

CHAPTER 357E

RECREATIONAL LAKE AND WATER QUALITY DISTRICTS

Referred to in §331.382, 427.1(2), 456A.33C, 466B.2

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357E.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Board*” means the board of supervisors of a county, or the joint boards of supervisors of two or more counties, in which a district has been incorporated and organized or is proposed to be incorporated and organized.

2. “*Book*”, “*list*”, “*record*”, or “*schedule*” kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in [section 445.1](#).

3. “*District*” means a benefited recreational lake district or a water quality district or a combined district incorporated as a public entity and organized pursuant to [this chapter](#).

4. “*Recreational facilities*” includes, but is not limited to, real and personal property, water, buildings, structures, or improvements including dams or other structures permitted or exempt from regulation under [chapter 455B](#), and equipment useful and suitable for recreation programs, including those programs customarily identified with the term “*recreation*” such as public sports, games, pastimes, diversions, and amusement, on land or water and including community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, lakes, and golf courses, and the acquisition of real estate for them.

5. “*Trustee*” means a member of the board of trustees of a district.

6. “*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.

[88 Acts, ch 1194, §1](#); [2000 Acts, ch 1148, §1](#); [2000 Acts, ch 1181, §1, 2](#); [2002 Acts, ch 1119, §200, 201](#); [2011 Acts, ch 108, §1](#)

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.

[88 Acts, ch 1194, §2; 96 Acts, ch 1032, §1; 2000 Acts, ch 1181, §3](#)

357E.3 Petition for public hearing.

1. 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:

- a. The need for the district.
- b. A description of the district to be served.
- c. The approximate number of families in the district.

2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

[88 Acts, ch 1194, §3; 89 Acts, ch 53, §1; 2000 Acts, ch 1181, §4](#)

Referred to in [§357E.2, 357E.4, 357E.5](#)

357E.4 Time of public hearing.

The public hearing required in [section 357E.3](#) shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication as provided in [section 331.305](#).

[88 Acts, ch 1194, §4](#)

Referred to in [§357E.7, 357E.8](#)

357E.5 Hearing of petition — action by board.

At the public hearing required in [section 357E.3](#), the board of supervisors may consider the boundaries of a proposed district, whether the boundaries shall be as described in the petition or otherwise, and for that purpose may amend the petition and change the boundaries of the proposed district as stated in the petition. The supervisors may adjust the boundaries of a proposed district as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the proposed district. However, the boundaries of a proposed district shall not be changed to incorporate property which is not included in the original petition. Within ten days after the hearing, the board of supervisors shall establish the district by resolution or disallow the petition.

[88 Acts, ch 1194, §5; 2018 Acts, ch 1041, §87](#)

357E.6 Engineer.

1. When the board establishes a district, a competent disinterested civil engineer shall be appointed, who shall prepare a preliminary plat showing:

- a. The proper design in general outline of the district.
- b. The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

- c. The assessed valuations of the lots and parcels.
2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

[88 Acts, ch 1194, §6](#)

357E.7 Hearing on engineer's report.

After the engineer's report is filed, the board shall give notice as provided in [section 357E.4](#), of a public hearing to be held concerning the engineer's preliminary plat. After, and within ten days of, the hearing, the board shall approve or disapprove the preliminary plat. If the preliminary plat is disapproved, the board may make changes in the boundaries as deemed necessary for the board's approval of the preliminary plat.

[88 Acts, ch 1194, §7](#)

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. The county commissioner of elections shall conduct elections held pursuant to [this chapter](#) and the elections shall be conducted in accordance with [chapter 49](#) when not in conflict with [this chapter](#). The proposition is approved if a majority of those voting on the proposition vote in favor of it.

[88 Acts, ch 1194, §8; 94 Acts, ch 1169, §64; 2000 Acts, ch 1181, §5; 2023 Acts, ch 49, §1](#)

Referred to in [§357E.10, 357E.11, 357E.11A](#)

357E.9 Trustees — term and qualification.

1. At the election, the names of at least seven candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board of supervisors shall appoint seven from among the nine receiving the highest number of votes as trustees for the district. Three trustees shall be appointed to serve for one year, two for two years, and two for three years. The trustees shall give bond in the amount required by the board, the premium of which shall be paid by the district. The trustees must be residents of the district or be property owners within the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The terms of the succeeding trustees are for three years.

2. If the state owns at least four hundred acres of land contiguous to a lake within the district, the natural resource commission shall appoint two members of the board of trustees in addition to the seven members provided in [this section](#). The additional two members must be citizens of the state, not less than eighteen years of age, and property owners within the district. The two additional members have voting and other authority equal to the other members of the board and hold office at the pleasure of the natural resource commission.

[88 Acts, ch 1194, §9; 91 Acts, ch 111, §7; 2001 Acts, ch 24, §48; 2011 Acts, ch 108, §2; 2013 Acts, ch 90, §96](#)

357E.10 Board of trustees — power.

