

April 1, 1969
Placed on Calendar

HOUSE FILE 733

By COMMITTEE ON CITIES AND TOWNS

Passed House, Date 4-3-69 Passed Senate, Date 4-8-69

Vote: Ayes 109 Nays 1 Vote: Ayes 52 Nays 1

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Approved April 16, 1969

A BILL FOR ^{Motion to consider laid on table 4-8}

- 1 An Act relating to the urban-renewal law and the low-rent
- 2 housing law and to legalize and validate certain actions
- 3 under such laws.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*
- 5 Section 1. Section four hundred three point sixteen
- 6 (403.16), Code 1966, is hereby amended as follows:
- 7 1. By inserting in line eight (8) after the first comma
- 8 the words "as hereinafter defined, whether".
- 9 2. By inserting in line twenty-one (21) after the second
- 10 comma the words "as hereinafter defined, whether".
- 11 3. By striking the period in line thirty-one (31) and in-
- 12 serting in lieu thereof the following:
- 13 " , as the terms of such prescription are hereinafter defined.
- 14 For the purposes of this section the following definitions and
- 15 standards of construction shall apply:
- 16 1. 'Action affecting such property' shall include only
- 17 that action directly and specifically affecting such property
- 18 as a separate property but shall not include any action, any
- 19 benefits of which accrue to the public generally, or which
- 20 affects all or a substantial portion of the properties in-
- 21 cluded or planned to be included in such a project.
- 22 2. Employment by a public body, its agencies, or institu-
- 23 tions or by any other person having such an interest shall not
- 24 be deemed an interest by such employee or of any ownership or
- 25 control by such employee of interests of his employer. Such

1 an employee may participate in an urban renewal project so
2 long as any benefits of such participation accrue to the pub-
3 lic generally, such participation affects all or a substantial
4 portion of the properties included or planned to be included
5 in such a project, or such participation promotes the public
6 purposes of such project, and shall limit only that participa-
7 tion by an employee which directly or specifically affects
8 property in which an employer of an employee has an interest.

9 3. The word 'participation' shall be deemed not to include
10 discussion or debate preliminary to a vote of a local govern-
11 ing body or agency upon proposed ordinances or resolutions
12 relating to such a project or any abstention from such a vote.

13 4. The designation of a bank or trust company as deposi-
14 tory, paying agent, or agent for investment of funds shall
15 not be deemed a matter of interest or personal interest.

16 5. Stock ownership in a corporation having such an in-
17 terest shall not be deemed an indicia of an interest or of
18 ownership or control by the person owning such stocks when
19 less than five percent of the outstanding stock of the cor-
20 poration is owned or controlled directly or indirectly by
21 such person.

22 6. The word 'action' shall not be deemed to include
23 resolutions advisory to the local governing body or agency
24 by any citizens group, board, body, or commission designated
25 to serve a purely advisory approving or recommending func-
26 tion under this chapter.

27 7. The limitations of this section shall be construed to
28 permit action by a public official, commissioner, or employee
29 where any benefits of such action accrue to the public gen-
30 erally, such action affects all or a substantial portion of
31 the properties included or planned to be included in such a
32 project, or such action promotes the public purposes of such
33 project, and shall be construed to limit only that action by
34 a public official, commissioner, or employee which directly
35 or specifically affects property in which such official,

1 commissioner, or employee has an interest or in which an em-
2 ployer of such official, commissioner, or employee has an
3 interest.

4 8. No action of an official, employee of a municipality,
5 board, or commission prior to the effective date of this Act
6 not judicially declared to be void as of such date shall be
7 construed to be prohibited or disqualified provided such
8 action was in accord with the standards of this section as
9 now amended. All actions which have been in accord with the
10 standards of this section are hereby declared legal and valid."

11 4. By inserting in line forty-five (45) after the word
12 "office" the following:

13 " , but no ordinance or resolution of a municipality or
14 agency shall be invalid by reason of a vote or votes cast
15 in violation of the standards of this section as now amended
16 unless such vote or votes were decisive in the passage of
17 such ordinance or resolution".

18 Sec. 2. Section four hundred three A point twenty-two
19 (403A.22), Code 1966, is hereby amended as follows:

20 1. By inserting in line seven (7) after the word "interest"
21 the words " , as hereinafter defined, whether".

22 2. By inserting in line twenty-one (21) after the word
23 "interest" the words " , as hereinafter defined, whether".

