

Freeman  
Rahberg  
Bolkecom

SSB-3090

Natural Resources

Succeeded By

SF/HF 2438

SENATE FILE

BY (PROPOSED COMMITTEE ON  
NATURAL RESOURCES AND  
ENVIRONMENT BILL BY  
CHAIRPERSON BARTZ)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the creation of a water quality district,  
2 providing for the levy of a tax, and providing for other  
3 properly related matters.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 357E.1, subsection 2, Code 1999, is  
2 amended to read as follows:

3 2. "District" means a benefited recreational lake district  
4 or a water quality district or a combined district  
5 incorporated and organized pursuant to this chapter.

6 Sec. 2. Section 357E.1, Code 1999, is amended by adding  
7 the following new subsection:

8 NEW SUBSECTION. 5. "Water quality activities" includes,  
9 but is not limited to, public information dissemination,  
10 creation or maintenance of grass waterways or wetlands,  
11 dredging, bank stabilization, water treatment, water  
12 monitoring, watershed protection, activities on lands outside  
13 the district which affect water quality within the district,  
14 and any other activity which will improve water quality of a  
15 stream, river, or lake.

16 Sec. 3. Section 357E.2, Code 1999, is amended to read as  
17 follows:

18 357E.2 INCORPORATION.

19 1. If an area of contiguous territory is situated so that  
20 the acquisition, construction, reconstruction, enlargement,  
21 improvement, equipping, maintenance, and operation of  
22 recreation facilities for the residents of the territory will  
23 be conducive to the public health, comfort, convenience, water  
24 quality, or welfare, the area may be incorporated as a  
25 benefited recreational lake district as set forth in this  
26 chapter. The land to be included in a district must be  
27 contiguous to the recreational lake or to other residential,  
28 agricultural, or commercial property which is contiguous to  
29 the recreational lake.

30 2. If an area of contiguous territory is situated so that  
31 the performance of water quality activities, including the  
32 acquisition, construction, reconstruction, enlargement,  
33 improvement, equipping, maintenance, and operation of water  
34 quality facilities for the residents of the district will be  
35 conducive to the public health, comfort, convenience, water

1 quality, or welfare, the area may be incorporated as a water  
2 quality district as provided in this chapter. The land to be  
3 included in a district must be contiguous to a stream, river,  
4 or lake, or to other property which, except for a public road  
5 or other public land, is contiguous to a stream, river, or  
6 lake.

7 3. If an area of contiguous territory is situated so that  
8 the specifications of paragraphs "a" and "b" are met, the area  
9 may be incorporated as a combined recreational facility and  
10 water quality district as provided in this chapter. If the  
11 trustees of a benefited recreational lake district wish to add  
12 water quality activities to the district or the trustees of a  
13 water quality district wish to add recreational facilities to  
14 the district, the trustees shall submit a petition to the  
15 board of supervisors to proceed with the establishment of a  
16 combined district after following the same procedures as  
17 provided in this chapter for establishing a separate district.

18 Sec. 4. Section 357E.3, subsection 1, unnumbered paragraph  
19 1, Code 1999, is amended to read as follows:

20 The supervisors shall, on the petition of twenty-five  
21 percent of the property owners of a proposed benefited  
22 recreational lake district if the assessed valuation of the  
23 property owned by the petitioners represents at least twenty-  
24 five percent of the total assessed value of the proposed  
25 district, hold a public hearing concerning the establishment  
26 of a proposed district. However, for a proposed water quality  
27 district, the petition shall contain signatures of the fewer  
28 of twenty-five property owners or twenty-five percent of the  
29 property owners of the proposed district. The petition shall  
30 include a statement containing the following information:

31 Sec. 5. Section 357E.8, Code 1999, is amended to read as  
32 follows:

33 357E.8 ELECTION ON PROPOSED LEVY AND CANDIDATES FOR  
34 TRUSTEES.

