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WAYS & MEANS CALENDAR

HOUSE FILE 577

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 222)

Passed House, ^(P.1489) Date 4/27/95

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Vote: Ayes 97 Nays 1

Vote: Ayes 33 Nays 15

Approved May 31, 1995

A BILL FOR

1 An Act relating to the creation of real estate improvement
2 districts, authorizing the issuance of general obligation
3 bonds and revenue bonds, the imposition of ad valorem property
4 taxes, special assessments and fees, and other related
5 matters.

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

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HF 577

1 Section 1. NEW SECTION. 358C.1 DEFINITIONS.

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

4 1. "Board" means the board of trustees of a real estate
5 improvement district.

6 2. "Construction" includes materials, labor, acts,
7 operations, and services necessary to complete a public
8 improvement.

9 3. "Cost" of a public improvement includes the cost of
10 engineering, preliminary reports, property valuations,
11 estimates, plans, specifications, notices, legal services,
12 acquisition of land, consequential damages, easements, rights-
13 of-way, construction, repair, supervision, inspection,
14 testing, notices and publication, interest during construction
15 and for not more than six months thereafter, and printing and
16 sale of bonds.

17 4. "District" means a real estate improvement district as
18 created in this chapter.

19 5. "Public improvement" includes the principal structures,
20 works, component parts, and accessories of the facilities or
21 systems specified in section 358C.3.

22 6. "Repair" includes materials, labor, acts, operations,
23 and services necessary for the reconstruction, reconstruction
24 by widening, or resurfacing of a public improvement.

25 Sec. 2. NEW SECTION. 358C.2 REAL ESTATE IMPROVEMENT
26 DISTRICT CREATED.

27 1. A majority of the owners having an interest in the real
28 property within the limits of a proposed district may file a
29 petition in the office of county auditor of the county in
30 which the proposed district or major part of the proposed
31 district is located, requesting that the question be submitted
32 to the registered voters of the proposed district of whether
33 the territory within the boundaries of the proposed district
34 shall be organized as a real estate improvement district as
35 provided in this chapter.

1 2. All of the owners having an interest in the real
2 property within the limits of a proposed district may file a
3 petition in the office of county auditor of the county in
4 which the proposed district or a major part of the proposed
5 district is located, requesting that the proposed district be
6 organized as a real estate improvement district as provided in
7 this chapter.

8 3. Areas of contiguous and noncontiguous territory may be
9 incorporated within a district. The petition shall be
10 addressed to the board of supervisors if all or part of the
11 proposed district includes territory located outside the
12 boundaries of a city, shall be submitted to the board of
13 supervisors before it is filed with the county auditor, and
14 shall set forth the following information:

15 a. The name of the district.

16 b. The district shall have perpetual existence.

17 c. The boundaries of the district.

18 d. The names and addresses of the owners of land in the
19 proposed district.

20 e. The description of the tracts of land situated in the
21 proposed district owned by those persons who may organize the
22 district.

23 f. The names and descriptions of the real estate owned by
24 the persons who do not join in the organization of the
25 district, but who will be benefited by the district.

26 g. A listing of one or more of the district improvements
27 specified in section 358C.3 which will be carried out by the
28 district.

29 h. The owners of real estate in the proposed district that
30 are unknown may also be set out in the petition as being
31 unknown.

32 i. That the establishment of the proposed district will be
33 conducive to the public health, comfort, convenience, and
34 welfare.

35 4. The petition shall also state that the owners of real

1 estate who are forming the proposed district are willing to
2 pay the taxes which may be levied against all of the property
3 in the proposed district and special assessments against the
4 real property benefited which may be assessed against them to
5 pay the costs necessary to carry out the purposes of the
6 district.

7 5. The petition shall also state that the owners of real
8 estate who are forming the proposed district waive any
9 objections to a subsequent annexation by a city if the
10 district is located within two miles of the boundaries of a
11 city and whether or not owners of real estate who are forming
12 the proposed district shall waive any objections to a
13 subsequent annexation by a city if the district is located
14 over two miles from the boundaries of a city and has issued
15 bonds or obligations for public improvements within the
16 district and the annexing city assumes those obligations.

17 6. The petition shall propose the names of three or more
18 trustees who shall be owners of real estate in the proposed
19 district or the designees of owners of property in the
20 proposed district, to serve as a board of trustees until their
21 successors are elected and qualified if the district is
22 organized. The board of trustees shall only carry out those
23 purposes which are authorized in this chapter and listed in
24 the petition.