24 3. By striking from line thirty-one (31) the period and
25 inserting in lieu thereof the following:

26 " , as the terms of such prescription are hereinafter de-
27 fined. For the purposes of this section the following defini-
28 tions and standards of construction shall apply:

29 1. 'Action affecting such property' shall include only
30 that action directly and specifically affecting such prop-
31 erty as a separate property but shall not include any action
32 of which any benefits accrue to the public generally, or
33 which affects all or a substantial portion of the properties
34 included or planned to be included in such a project.

35 2. Employment by a state public body, its agencies, and

1 institutions or by any other person as defined in subsection
2 sixteen (16) of section four hundred three point seventeen
3 (403.17) of the Code, having such an interest shall not be
4 deemed an interest by such employee or of any ownership or
5 control by such employee of interests of his employer. Such
6 an employee may participate in a low-rent housing project so
7 long as any benefits of such participation accrue to the
8 public generally, such participation affects all or a sub-
9 stantial portion of the properties included or planned to
10 be included in such a project, or such participation promotes
11 the public purposes of such project, and shall limit only
12 that participation by an employee which directly or specif-
13 ically affects property in which an employer of an employee
14 has an interest.

15 3. The word 'participation' shall be deemed not to in-
16 clude discussion or debate preliminary to a vote by a local
17 governing body or agency upon proposed ordinances or resolu-
18 tions relating to such a project or any abstention from such
19 a vote.

20 4. The designation of a bank or trust company as a de-
21 pository, paying agent, or agent for investment or funds shall
22 not be deemed a matter of interest or personal interest.

23 5. Stock ownership in a corporation having such an in-
24 terest shall not be deemed an interest or of ownership or con-
25 trol by the person owning such stocks when less than five per-
26 cent of the outstanding stock of the corporation is owned or
27 controlled directly or indirectly by such person.

28 6. The word 'action' shall not be deemed to include resolu-
29 tions advisory to the local governing body or agency by any
30 citizens group, board, body, or commission designated to serve
31 a purely advisory function of approving or recommending under
32 this chapter.

33 7. The limitations of this section shall be construed to
34 permit action by a public official, commissioner, or employee
35 where any benefits of such action accrue to the public gen-

1 erally, such action affects all or a substantial portion of
2 the properties included or planned to be included in such a
3 project, or such action promotes the public purposes of such
4 project, and shall be construed to limit only that action by
5 a public official, commissioner, or employee which directly
6 or specifically affects property in which such official, com-
7 missioner, or employee has an interest or in which an employer
8 of such official, commissioner, or employee has an interest.

9 8. No action of an official, employee of a municipality,
10 or board or commission thereof antedating the effective date
11 of this Act not judicially declared to be void as of such
12 date shall be construed to be prohibited or disqualified so
13 long as such action was in accord with the standards of this
14 section as now amended and all actions which have been in
15 accord with the standards of this section as now amended
16 are hereby declared legal and valid."

17 4. By inserting in line thirty-three (33) after the
18 word "office" the following:

19 " , but no ordinance or resolution of a municipality or
20 agency shall be invalid by reason of a vote or votes cast
21 in violation of the standard of this section as now amended
22 unless such vote or votes were decisive in the passage of
23 such ordinance or resolution".

24 Sec. 3. If any section, subsection, paragraph, sentence,
25 clause, or phrase of this Act is for any reason held to be
26 unconstitutional or invalid, such unconstitutionality or
27 invalidity shall not affect the constitutionality or validity
28 of the remaining portions of this Act. The general assembly
29 hereby declares that it would have passed this Act and each
30 section, subsection, paragraph, sentence, clause, or phrase
31 hereof, irrespective of whether any one or more of the sec-
32 tions, subsections, paragraphs, sentences, clauses, or
33 phrases be declared unconstitutional.

34 Sec. 4. This Act, being deemed of immediate importance,
35 shall take effect and be in force from and after its publica-

- 1 tion in The Clinton Herald, a newspaper published in Clinton,
- 2 Iowa, and the Ames Daily Tribune, a newspaper published in
- 3 Ames, Iowa.

EXPLANATION OF HOUSE FILE 733

This bill will serve to define those situations which proved troublesome to the courts in the case of **Wilson v. Iowa City**, and will permit city councilmen, urban-renewal agency members, and low-rent housing agency members to vote as to such projects and all properties in such projects except where their own interests are significant and directly affected and will legalize, validate, and confirm prior votes which are in conformance with this amendment. This bill will serve to retain the potential for urban-renewal and low-rent housing activities for all the cities and towns of this state and particularly the smaller communities where it is difficult to define a project area of any size at all without encompassing property interests of one or more councilmen, and yet will make explicit that councilmen, officials, commissioners, or employees shall not participate where their action for or against the project may accrue to their personal benefit.