35 When a preliminary plat has been approved by the board, an

1 election shall be held within the district within sixty days  
2 to approve or disapprove the levy of a tax of not more than  
3 four dollars per thousand dollars of assessed value on all the  
4 taxable property within the benefited recreational lake  
5 district except property assessed as agricultural land, and to  
6 choose candidates for the offices of trustees of the district.  
7 However, for a water quality district, the tax levy shall not  
8 exceed twenty-five cents per thousand dollars of assessed  
9 value on all taxable property within the district. A tax levy  
10 approved for the purposes of this chapter shall not be levied  
11 on property assessed as agricultural land. Notice of the  
12 election, including the time and place of holding the  
13 election, shall be given as provided in section 357E.4. The  
14 vote shall be by ballot which shall state clearly the  
15 proposition to be voted upon, and any registered voter  
16 residing within the district at the time of the election may  
17 vote. It is not mandatory for the county commissioner of  
18 elections to conduct elections held pursuant to this chapter,  
19 but the elections shall be conducted in accordance with  
20 chapter 49 when not in conflict with this chapter. Judges  
21 shall be appointed by the board from among the registered  
22 voters of the district to be in charge of the election. The  
23 judges are not entitled to receive pay. The proposition is  
24 approved if a majority of those voting on the proposition vote  
25 in favor of it.

26 EXPLANATION

27 This bill provides for the creation of a water quality  
28 district. This bill amends Code chapter 357E which provides  
29 for the creation of a benefited recreational lake district.  
30 The procedures for creating the water quality district are the  
31 same that are used for creating the benefited recreational  
32 lake district. The bill provides for the creation of a  
33 separate district or a combined district.

34 The water quality district may carry out activities  
35 including public information, grass waterways, wetlands,

1 dredging, bank stabilization, water treatment, water  
2 monitoring, watershed protection, activities outside of a  
3 district which affect water quality within the district, and  
4 other activities which will improve water quality of a stream,  
5 river, or lake. A petition requesting the creation of a water  
6 quality district requires the signatures of the fewer of 25  
7 property owners or 25 percent of the property owners of the  
8 proposed district. After two public hearings and an  
9 engineer's report, the board of supervisors may call an  
10 election to approve an annual tax levy not to exceed 25 cents  
11 per thousand dollars of the assessed value of all taxable  
12 property in the district except property assessed as  
13 agricultural land. Agricultural land cannot be taxed for  
14 purposes of a water quality district. Three trustees are also  
15 elected to manage and control the affairs of the district.  
16 The water quality district will have the same authority to  
17 issue anticipatory bonds, add territory, or dissolve as a  
18 benefited recreational lake district.

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REPRINTED

FILED MAR 29 '00

SENATE FILE 2438  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2240)

(SUCCESSOR TO SSB 3090)

Passed Senate, <sup>(P. 1198)</sup> Date 4-17-00

Passed House, <sup>(P. 1714)</sup> Date 4/24/00

Vote: Ayes 49 Nays 0

Vote: Ayes 97 Nays 0

Approved May 11, 2000

*(R) 332) Re-Passed 4/24/00  
vote 47-0*

A BILL FOR

1 An Act relating to the creation of a water quality district,  
2 providing for the levy of a tax, and providing for other  
3 properly related matters.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2438

1 Section 1. Section 357E.1, subsection 2, Code 1999, is  
2 amended to read as follows:

3 2. "District" means a benefited recreational lake district  
4 or a water quality district or a combined district  
5 incorporated and organized pursuant to this chapter.

6 Sec. 2. Section 357E.1, Code 1999, is amended by adding  
7 the following new subsection:

8 NEW SUBSECTION. 5. "Water quality activities" includes,  
9 but is not limited to, public information dissemination,  
10 creation or maintenance of grass waterways or wetlands,  
11 dredging, bank stabilization, water treatment, water  
12 monitoring, watershed protection, activities on lands outside  
13 the district which affect water quality within the district,  
14 and any other activity which will improve water quality of a  
15 stream, river, or lake.

16 Sec. 3. Section 357E.2, Code 1999, is amended to read as  
17 follows:

18 357E.2 INCORPORATION.