25 7. If the petition requests that the district be organized
26 without an election, the petition shall contain the signatures
27 of all known owners of property within the proposed district.

28 8. If the proposed district includes real estate located
29 in whole or in part within the boundaries of a city, the
30 petition shall be submitted to and approved by the city
31 council before it is filed with the county auditor as provided
32 in subsection 1. If a petition includes a proposed district
33 located solely within the boundaries of a city, the petition
34 is not subject to action by the board of supervisors except
35 for the purpose of selecting the initial trustees and setting

1 the election date to finally organize the district or the date
2 to organize the district if no election is required.

3 9. A proposed district shall be created only from parcels
4 of land within the boundaries of a city, on parcels of land
5 within two miles of the boundaries of a city, or on parcels of
6 land from both locations.

7 Sec. 3. NEW SECTION. 358C.3 PUBLIC IMPROVEMENTS
8 AUTHORIZED.

9 1. A district may acquire, construct, reconstruct,
10 install, maintain, and repair any of the public improvements
11 listed in subsection 2.

12 2. A public improvement includes the principal structures,
13 works, component parts, and accessories of any of the
14 following:

15 a. Underground gas, water, heating, sewer,
16 telecommunications, and electrical connections located in
17 streets for private property.

18 b. Sanitary, storm, and combined sewers.

19 c. Waterworks, water mains, and extensions.

20 d. Emergency warning systems.

21 e. Sidewalks and pedestrian underpasses or overpasses.

22 f. Drainage conduits, dikes, and levees for flood
23 protection.

24 g. Public waterways, docks, and wharfs.

25 h. Public parks, playgrounds, and recreational facilities.

26 i. Street grading, paving, graveling, macadamizing,
27 curbing, guttering, and surfacing with oil and gravel or
28 chloride.

29 j. Drives and driveway approaches located within the
30 public right-of-way.

31 k. Street lighting fixtures, connections, and facilities.

32 l. Sewage pumping stations and disposal and treatment
33 plants.

34 m. Traffic control devices, fixtures, connections, and
35 facilities.

1 n. Public roads, streets, and alleys.

2 Sec. 4. NEW SECTION. 358C.4 DATE AND NOTICE OF HEARING.

3 1. The board of supervisors to which the petition is
4 addressed, at its next meeting, shall set the time and place
5 for a hearing on the petition. The board shall direct the
6 county auditor in whose office the petition is filed to cause
7 notice to be given to all persons whom it may concern, without
8 naming them, of the pendency and content of the petition, by
9 publication of a notice as provided in section 331.305. Proof
10 of giving the notice shall be made by affidavit of the
11 publisher and the proof shall be on file with the county
12 auditor at the time the hearing begins. The notice of hearing
13 shall be directed to all persons it may concern, and shall
14 state:

15 a. That a petition has been filed with the county auditor
16 of the county, naming it, for establishment of a proposed
17 district, and the name of the proposed district.

18 b. An intelligible description of the boundaries of the
19 territory to be embraced in the district.

20 c. The date, hour, and the place where the petition will
21 be brought for hearing before the board of supervisors of the
22 named county.

23 d. That the board of supervisors will fix and determine
24 the boundaries of the proposed district as described in the
25 petition or otherwise, and for that purpose may alter and
26 amend the petition. At the hearing all interested persons
27 shall have an opportunity to be heard on the location and
28 boundaries of the proposed district and to make suggestions
29 regarding the location and boundaries.

30 e. That, in the case of a petition under section 358C.2,
31 subsection 2, a property owner who was not known and who did
32 not sign the petition and who does not object to the proposed
33 district in writing prior to the hearing or in person at the
34 hearing shall waive all objections to the organization of the
35 proposed district.

1 2. For a district which does not include land within a
2 city, copy of the notice shall also be sent by mail to each
3 owner, without naming them, of each tract of land or lot
4 within the proposed district as shown by the transfer books of
5 the auditor's office. The mailings shall be to the last known
6 mailing address unless there is on file an affidavit of the
7 auditor or of a person designated by the board to make the
8 necessary investigation, stating that a mailing address is not
9 known and that diligent inquiry has been made to ascertain it.
10 The copy of notice shall be mailed no less than twenty days
11 before the day set for hearing and proof of service shall be
12 by affidavit of the auditor. The proofs of service required
13 by this subsection shall be on file at the time the hearing
14 begins.

