

Reprinted 5/87

WAYS & MEANS CALENDAR

HOUSE FILE 678
BY COMMITTEE ON WAYS AND MEANS

(Formerly House File 512)

Passed House, Date 5/6/87 (p. 2014) Passed Senate, Date 4/7/88 (p. 1319)
Vote: Ayes 59 Nays 38 Vote: Ayes 47 Nays 0
Approved May 9, 1988

A BILL FOR

1 An Act authorizing the establishment of a benefited recreational
2 lake district and its dissolution, the election of trustees,
3 the levy of a tax, and the contract of indebtedness.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 678

H-4081

1 Amend House File 678 as follows:
2 1. Page 1, line 32, by inserting after the word
3 "residential" the following: ", agricultural,".
4 2. Page 1, by striking lines 34 and 35.
5 3. Page 3, line 32, by inserting after the word
6 "district" the following: "except property assessed
7 as agricultural land,".
8 4. Page 3, line 33, by inserting after the word
9 "district." the following: "A tax levy approved for
10 the purposes of this chapter shall not be levied on
11 property assessed as agricultural land."

H-4081 FILED APRIL 29, 1987 BY HANSON of Delaware
Adopted 5/6/87 (p. 2014)

HOUSE FILE 678

H-4085

1 Amend House File 678 as follows:
2 1. Page 1, line 32, by inserting after the word
3 "residential" the following: ", agricultural,".
4 2. Page 1, by striking lines 34 and 35.

H-4085 FILED APRIL 30, 1987 BY BJSIGNANO of Polk
FLY of Scott
Placed 5/6 5/6 (p. 2014)

1 Section 1. NEW SECTION. 357E.1 DEFINITIONS.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "District" means a benefited recreational lake district
5 incorporated and organized pursuant to this chapter.

6 2. "Trustee" means a member of the board of trustees of a
7 district.

8 3. "Board" means the board of supervisors of a county, or
9 the joint boards of supervisors of two or more counties, in
10 which a district has been incorporated and organized or is
11 proposed to be incorporated and organized.

12 4. "Recreational facilities" includes, but is not limited
13 to, real and personal property, water, buildings, structures,
14 or improvements including dams or other structures permitted
15 or exempt from regulation under chapter 455B, and equipment
16 useful and suitable for recreation programs, including those
17 programs customarily identified with the term "recreation"
18 such as public sports, games, pastimes, diversions, and
19 amusement, on land or water and including community center
20 houses, recreation grounds, recreation buildings, juvenile
21 playgrounds, swimming pools, recreation centers, parks, lakes,
22 and golf courses, and the acquisition of real estate for them.

23 Sec. 2. NEW SECTION. 357E.2 INCORPORATION.

24 If an area of contiguous territory is situated so that the
25 acquisition, construction, reconstruction, enlargement,
26 improvement, equipping, maintenance, and operation of
27 recreation facilities for the residents of the territory will
28 be conducive to the public health, comfort, convenience, or
29 welfare, the area may be incorporated as a benefited
30 recreational lake district as set forth in this chapter. The
31 land to be included in a district must be contiguous to the
32 recreational lake or to other residential or commercial
33 property which is contiguous to the recreational lake.
34 However, a recreational lake district shall not include
35 property assessed as agricultural land.

1 Sec. 3. NEW SECTION. 357E.3 PETITION FOR PUBLIC HEARING.

2 1. The supervisors shall, on the petition of twenty-five
3 percent of the resident property owners in a proposed district
4 if the assessed valuation of the property owned by the
5 petitioners represents at least twenty-five percent of the
6 total assessed value of the proposed district, hold a public
7 hearing concerning the establishment of a proposed district.
8 The petition shall include a statement containing the
9 following information:

- 10 a. The need for the district.
 - 11 b. A description of the district to be served.
 - 12 c. The approximate number of families in the district.
- 13 2. The board of supervisors may require a bond of the
14 petitioners conditioned for the payment of all costs and
15 expenses incurred in the proceedings in case the district is
16 not established.

17 Sec. 4. NEW SECTION. 357E.4 TIME OF PUBLIC HEARING.

18 The public hearing required in section 357E.3 shall be held
19 within thirty days of the presentation of the petition.
20 Notice of hearing shall be given by publication as provided in
21 section 331.305.