19 1. If an area of contiguous territory is situated so that  
20 the acquisition, construction, reconstruction, enlargement,  
21 improvement, equipping, maintenance, and operation of  
22 recreation facilities for the residents of the territory will  
23 be conducive to the public health, comfort, convenience, water  
24 quality, or welfare, the area may be incorporated as a  
25 benefited recreational lake district as set forth in this  
26 chapter. The land to be included in a district must be  
27 contiguous to the recreational lake or to other residential,  
28 agricultural, or commercial property which is contiguous to  
29 the recreational lake.

30 2. If an area of contiguous territory is situated so that  
31 the performance of water quality activities, including the  
32 acquisition, construction, reconstruction, enlargement,  
33 improvement, equipping, maintenance, and operation of water  
34 quality facilities for the residents of the district will be  
35 conducive to the public health, comfort, convenience, water

1 quality, or welfare, the area may be incorporated as a water  
2 quality district as provided in this chapter. The land to be  
3 included in a district must be contiguous to a stream, river,  
4 or lake, or to other property which, except for a public road  
5 or other public land, is contiguous to a stream, river, or  
6 lake.

7 3. If an area of contiguous territory is situated so that  
8 the specifications of subsections 1 and 2 are met, the area  
9 may be incorporated as a combined recreational facility and  
10 water quality district as provided in this chapter. If the  
11 trustees of a benefited recreational lake district wish to add  
12 water quality activities to the district or the trustees of a  
13 water quality district wish to add recreational facilities to  
14 the district, the trustees shall submit a petition to the  
15 board of supervisors to proceed with the establishment of a  
16 combined district after following the same procedures as  
17 provided in this chapter for establishing a separate district.

18 Sec. 4. Section 357E.3, subsection 1, unnumbered paragraph  
19 1, Code 1999, is amended to read as follows:

20 The supervisors shall, on the petition of twenty-five  
21 percent of the property owners of a proposed benefited  
22 recreational lake district if the assessed valuation of the  
23 property owned by the petitioners represents at least twenty-  
24 five percent of the total assessed value of the proposed  
25 district, hold a public hearing concerning the establishment  
26 of a proposed district. However, for a proposed water quality  
27 district, the petition shall contain signatures of the fewer  
28 of twenty-five property owners or twenty-five percent of the  
29 property owners of the proposed district. The petition shall  
30 include a statement containing the following information:

31 Sec. 5. Section 357E.8, Code 1999, is amended to read as  
32 follows:

33 357E.8 ELECTION ON PROPOSED LEVY AND CANDIDATES FOR  
34 TRUSTEES.

35 When a preliminary plat has been approved by the board, an

1 election shall be held within the district within sixty days  
2 to approve or disapprove the levy of a tax of not more than  
3 four dollars per thousand dollars of assessed value on all the  
4 taxable property within the benefited recreational lake  
5 district except property assessed as agricultural land, and to  
6 choose candidates for the offices of trustees of the district.  
7 However, for a water quality district, the tax levy shall not  
8 exceed twenty-five cents per thousand dollars of assessed  
9 value on all taxable property within the district. A tax levy  
10 approved for the purposes of this chapter shall not be levied  
11 on property assessed as agricultural land. Notice of the  
12 election, including the time and place of holding the  
13 election, shall be given as provided in section 357E.4. The  
14 vote shall be by ballot which shall state clearly the  
15 proposition to be voted upon, and any registered voter  
16 residing within the district at the time of the election may  
17 vote. It is not mandatory for the county commissioner of  
18 elections to conduct elections held pursuant to this chapter,  
19 but the elections shall be conducted in accordance with  
20 chapter 49 when not in conflict with this chapter. Judges  
21 shall be appointed by the board from among the registered  
22 voters of the district to be in charge of the election. The  
23 judges are not entitled to receive pay. The proposition is  
24 approved if a majority of those voting on the proposition vote  
25 in favor of it.

26 EXPLANATION

27 This bill provides for the creation of a water quality  
28 district. This bill amends Code chapter 357E which provides  
29 for the creation of a benefited recreational lake district.  
30 The procedures for creating the water quality district are the  
31 same that are used for creating the benefited recreational  
32 lake district. The bill provides for the creation of a  
33 separate district or a combined district.

