

Local Government: Groninga, Chair; Buhr and Diemer.

MAR 18 1985

LOCAL GOVERNMENT

HOUSE FILE 652

*Do Pass 3/27/85  
S. Pass 4/14/85 (p. 1224)*  
House File 652

BY HATCH

LOCAL GOVERNMENT: Waldstein, Chair; Lind and Wells

Passed House, Date 3-27-85 (p. 1110) Passed Senate, Date 4-16-85 (p. 1411)

Vote: Ayes 97 Nays 0 Vote: Ayes 47 Nays 0

Approved May 14 1985  
*Motion to Reconsider 4/18/85*

**A BILL FOR**

1 An Act authorizing the creation of self-supported improvement  
2 districts within residential areas which are designated as  
3 historic districts.

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

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HF 652

1 Section 1. Section 386.3, subsection 1, paragraph a, Code  
2 1985, is amended to read as follows:

3 a. Be comprised of contiguous property wholly within the  
4 boundaries of the city. A self-supported municipal  
5 improvement district shall be comprised only of property in  
6 districts which are zoned for commercial or industrial uses  
7 and properties within a duly designated historic district.

8 Sec. 2. Section 386.8, Code 1985, is amended to read as  
9 follows:

10 386.8 OPERATION TAX.

11 A city may establish a self-supported improvement district  
12 operation fund, and may certify taxes not to exceed the rate  
13 limitation as established in the ordinance creating the  
14 district, or any amendment thereto, each year to be levied for  
15 the fund against all of the property in the district, for the  
16 purpose of paying the administrative expenses of the district,  
17 which may include but are not limited to administrative  
18 personnel salaries, a separate administrative office, planning  
19 costs including consultation fees, engineering fees,  
20 architectural fees, and legal fees and all other expenses  
21 reasonably associated with the administration of the district  
22 and the fulfilling of the purposes of the district. The taxes  
23 levied for this fund may also be used for the purpose of  
24 paying maintenance expenses of improvements or self-  
25 liquidating improvements ~~financed-pursuant-to-this-chapter~~ for  
26 a specified length of time with one or more options to renew  
27 if such is clearly stated in the petition which requests the  
28 council to authorize construction of the improvement or self-  
29 liquidating improvement, whether or not such petition is  
30 combined with the petition requesting creation of a district.  
31 Parcels of property which are assessed as residential property  
32 for property tax purposes are exempt from the tax levied under  
33 this section except residential properties within a duly  
34 designated historic district. A tax levied under this section  
35 is not subject to the levy limitation in section 384.1.

1 Sec. 3. Section 386.9, Code 1985, is amended to read as  
2 follows:

3 386.9 CAPITAL IMPROVEMENT FUND.

4 A city may establish a capital improvement fund for a  
5 district and may certify taxes, not to exceed the rate  
6 established by the ordinance creating the district, or any  
7 subsequent amendment thereto, each year to be levied for the  
8 fund against all of the property in the district, for the  
9 purpose of accumulating moneys for the financing or payment of  
10 a part or all of the costs of any improvement or self-  
11 liquidating improvement. However, parcels of property which  
12 are assessed as residential property for property tax purposes  
13 are exempt from the tax levied under this section except  
14 residential properties within a duly designated historic  
15 district. A tax levied under this section is not subject to  
16 the levy limitations in section 384.1 or 384.7.

17 Sec. 4. Section 386.10, Code 1985, is amended to read as  
18 follows:

19 386.10 DEBT SERVICE FUND.

20 A city shall establish a self-supported municipal  
21 improvement district debt service fund whenever any self-  
22 supported municipal improvement district bonds are issued and  
23 outstanding, other than revenue bonds, and shall certify taxes  
24 to be levied against all of the property in the district for  
25 the debt service fund in the amount necessary to pay interest  
26 as it becomes due and the amount necessary to pay, or to  
27 create a sinking fund to pay, the principal at maturity of all  
28 self-supported municipal improvement district bonds as  
29 authorized in section 386.11, issued by the city. However,  
30 parcels of property which are assessed as residential property  
31 for property tax purposes at the time of the issuance of the  
32 bonds are exempt from the tax levied under this section until  
33 ~~such-time-as~~ the parcels are no longer assessed as residential  
34 property or until the residential properties are designated as  
35 a part of an historic district.

EXPLANATION

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This bill provides that self-supported improvement districts may be created in a residential area which is designated as an historic district.

HOUSE FILE 652

AN ACT

AUTHORIZING THE CREATION OF SELF-SUPPORTED IMPROVEMENT DISTRICTS WITHIN RESIDENTIAL AREAS WHICH ARE DESIGNATED AS HISTORIC DISTRICTS.

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

Section 1. Section 386.3, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. Be comprised of contiguous property wholly within the boundaries of the city. A self-supported municipal improvement district shall be comprised only of property in districts which are zoned for commercial or industrial uses and properties within a duly designated historic district.

Sec. 2. Section 386.8, Code 1985, is amended to read as follows:

386.8 OPERATION TAX.

A city may establish a self-supported improvement district operation fund, and may certify taxes not to exceed the rate limitation as established in the ordinance creating the district, or any amendment thereto, each year to be levied for the fund against all of the property in the district, for the purpose of paying the administrative expenses of the district, which may include but are not limited to administrative personnel salaries, a separate administrative office, planning costs including consultation fees, engineering fees, architectural fees, and legal fees and all other expenses reasonably associated with the administration of the district and the fulfilling of the purposes of the district. The taxes levied for this fund may also be used for the purpose of paying maintenance expenses of improvements or self-liquidating improvements ~~financed pursuant to this chapter~~ for a specified length of time with one or more options to renew

if such is clearly stated in the petition which requests the council to authorize construction of the improvement or self-liquidating improvement, whether or not such petition is combined with the petition requesting creation of a district. Parcels of property which are assessed as residential property for property tax purposes are exempt from the tax levied under this section except residential properties within a duly designated historic district. A tax levied under this section is not subject to the levy limitation in section 384.1.

Sec. 3. Section 386.9, Code 1985, is amended to read as follows:

386.9 CAPITAL IMPROVEMENT FUND.

A city may establish a capital improvement fund for a district and may certify taxes, not to exceed the rate established by the ordinance creating the district, or any subsequent amendment thereto, each year to be levied for the fund against all of the property in the district, for the purpose of accumulating moneys for the financing or payment of a part or all of the costs of any improvement or self-liquidating improvement. However, parcels of property which are assessed as residential property for property tax purposes are exempt from the tax levied under this section except residential properties within a duly designated historic district. A tax levied under this section is not subject to the levy limitations in section 384.1 or 384.7.

Sec. 4. Section 386.10, Code 1985, is amended to read as follows:

386.10 DEBT SERVICE FUND.

A city shall establish a self-supported municipal improvement district debt service fund whenever any self-supported municipal improvement district bonds are issued and outstanding, other than revenue bonds, and shall certify taxes to be levied against all of the property in the district for the debt service fund in the amount necessary to pay interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all

self-supported municipal improvement district bonds as authorized in section 386.11, issued by the city. However, parcels of property which are assessed as residential property for property tax purposes at the time of the issuance of the bonds are exempt from the tax levied under this section until such-time-as the parcels are no longer assessed as residential property or until the residential properties are designated as a part of an historic district.

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DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 652, Seventy-first General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 14, 1985

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TERRY E. BRANSTAD  
Governor