22 Sec. 5. NEW SECTION. 357E.5 HEARING OF PETITION --ACTION
23 BY BOARD.

24 At the public hearing required in section 357E.3, the board
25 of supervisors may consider the boundaries of a proposed
26 district, whether the boundaries shall be as described in the
27 petition or otherwise, and for that purpose may amend the
28 petition and change the boundaries of the proposed district as
29 stated in the petition. The supervisors may adjust the
30 boundaries of a proposed district as needed to exclude land
31 that has no reasonable likelihood of benefit from inclusion in
32 the proposed district. However, the boundaries of a proposed
33 district shall not be changed to incorporate property which is
34 not included in the original petition.

35 After, and within ten days of, the hearing, the board of

1 supervisors shall establish the district by resolution or
2 disallow the petition.

3 Sec. 6. NEW SECTION. 357E.6 ENGINEER.

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

7 a. The proper design in general outline of the district.

8 b. The lots and parcels of land within the proposed
9 district as they appear on the county auditor's plat books
10 with the names of the owners.

11 c. The assessed valuations of the lots and parcels.

12 2. The compensation of the engineer on the preliminary
13 investigation shall be determined by the board. The engineer
14 shall file a report with the county auditor within thirty days
15 of appointment. The board may extend the time upon good cause
16 shown.

17 Sec. 7. NEW SECTION. 357E.7 HEARING ON ENGINEER'S
18 REPORT.

19 After the engineer's report is filed, the board shall give
20 notice as provided in section 357E.4, of a public hearing to
21 be held concerning the engineer's preliminary plat. After,
22 and within ten days of, the hearing, the board shall approve
23 or disapprove the preliminary plat. If the preliminary plat
24 is disapproved, the board may make changes in the boundaries
25 as deemed necessary for the board's approval of the
26 preliminary plat.

27 Sec. 8. NEW SECTION. 357E.8 ELECTION ON PROPOSED LEVY.

28 When a preliminary plat has been approved by the board, an
29 election shall be held within the district within sixty days
30 to approve or disapprove the levy of a tax of not more than
31 four dollars per thousand dollars of assessed value on all the
32 taxable property within the district and to choose candidates
33 for the offices of trustees of the district. Notice of the
34 election, including the time and place of holding the
35 election, shall be given as provided in section 357E.4. The

1 vote shall be by ballot which shall state clearly the
2 proposition to be voted upon, and any qualified elector
3 residing within the district at the time of the election may
4 vote. It is not mandatory for the county commissioner of
5 elections to conduct elections held pursuant to this chapter,
6 but the elections shall be conducted in accordance with
7 chapter 49 when not in conflict with this chapter. Judges
8 shall be appointed by the board from among the qualified
9 electors of the district to be in charge of the election. The
10 judges are not entitled to receive pay. The proposition is
11 approved if a majority of those voting on the proposition vote
12 in favor of it.

13 Sec. 9. NEW SECTION. 357E.9 TRUSTEES.

14 At the election, the names of at least three candidates for
15 trustee shall be written in by the voters on blank ballots
16 without formal nomination and the board of supervisors shall
17 appoint three from among the five receiving the highest number
18 of votes as trustees for the district. One trustee shall be
19 appointed to serve for one year, one for two years, and one
20 for three years. The trustees shall give bond in the amount
21 required by the board, the premium of which shall be paid by
22 the district. Vacancies shall be filled by election, but if
23 there are no candidates for a trustee office, the vacancy may
24 be filled by appointment by the board. The term of the
25 succeeding trustees are for three years.

26 If the state owns at least four hundred acres of land
27 contiguous to a lake within the district, the natural
28 resources commission shall appoint two members of the board of
29 trustees in addition to the three members provided in this
30 section. The additional two members must be citizens of the
31 state, not less than eighteen years of age, and property
32 owners within the district. The two additional members have
33 voting and other authority equal to the other members of the
34 board and hold office at the pleasure of the natural resources
35 commission.

1 Sec. 10. NEW SECTION. 357E.10 BOARD OF TRUSTEES --POWER.

2 The trustees are the corporate authority of the district
3 and shall manage and control the affairs, property, and
4 facilities of the district. The board of trustees shall elect
5 a president, a clerk, and a treasurer from its membership.
6 The trustees may certify for levy an annual tax as provided in
7 section 357E.8. The trustees may construct, reconstruct,
8 repair, maintain, or operate a dam or other recreational
9 facilities or structures to create or maintain an artificial
10 or natural lake or impoundment and, for this purpose, may
11 purchase material, employ personnel, and perform all other
12 acts necessary to properly maintain and operate the district.
13 The trustees are allowed necessary expenses in the discharge
14 of their duties, but they shall not receive a salary.