34 The water quality district may carry out activities  
35 including public information, grass waterways, wetlands,

1 dredging, bank stabilization, water treatment, water  
2 monitoring, watershed protection, activities outside of a  
3 district which affect water quality within the district, and  
4 other activities which will improve water quality of a stream,  
5 river, or lake. A petition requesting the creation of a water  
6 quality district requires the signatures of the fewer of 25  
7 property owners or 25 percent of the property owners of the  
8 proposed district. After two public hearings and an  
9 engineer's report, the board of supervisors may call an  
10 election to approve an annual tax levy not to exceed 25 cents  
11 per thousand dollars of the assessed value of all taxable  
12 property in the district except property assessed as  
13 agricultural land. Agricultural land cannot be taxed for  
14 purposes of a water quality district. Three trustees are also  
15 elected to manage and control the affairs of the district.  
16 The water quality district will have the same authority to  
17 issue anticipatory bonds, add territory, or dissolve as a  
18 benefited recreational lake district.

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## SENATE FILE 2438

S-5343

1 Amend Senate File 2438 as follows:

2 1. Page 1, line 12, by inserting after the word  
3 "protection," the following: "sewage collection and  
4 treatment facilities,".

5 2. Page 2, line 6, by inserting after the word  
6 "lake." the following: "However, a water quality  
7 district shall not be established on open ditches or  
8 streams maintained by drainage districts or on streams  
9 or rivers where levees are maintained by levee or  
10 drainage districts. If a reach of a stream or river  
11 in a water quality district later becomes a drainage  
12 district facility or becomes levied by a drainage or  
13 levee district, the stream or river reach shall be  
14 removed from the jurisdiction of the water quality  
15 district and the adjacent parcels shall be removed  
16 from the water quality district."

17 3. Page 2, lines 11 and 12, by striking the words  
18 "add water quality activities to the" and inserting  
19 the following: "form a combined".

20 4. Page 2, lines 13 and 14, by striking the words  
21 "add recreational facilities to the" and inserting the  
22 following: "form a combined".

23 5. Page 2, line 14, by striking the words "shall  
24 submit a petition" and inserting the following: "may  
25 join with the petition required by section 357E.3".

26 6. Page 3, line 9, by inserting after the word  
27 "district" the following: "and must be renewed by a  
28 similar election every eight years. The tax levy for  
29 a combined district shall not exceed four dollars per  
30 thousand dollars of assessed value on all of the  
31 taxable property within the district".

By MERLIN E. BARTZ

S-5343 FILED APRIL 5, 2000

*Adopted*

*4-17-00*

*(P.1197)*



1 Section 1. Section 357E.1, subsection 2, Code 1999, is  
2 amended to read as follows:

3 2. "District" means a benefited recreational lake district  
4 or a water quality district or a combined district  
5 incorporated and organized pursuant to this chapter.

6 Sec. 2. Section 357E.1, Code 1999, is amended by adding  
7 the following new subsection:

8 NEW SUBSECTION. 5. "Water quality activities" includes,  
9 but is not limited to, public information dissemination,  
10 creation or maintenance of grass waterways or wetlands,  
11 dredging, bank stabilization, water treatment, water  
12 monitoring, watershed protection, sewage collection and  
13 treatment facilities, activities on lands outside the district  
14 which affect water quality within the district, and any other  
15 activity which will improve water quality of a stream, river,  
16 or lake.

17 Sec. 3. Section 357E.2, Code 1999, is amended to read as  
18 follows:

19 357E.2 INCORPORATION.

20 1. If an area of contiguous territory is situated so that  
21 the acquisition, construction, reconstruction, enlargement,  
22 improvement, equipping, maintenance, and operation of  
23 recreation facilities for the residents of the territory will  
24 be conducive to the public health, comfort, convenience, water  
25 quality, or welfare, the area may be incorporated as a  
26 benefited recreational lake district as set forth in this  
27 chapter. The land to be included in a district must be  
28 contiguous to the recreational lake or to other residential,  
29 agricultural, or commercial property which is contiguous to  
30 the recreational lake.