The trustees are the corporate authority of the district and shall manage and control the affairs, property, and facilities of the district. The board of trustees shall elect a president, a clerk, and a treasurer from its membership. The trustees may certify for levy an annual tax as provided in [section 357E.8](#). The trustees may construct, reconstruct, repair, maintain, or operate a dam or other recreational facilities or structures to create or maintain an artificial or natural lake or impoundment and may promote and improve water quality. For these purposes, the trustees may purchase material, employ personnel, acquire real estate and interests in real estate, and perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

[88 Acts, ch 1194, §10](#); [96 Acts, ch 1032, §2](#)

357E.11 Bonds in anticipation of revenue.

A district, other than a combined district, may anticipate the collection of taxes by the levy authorized in [this chapter](#), and to carry out the purposes of [this chapter](#) may issue bonds payable in not more than twenty equal installments with the rate of interest not exceeding that permitted by [chapter 74A](#). An indebtedness shall not be incurred under [this section](#) until authorized by an election. The election shall be held and notice given in the same manner as provided in [section 357E.8](#), and the same majority vote is necessary to authorize indebtedness. Subject to [section 39.2, subsection 4](#), both propositions may be submitted to the voters at the same election.

[88 Acts, ch 1194, §11](#); [2011 Acts, ch 108, §3](#); [2023 Acts, ch 71, §127, 136](#)

2023 amendment applies July 1, 2023, for elections on propositions relating to the issuing of bonds or other indebtedness occurring on or after that date; 2023 Acts, ch 71, §136

357E.11A Bonds and indebtedness — combined districts.

1. A combined district may borrow money for its corporate purposes, but shall not become indebted in any manner or for any purpose to an amount in the aggregate exceeding five percent on the value of the taxable property within the district, to be ascertained by the last state and county tax lists previous to the incurring of the indebtedness. Indebtedness within this limit shall not include the indebtedness of any other municipal corporation located wholly or partly within the boundaries of the district.

2. A combined district shall have the same powers to issue bonds that cities have under the laws of this state, including but not limited to [chapter 76, section 384.4](#), and [sections 384.23 through 384.94](#). The bonds shall be made payable at the place and be of the form as the board of trustees shall by resolution designate. In the application of the laws to [this section](#), the words used in the laws referring to municipal corporations or to cities shall be held to include combined districts organized under [this chapter](#); the words “council” or “city council” shall be held to include the board of trustees of a combined district; the words “mayor” and “clerk” shall be held to include the president and clerk of a board of trustees; and like construction shall be given to any other words in the laws where required to permit the exercise of the powers by combined districts under [this section](#).

3. Except for the issuance of refunding bonds, an indebtedness shall not be incurred under [this section](#) until authorized by an election. The election shall be held and notice given in the same manner as provided in [section 357E.8](#), except that a proposition to authorize indebtedness is approved if sixty percent of those voting on the proposition vote in favor of the proposition. Subject to [section 39.2, subsection 4](#), a proposition for the authorization of indebtedness may be submitted to the voters at the same election as the election under [section 357E.8](#).

[2011 Acts, ch 108, §4](#); [2017 Acts, ch 82, §1](#); [2023 Acts, ch 71, §128, 136](#)

2023 amendment to subsection 3 applies July 1, 2023, for elections on propositions relating to the issuing of bonds or other indebtedness occurring on or after that date; 2023 Acts, ch 71, §136

357E.12 Dissolution of district.

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied

against outstanding obligations and any balance shall be applied to tax credits for property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board shall continue to levy a tax after dissolution of a district, in an amount necessary to pay all outstanding obligations of the district as they become due, until all outstanding obligations of the district are paid.

[88 Acts, ch 1194, §12](#); [91 Acts, ch 111, §8](#)

357E.13 Adding property to a district.

The owner of any property in an area immediately contiguous to the boundaries of an established district may petition the board to be included in the district. Upon receipt of the petition, the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding the additional territory and to make a report to the board. If the board agrees that the property should be added to the district, the tax levy for the next year shall be applied to the property and on the first day of the next fiscal year the property shall become part of the district. If the district lies in more than one county, the joint action of the boards involved is required to add additional property.

[88 Acts, ch 1194, §13](#)

357E.14 Determination of fee.

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

a. The trustees shall first determine the fair market value of all property and improvements owned by the district, less any indebtedness.

b. The board shall then determine the assessed value of all property in the district. This shall be divided into the value determined in paragraph “a”.

c. The board shall determine the assessed value of the property of each landowner joining the established district.

d. The result obtained in paragraph “b” shall be multiplied by the result obtained in paragraph “c”. The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the recreation district.

[88 Acts, ch 1194, §14](#)

357E.15 Exemption from taxation — refunds.

1. The property and facilities of a district shall not be taxable in any manner by the state or any of its political subdivisions.

2. A district is a tax-certifying body for purposes of [section 423.4, subsection 1](#).

[2014 Acts, ch 1139, §30, 33 – 35](#)