15 Sec. 11. NEW SECTION. 357E.11 BONDS IN ANTICIPATION OF
16 REVENUE.

17 A district may anticipate the collection of taxes by the
18 levy authorized in this chapter, and to carry out the purposes
19 of this chapter may issue bonds payable in not more than
20 twenty equal installments with the rate of interest not
21 exceeding that permitted by chapter 74A. An indebtedness
22 shall not be incurred under this chapter until authorized by
23 an election. The election shall be held and notice given in
24 the same manner as provided in section 357E.8, and the same
25 majority vote is necessary to authorize indebtedness. Both
26 propositions may be submitted to the voters at the same
27 election.

28 Sec. 12. NEW SECTION. 357E.12 DISSOLUTION OF DISTRICT.

29 Upon petition of thirty-five percent of the resident
30 eligible electors, the board may dissolve a district and
31 dispose of any remaining property, the proceeds of which shall
32 first be applied against outstanding obligations and any
33 balance shall be applied to tax credits for property owners of
34 the district. The board shall continue to levy a tax after
35 dissolution of a district, in an amount necessary to pay all

1 outstanding obligations of the district as they become due,
2 until all outstanding obligations of the district are paid.

3 Sec. 13. NEW SECTION. 357E.13 ADDING PROPERTY TO A
4 DISTRICT.

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

17 Sec. 14. NEW SECTION. 357E.14 DETERMINATION OF FEE.

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

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

24 b. The board shall then determine the assessed value of
25 all property in the district. This shall be divided into the
26 value determined in paragraph "a".

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

29 d. The result obtained in paragraph "b" shall be
30 multiplied by the result obtained in paragraph "c". The
31 result shall be the initial fee to be charged each landowner.

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

35

EXPLANATION

1 This bill provides for the establishment of a benefited
2 recreational lake district by petition of the property owners
3 in the proposed district and the approval of the board of
4 supervisors. The procedures for establishing a benefited
5 district are similar to those for establishing other benefited
6 special districts. A district shall not include property
7 assessed as agricultural land.

8 The authority to levy an annual property tax not to exceed
9 four dollars per thousand dollars of assessed valuation and to
10 issue bonds is provided if approved by a majority of the
11 electorate in the district.

12 Procedures are also provided for dissolving a benefited
13 recreation district or for adding adjoining property.

14 This bill creates a new chapter 357E.

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Sen. Wayne Weaver 5/6/87 Dr. Pines 5/23/88 (p. 987)

HOUSE FILE 678
BY COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House May 6, 1987)

Passed House, Date 5/6/87 (p. 2014) Passed Senate, Date 7/7/88 (p. 1219)
Vote: Ayes 59 Nays 38 Vote: Ayes 47 Nays 0
Approved May 9, 1988

A BILL FOR

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2 lake district and its dissolution, the election of trustees,
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House Amendments _____
Deleted Language *

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17 programs customarily identified with the term "recreation"
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28 be conducive to the public health, comfort, convenience, or
29 welfare, the area may be incorporated as a benefited
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32 recreational lake or to other residential, agricultural, or
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32 district shall not be changed to incorporate property which is
33 not included in the original petition.

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35 supervisors shall establish the district by resolution or

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7 b. The lots and parcels of land within the proposed
8 district as they appear on the county auditor's plat books
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10 c. The assessed valuations of the lots and parcels.

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12 investigation shall be determined by the board. The engineer
13 shall file a report with the county auditor within thirty days
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15 shown.

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22 or disapprove the preliminary plat. If the preliminary plat
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31 taxable property within the district except property assessed
32 as agricultural land, and to choose candidates for the offices
33 of trustees of the district. A tax levy approved for the
34 purposes of this chapter shall not be levied on property
35 assessed as agricultural land. Notice of the election,

1 including the time and place of holding the election, shall be
2 given as provided in section 357E.4. The vote shall be by
3 ballot which shall state clearly the proposition to be voted
4 upon, and any qualified elector residing within the district
5 at the time of the election may vote. It is not mandatory for
6 the county commissioner of elections to conduct elections held
7 pursuant to this chapter, but the elections shall be conducted
8 in accordance with chapter 49 when not in conflict with this
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11 election. The judges are not entitled to receive pay. The
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13 proposition vote in favor of it.

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22 required by the board, the premium of which shall be paid by
23 the district. Vacancies shall be filled by election, but if
24 there are no candidates for a trustee office, the vacancy may
25 be filled by appointment by the board. The term of the
26 succeeding trustees are for three years.