31 2. If an area of contiguous territory is situated so that  
32 the performance of water quality activities, including the  
33 acquisition, construction, reconstruction, enlargement,  
34 improvement, equipping, maintenance, and operation of water  
35 quality facilities for the residents of the district will be

1 conducive to the public health, comfort, convenience, water  
2 quality, or welfare, the area may be incorporated as a water  
3 quality district as provided in this chapter. The land to be  
4 included in a district must be contiguous to a stream, river,  
5 or lake, or to other property which, except for a public road  
6 or other public land, is contiguous to a stream, river, or  
7 lake. However, a water quality district shall not be  
8 established on open ditches or streams maintained by drainage  
9 districts or on streams or rivers where levees are maintained  
10 by levee or drainage districts. If a reach of a stream or  
11 river in a water quality district later becomes a drainage  
12 district facility or becomes levied by a drainage or levee  
13 district, the stream or river reach shall be removed from the  
14 jurisdiction of the water quality district and the adjacent  
15 parcels shall be removed from the water quality district.

16 3. If an area of contiguous territory is situated so that  
17 the specifications of subsections 1 and 2 are met, the area  
18 may be incorporated as a combined recreational facility and  
19 water quality district as provided in this chapter. If the  
20 trustees of a benefited recreational lake district wish to  
21 form a combined district or the trustees of a water quality  
22 district wish to form a combined district, the trustees may  
23 join with the petition required by section 357E.3 to the board  
24 of supervisors to proceed with the establishment of a combined  
25 district after following the same procedures as provided in  
26 this chapter for establishing a separate district.

27 Sec. 4. Section 357E.3, subsection 1, unnumbered paragraph  
28 1, Code 1999, is amended to read as follows:

29 The supervisors shall, on the petition of twenty-five  
30 percent of the property owners of a proposed benefited  
31 recreational lake district if the assessed valuation of the  
32 property owned by the petitioners represents at least twenty-  
33 five percent of the total assessed value of the proposed  
34 district, hold a public hearing concerning the establishment  
35 of a proposed district. However, for a proposed water quality

1 district, the petition shall contain signatures of the fewer  
2 of twenty-five property owners or twenty-five percent of the  
3 property owners of the proposed district. The petition shall  
4 include a statement containing the following information:

5 Sec. 5. Section 357E.8, Code 1999, is amended to read as  
6 follows:

7 357E.8 ELECTION ON PROPOSED LEVY AND CANDIDATES FOR  
8 TRUSTEES.

9 When a preliminary plat has been approved by the board, an  
10 election shall be held within the district within sixty days  
11 to approve or disapprove the levy of a tax of not more than  
12 four dollars per thousand dollars of assessed value on all the  
13 taxable property within the benefited recreational lake  
14 district except property assessed as agricultural land, and to  
15 choose candidates for the offices of trustees of the district.  
16 However, for a water quality district, the tax levy shall not  
17 exceed twenty-five cents per thousand dollars of assessed  
18 value on all taxable property within the district and must be  
19 renewed by a similar election every eight years. The tax levy  
20 for a combined district shall not exceed four dollars per  
21 thousand dollars of assessed value on all of the taxable  
22 property within the district. A tax levy approved for the  
23 purposes of this chapter shall not be levied on property  
24 assessed as agricultural land. Notice of the election,  
25 including the time and place of holding the election, shall be  
26 given as provided in section 357E.4. The vote shall be by  
27 ballot which shall state clearly the proposition to be voted  
28 upon, and any registered voter residing within the district at  
29 the time of the election may vote. It is not mandatory for  
30 the county commissioner of elections to conduct elections held  
31 pursuant to this chapter, but the elections shall be conducted  
32 in accordance with chapter 49 when not in conflict with this  
33 chapter. Judges shall be appointed by the board from among  
34 the registered voters of the district to be in charge of the  
35 election. The judges are not entitled to receive pay. The

1 proposition is approved if a majority of those voting on the  
2 proposition vote in favor of it.

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HOUSE AMENDMENT TO  
SENATE FILE 2438

S-5578

- 1 Amend Senate File 2438, as amended, passed, and
- 2 reprinted by Senate, as follows:
- 3 1. Page 1, lines 12 and 13, by striking the words
- 4 "sewage collection and treatment facilities,".