15 3. In lieu of the mailing to the last known address a
16 person owning land affected by a proposed district may file
17 with the county auditor an instrument in writing designating
18 the address for the mailing. This designation when filed is
19 effective for five years and applies to all proceedings under
20 this chapter. The person making the designation may change
21 the address in the same manner as the original designation is
22 made.

23 4. In lieu of publication, personal service of the notice
24 may be made upon an owner of land in the proposed district in
25 the manner and for the time required for service of original
26 notices in the district court. Proof of the service shall be
27 on file with the auditor on the date of the hearing.

28 Sec. 5. NEW SECTION. 358C.5 HEARING OF PETITION AND
29 ORDER.

30 The board of supervisors to whom the petition is addressed
31 shall preside at the hearing provided for in section 358C.4
32 and shall continue the hearing in session, with adjournments
33 from day to day, if necessary, until completed, without being
34 required to give any further notice of the hearing. Proof of
35 the residences and qualifications of the petitioners as

1 registered voters shall be made by affidavit or otherwise as
2 the board may direct. The board may consider the boundaries
3 of a proposed district, whether the boundaries are described
4 in the petition or otherwise, and for that purpose may alter
5 and amend the petition and limit or change the boundaries of
6 the proposed district as stated in the petition. The board
7 shall adjust the boundaries of a proposed district as needed
8 to exclude land that has no reasonable likelihood of benefit
9 from inclusion in the proposed district. The boundaries of a
10 proposed district shall not be changed to incorporate property
11 not included in the original petition and published notice
12 until the owner of the property is given notice of inclusion
13 as on the original hearing. All persons in the proposed
14 district shall have an opportunity to be heard regarding the
15 location and boundaries of the proposed district and to make
16 suggestions regarding the location and boundaries, and the
17 board of supervisors, after hearing the statements, evidence,
18 and suggestions made and offered at the hearing, shall approve
19 or reject the petition. If the petition is approved, the
20 board shall enter an order fixing and determining the limits
21 and boundaries of the proposed district and whether or not all
22 present and future property owners within the district have
23 waived any objections to the annexation by a city if the
24 district has issued obligations or bonds for public
25 improvement and the city assumes those obligations, and, if
26 the petition was requested under section 358C.2, subsection 1,
27 directing that an election be held for the purpose of
28 submitting to the registered voters owning land within the
29 boundaries of the proposed district the question of
30 organization and establishment of the proposed district as
31 determined by the board of supervisors. The order shall fix a
32 date for the election not more than sixty days after the date
33 of the order. If the petition was requested under section
34 358C.2, subsection 2, the order shall fix a date for the
35 organization of the district.

1 Sec. 6. NEW SECTION. 358C.6 NOTICE OF ELECTION.

2 In its order for the election the board of supervisors
3 shall direct the county commissioner of elections of the
4 county in which the petition is filed to cause notice of the
5 election to be given at least thirty days before the date of
6 election by publication of the notice as provided in section
7 331.305. The notice shall state the time and place of holding
8 the election and the hours when the polls will open and close,
9 the purpose of the election, with the name of the proposed
10 district and a description of the boundaries of the proposed
11 district, and shall set forth briefly the limits of each
12 voting precinct and the location of the polling places. Proof
13 of publication shall be made in the manner provided in section
14 358C.4 and filed with the county auditor.

15 Sec. 7. NEW SECTION. 358C.7 ELECTION.

16 1. Each registered voter resident within the proposed
17 district shall have the right to cast a ballot at the election
18 and a person shall not vote in any precinct but that of the
19 person's residence. Ballots at the election shall be in
20 substantially the following form, to wit:

21 For Real Estate Improvement District

22 Against Real Estate Improvement District

23 2. The board of supervisors shall cause a statement of the
24 result of the election to be included in the records of the
25 county auditor. If a majority of the votes cast upon the
26 question of incorporation of the proposed district shall be in
27 favor of the proposed district, the proposed district shall be
28 deemed an organized real estate improvement district under
29 this chapter and established as conducive to the public
30 health, comfort, convenience, and welfare.

31 3. In the event the petition and order provide that any
32 present or future owner of property within the district waives
33 objection to annexation if the district has issued obligations
34 or bonds for a public improvement and the annexing city
35 assumes those obligations, the board of supervisors shall file

1 a certified declaration of that provision and a legal
2 description of all real estate in the district with the county
3 recorder in each county in which the district is located.

