acquired under this section, the building, structure, or other improvement shall be deemed to be a part of the real property to be acquired, notwithstanding the right or obligation of a tenant of the lands, as against the owner of any other interest in the real property, to remove the building, structure, or improvement at the

expiration of the tenant's term. The fair market value which the building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of the building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the owner of the building, structure, or improvement.

3. Payment for the building, structure, or improvement under this section shall not result in duplication of any payments otherwise authorized by state law. The payment shall not be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer, and release all the tenant's right, title, and interest in and to the improvements. Nothing with regard to the above-mentioned acquisition of buildings, structures, or other improvements shall be construed to deprive the tenant of any rights to reject payment and to obtain payment for the property interests in accordance with other laws of this state.

Sec. 21. Sections 316.10 and 316.11, Code 1989, are repealed.

Sec. 22. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 27, 1989

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## CHAPTER 21

### CIVIL SERVICE COMMISSIONERS' INTEREST IN CITY CONTRACTS

*S.F. 159*

**AN ACT** relating to the sale or contracting for goods and services between a civil service commissioner and a city.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 400.2, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Civil service commissioners shall not ~~buy from~~, sell to, or in any manner become parties, directly, to any contract to furnish supplies, material, or labor to the city in which they are commissioners except as provided in section 362.5. A violation of this conflict of interest provision is a simple misdemeanor.

Approved March 27, 1989

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## CHAPTER 22

### CITY INCORPORATION, DISCONTINUANCE, OR BOUNDARY ADJUSTMENT

*H.F. 404*

**AN ACT** relating to the effective date of a city incorporation, annexation, discontinuance, or boundary adjustment proposal, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 368.20, subsection 2, Code 1989, is amended to read as follows:

2. File with the secretary of state, the clerk of each city incorporated or involved in a boundary