RECEIVED FROM THE HOUSE

S-5578 FILED APRIL 24, 2000

CONCURRED

(p. 1332)

## SENATE FILE 2438

H-9000

1 Amend Senate File 2438, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Section 1. Section 357C.7, Code 1999, is amended  
6 to read as follows:

7 357C.7 ELECTION ON PROPOSED LEVY AND CANDIDATES  
8 FOR TRUSTEES.

9 When a preliminary plat has been approved by the  
10 board of supervisors, an election shall be held within  
11 the district within sixty days to approve or  
12 disapprove the levy of a tax of not more than fifty-  
13 four eighty-five cents per thousand dollars of  
14 assessed value on all the taxable property within the  
15 district, and to choose candidates for the offices of  
16 trustees of the district. Notice of the election,  
17 including the time and place of holding the same  
18 election, shall be given in the same manner as for the  
19 original public hearing as provided herein in section  
20 357C.3. The vote shall be by ballot which shall state  
21 clearly the proposition to be voted upon, and any  
22 registered voter residing within the district at the  
23 time of the election shall be entitled to vote. It  
24 shall not be mandatory for the county commissioner of  
25 elections to conduct elections held pursuant to this  
26 chapter, but they shall be conducted in accordance  
27 with ~~the provisions of~~ chapter 49 where not in  
28 conflict with this chapter. Judges shall be appointed  
29 to serve without pay by the board of supervisors from  
30 among the registered voters of the district who will  
31 have charge of the election. The proposition shall be  
32 deemed to have carried if sixty percent of those  
33 voting thereon on the proposition vote in favor of  
34 same the proposition.

35 Sec. \_\_\_\_ . Section 357C.9, Code 1999, is amended to  
36 read as follows:

37 357C.9 TRUSTEES' POWERS.

38 The trustees may purchase street lighting service  
39 and facilities and may levy an annual tax not to  
40 exceed fifty-four eighty-five cents per thousand  
41 dollars of assessed value for the purpose of  
42 exercising the powers granted in this chapter. This  
43 levy shall be optional with the trustees, but no levy  
44 shall be made unless first approved by the voters as  
45 provided herein in section 357C.7. The trustees may  
46 purchase material, employ labor, and may perform all  
47 other acts necessary to properly maintain and operate  
48 the benefited street lighting district. The trustees  
49 shall be allowed necessary expenses in the discharge  
50 of the duties, but shall not receive any salary.

H-9000

-1-

**H-9000**

Page 2

1 Sec. \_\_\_\_ . Section 357C.11, Code 1999, is amended  
2 to read as follows:

3 357C.11 DISSOLUTION OF DISTRICT.

4 Upon petition of thirty-five percent of the  
5 resident eligible electors, the board of supervisors  
6 may dissolve a benefited street lighting district and  
7 dispose of any remaining property, proceeds of which  
8 shall first be applied against outstanding obligations  
9 and any balance shall be applied to tax credit of  
10 property owners of the district. However, if the  
11 district is annexed, the board of supervisors may  
12 transfer the remaining property and balance to the  
13 city which annexed the district. The board of  
14 supervisors shall continue to levy tax after  
15 dissolution of a district, of not to exceed fifty-four  
16 eighty-five cents per thousand dollars of assessed  
17 value on all the taxable property of the district,  
18 until all outstanding obligations of the district are  
19 paid."

20 2. Title page, by striking lines 1 and 2 and  
21 inserting the following: "An Act relating to  
22 benefited districts by creating a water quality  
23 district, providing for the levy of taxes by the  
24 benefited districts, and providing for other".

By SUKUP of Franklin

**H-9000 FILED APRIL 19, 2000**

*W/RD*  
*4/24/00 (P. 1713)*

**SENATE FILE 2438****H-9021**

1 Amend Senate File 2438, as amended, passed, and  
2 reprinted by Senate, as follows:

3 1. Page 1, lines 12 and 13, by striking the words  
4 "sewage collection and treatment facilities,".

