

386.7 Self-liquidating improvements.

When a city proposes to construct a self-liquidating improvement, the cost of which is to be paid or financed under the provisions of [this chapter](#), it must do so in accordance with the provisions of [this section](#) as follows:

1. [Section 386.6, subsections 1 to 5](#) are applicable to a self-liquidating improvement to the same extent as they are applicable to an improvement and the proceedings initiating a self-liquidating improvement shall be governed thereby.

2. Before the council may order the construction of a self-liquidating improvement, and after hearing thereon, it must find that the self-liquidating improvement and the leasing of a part or the whole of it to any person or governmental body will further the corporate purposes of the city and will:

- a. Aid in the commercial development of the district.
- b. Further the interests of the district; or
- c. Not substantially reduce the city's property tax base.

3. If the council orders the construction of the self-liquidating improvement, contracts for it shall be let in accordance with [chapter 26](#).

4. The adoption of a resolution ordering the construction of a self-liquidating improvement is a legislative determination that the proposed self-liquidating improvement and the leasing of a part or the whole of it to any person or governmental body will further the corporate purposes of the city and will:

- a. Aid in the commercial development of the district.
- b. Further the interests of the district; or
- c. Not substantially reduce the city's property tax base.

5. A city may lease any or all of a self-liquidating improvement to any person or governmental body.

6. A city may issue revenue bonds payable from the income and receipts derived from the self-liquidated improvement. [Chapter 384, subchapter V](#) applies to revenue bonds for self-liquidating improvements and the term "city enterprise" as used in [chapter 384, subchapter V](#), shall be deemed to include self-liquidating improvements authorized by [this chapter](#).

7. Any resident or property owner of the city may appeal a decision of the council to order the construction of a self-liquidating improvement or to lease any or all of a self-liquidating improvement to the district court of the county in which any part of the district is located, within thirty days after the adoption of the resolution ordering the self-liquidating improvement, but the action of the council is final and conclusive unless the court finds that the council exceeded its authority.

8. No action may be brought questioning the regularity of the proceedings pertaining to the ordering of the construction of a self-liquidating improvement after thirty days from the date of adoption of the resolution ordering construction of the self-liquidating improvement. No action may be brought questioning the regularity of the proceedings pertaining to the leasing of any or all of a self-liquidating improvement after thirty days from the date of the adoption of a resolution approving the proposed lease. In addition to the limitation contained in [section 384.92](#), no action may be brought which questions the legality of revenue bonds or the power of the city to issue revenue bonds or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds relating to a self-liquidating improvement after thirty days from the time the bonds are ordered issued by the city.

9. The procedural steps contained in [this section](#) may be combined with the procedural steps for the petitioning and creation of the district.

[C77, 79, 81, §386.7]

[89 Acts, ch 83, §50](#); [2007 Acts, ch 144, §20](#); [2018 Acts, ch 1041, §127](#); [2019 Acts, ch 24, §48](#)

Subsection 6 amended