27 If the state owns at least four hundred acres of land
28 contiguous to a lake within the district, the natural
29 resources commission shall appoint two members of the board of
30 trustees in addition to the three members provided in this
31 section. The additional two members must be citizens of the
32 state, not less than eighteen years of age, and property
33 owners within the district. The two additional members have
34 voting and other authority equal to the other members of the
35 board and hold office at the pleasure of the natural resources

1 commission.

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4 and shall manage and control the affairs, property, and
5 facilities of the district. The board of trustees shall elect
6 a president, a clerk, and a treasurer from its membership.

7 The trustees may certify for levy an annual tax as provided in
8 section 357E.8. The trustees may construct, reconstruct,

9 repair, maintain, or operate a dam or other recreational

10 facilities or structures to create or maintain an artificial

11 or natural lake or impoundment and, for this purpose, may

12 purchase material, employ personnel, and perform all other

13 acts necessary to properly maintain and operate the district.

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15 of their duties, but they shall not receive a salary.

16 Sec. 11. NEW SECTION. 357E.11 BONDS IN ANTICIPATION OF
17 REVENUE.

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19 levy authorized in this chapter, and to carry out the purposes

20 of this chapter may issue bonds payable in not more than

21 twenty equal installments with the rate of interest not

22 exceeding that permitted by chapter 74A. An indebtedness

23 shall not be incurred under this chapter until authorized by

24 an election. The election shall be held and notice given in

25 the same manner as provided in section 357E.8, and the same

26 majority vote is necessary to authorize indebtedness. Both

27 propositions may be submitted to the voters at the same

28 election.

29 Sec. 12. NEW SECTION. 357E.12 DISSOLUTION OF DISTRICT.

30 Upon petition of thirty-five percent of the resident

31 eligible electors, the board may dissolve a district and

32 dispose of any remaining property, the proceeds of which shall

33 first be applied against outstanding obligations and any

34 balance shall be applied to tax credits for property owners of

35 the district. The board shall continue to levy a tax after

1 dissolution of a district, in an amount necessary to pay all
2 outstanding obligations of the district as they become due,
3 until all outstanding obligations of the district are paid.

4 Sec. 13. NEW SECTION. 357E.13 ADDING PROPERTY TO A
5 DISTRICT.

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

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

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23 value of all property and improvements owned by the district,
24 less any indebtedness.

25 b. The board shall then determine the assessed value of
26 all property in the district. This shall be divided into the
27 value determined in paragraph "a".

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

30 d. The result obtained in paragraph "b" shall be
31 multiplied by the result obtained in paragraph "c". The
32 result shall be the initial fee to be charged each landowner.

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

HOUSE FILE 678

AN ACT

AUTHORIZING THE ESTABLISHMENT OF A BENEFITED RECREATIONAL LAKE DISTRICT AND ITS DISSOLUTION, THE ELECTION OF TRUSTEES, THE LEVY OF A TAX, AND THE CONTRACT OF INDEBTEDNESS.

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

Section 1. NEW SECTION. 357E.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "District" means a benefited recreational lake district incorporated and organized pursuant to this chapter.
2. "Trustee" means a member of the board of trustees of a district.
3. "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.
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.

Sec. 2. NEW SECTION. 357E.2 INCORPORATION.

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, 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.

Sec. 3. NEW SECTION. 357E.3 PETITION FOR PUBLIC HEARING.

1. The supervisors shall, on the petition of twenty-five percent of the resident property owners in a proposed 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. 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.

Sec. 4. NEW SECTION. 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.

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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.

After, and within ten days of, the hearing, the board of supervisors shall establish the district by resolution or disallow the petition.

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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.

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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.

Sec. 8. NEW SECTION. 357E.8 ELECTION ON PROPOSED LEVY.

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 district except property assessed as agricultural land, and to choose candidates for the offices of trustees of 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 qualified elector 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 qualified electors 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.

Sec. 9. NEW SECTION. 357E.9 TRUSTEES.

At the election, the names of at least three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board of supervisors shall appoint three from among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one 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. 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 term of the succeeding trustees are for three years.

If the state owns at least four hundred acres of land contiguous to a lake within the district, the natural resources commission shall appoint two members of the board of trustees in addition to the three 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 resources commission.

Sec. 10. NEW SECTION. 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, for this purpose, may purchase material, employ personnel, 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.

Sec. 11. NEW SECTION. 357E.11 BONDS IN ANTICIPATION OF REVENUE.

A 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 chapter 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 rate

majority vote is necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

Sec. 12. NEW SECTION. 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. 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.

Sec. 13. NEW SECTION. 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.

Sec. 14. NEW SECTION. 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.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 678, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 9, 1988

TERRY E. BRANSTAD
Governor