By EDDIE of Buena Vista

**H-9021 FILED APRIL 20, 2000**

*adopted 4-24-00*  
*(P. 1713)*

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SENATE FILE 2438

AN ACT

RELATING TO THE CREATION OF A WATER QUALITY DISTRICT,  
PROVIDING FOR THE LEVY OF A TAX, AND PROVIDING FOR OTHER  
PROPERLY RELATED MATTERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 357E.1, subsection 2, Code 1999, is amended to read as follows:

2. "District" means a benefited recreational lake district or a water quality district or a combined district incorporated and organized pursuant to this chapter.

Sec. 2. Section 357E.1, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 5. "Water quality activities" includes, but is not limited to, public information dissemination, creation or maintenance of grass waterways or wetlands, dredging, bank stabilization, water treatment, water monitoring, watershed protection, activities on lands outside the district which affect water quality within the district, and any other activity which will improve water quality of a stream, river, or lake.

Sec. 3. Section 357E.2, Code 1999, is amended to read as follows:

357E.2 INCORPORATION.

1. If an area of contiguous territory is situated so that the acquisition, construction, reconstruction, enlargement, improvement, equipping, maintenance, and operation of recreation facilities for the residents of the territory will be conducive to the public health, comfort, convenience, water quality, or welfare, the area may be incorporated as a benefited recreational lake district as set forth in this chapter. The land to be included in a district must be

contiguous to the recreational lake or to other residential, agricultural, or commercial property which is contiguous to the recreational lake.

2. If an area of contiguous territory is situated so that the performance of water quality activities, including the acquisition, construction, reconstruction, enlargement, improvement, equipping, maintenance, and operation of water quality facilities for the residents of the district will be conducive to the public health, comfort, convenience, water quality, or welfare, the area may be incorporated as a water quality district as provided in this chapter. The land to be included in a district must be contiguous to a stream, river, or lake, or to other property which, except for a public road or other public land, is contiguous to a stream, river, or lake. However, a water quality district shall not be established on open ditches or streams maintained by drainage districts or on streams or rivers where levees are maintained by levee or drainage districts. If a reach of a stream or river in a water quality district later becomes a drainage district facility or becomes levied by a drainage or levee district, the stream or river reach shall be removed from the jurisdiction of the water quality district and the adjacent parcels shall be removed from the water quality district.

3. If an area of contiguous territory is situated so that the specifications of subsections 1 and 2 are met, the area may be incorporated as a combined recreational facility and water quality district as provided in this chapter. If the trustees of a benefited recreational lake district wish to form a combined district or the trustees of a water quality district wish to form a combined district, the trustees may join with the petition required by section 357E.3 to the board of supervisors to proceed with the establishment of a combined district after following the same procedures as provided in this chapter for establishing a separate district.

Sec. 4. Section 357E.3, subsection 1, unnumbered paragraph 1, Code 1999, is amended to read as follows:

The supervisors shall, on the petition of twenty-five percent of the property owners of a proposed benefited recreational lake district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. However, for a proposed water quality district, the petition shall contain signatures of the fewer of twenty-five property owners or twenty-five percent of the property owners of the proposed district. The petition shall include a statement containing the following information:

Sec. 5. Section 357E.8, Code 1999, is amended to read as follows:

357E.8 ELECTION ON PROPOSED LEVY AND CANDIDATES FOR TRUSTEES.

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than four dollars per thousand dollars of assessed value on all the taxable property within the benefited recreational lake district except property assessed as agricultural land, and to choose candidates for the offices of trustees of the district. However, for a water quality district, the tax levy shall not exceed twenty-five cents per thousand dollars of assessed value on all taxable property within the district and must be renewed by a similar election every eight years. The tax levy for a combined district shall not exceed four dollars per thousand dollars of assessed value on all of the taxable property within the district. A tax levy approved for the purposes of this chapter shall not be levied on property assessed as agricultural land. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357E.4. The vote shall be by

ballot which shall state clearly the proposition to be voted upon, and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 when not in conflict with this chapter. Judges shall be appointed by the board from among the registered voters of the district to be in charge of the election. The judges are not entitled to receive pay. The proposition is approved if a majority of those voting on the proposition vote in favor of it.

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MARY E. KRAMER  
President of the Senate

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BRENT SIEGRIST  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2438, Seventy-eighth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved May 11, 2000

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THOMAS J. VILSACK  
Governor