4 Sec. 8. NEW SECTION. 358C.8 EXPENSES AND COSTS OF
5 ELECTION.

6 The election held pursuant to this chapter shall be
7 conducted by the county commissioner of elections. All
8 expenses incurred in carrying out the preceding sections of
9 this chapter, and the costs of the election, as determined by
10 the county commissioner of elections, shall be paid by those
11 who will be benefited by the proposed district. If the
12 district is not established, the expenses and costs shall be
13 collected upon the bonds of the petitioners.

14 Sec. 9. NEW SECTION. 358C.9 SELECTION OF TRUSTEES --
15 TERM OF OFFICE.

16 1. The board of supervisors which had jurisdiction of the
17 proceedings for establishment of the district, together with
18 the board of supervisors of any other county in which any part
19 of the district is located, shall appoint three trustees from
20 among those persons listed in the petition. The trustees
21 shall serve an initial two-year term. A special election
22 shall be held thirty days prior to the expiration of the
23 initial term to reelect the original trustees or elect
24 successor trustees unless less than twenty percent of the
25 planned residential units are occupied. In that case, the
26 board, at the request of a majority of the owners of real
27 estate in the districts, may appoint the trustees for an
28 additional two-year term. A special election shall be held to
29 elect successor trustees at the close of that term in
30 accordance with this section. One of the trustees elected or
31 reelected shall be designated to serve a term expiring on the
32 first day of January which is not a Sunday or legal holiday
33 following the next general election, one to serve a term
34 expiring on the first day of January which is not a Sunday or
35 legal holiday one year later, and one to serve a term expiring

1 on the first day of January which is not a Sunday or legal
2 holiday three years later. Thereafter, each term shall be for
3 a term of years established by the board of supervisors, not
4 less than three years or more than six years. Successors to
5 trustees shall be elected by special election or at a special
6 meeting of the board of trustees called for that purpose. For
7 each special election called after the initial appointment, a
8 candidate for office of trustee shall be nominated by a
9 personal affidavit of the candidate or by petition of at least
10 ten registered voters of the district and the candidate's
11 personal affidavit, which shall be filed with the county
12 commissioner of elections at least twenty-five days before the
13 date of the election. The form of the candidate's affidavit
14 shall be substantially the same as provided in section 45.3.

15 2. Vacancies in the office of trustee of a district shall
16 be filled by the remaining members of the board for the period
17 until a successor is chosen in the manner prescribed by this
18 section or by section 69.12, whichever is applicable.

19 3. In lieu of a special election, successors to trustees
20 shall be elected at a special meeting of the board of trustees
21 called for that purpose. Upon its own motion, the board of
22 trustees may, or upon petition of landowners owning more than
23 fifty percent of the total land in the district, shall, call a
24 special meeting of the residents of the district to elect
25 successors to trustees of the board. Notice of the meeting
26 shall be given at least ten days before the date of the
27 meeting by publication of the notice in a newspaper of general
28 circulation in the district. The notice shall state the date,
29 times, and location of the meeting and that the meeting is
30 called for the purpose of electing one or more trustees to the
31 board.

32 Sec. 10. NEW SECTION. 358C.10 TRUSTEE'S BOND.

33 Each trustee, before entering upon the duties of office,
34 shall execute a bond payable to the district, with security to
35 be approved by the board of supervisors which had jurisdiction

1 of the petition for establishment of the district, in such
2 form and amount as the board of supervisors may determine,
3 which bond shall be filed with the county auditor of the
4 county.

5 Sec. 11. NEW SECTION. 358C.11 REAL ESTATE IMPROVEMENT
6 DISTRICT TO BE A BODY CORPORATE -- EMINENT DOMAIN.

7 1. Each district organized under this chapter shall be a
8 body corporate and politic, with the name and style under
9 which it was organized, and by that name and style may sue and
10 be sued, contract and be contracted with, acquire and hold
11 real and personal property necessary for corporate purposes,
12 adopt a corporate seal and alter the same at pleasure, and
13 exercise all the powers conferred in this chapter.

14 2. All courts of this state shall take judicial notice of
15 the existence of real estate improvement districts organized
16 under this chapter.

17 3. A district shall not own or hold land in excess of ten
18 acres unless the land is actually used for a public purpose
19 within three years of its acquisition. A district which owns
20 or holds land in excess of ten acres for more than three years
21 without devoting it to a public purpose as provided in this
22 chapter shall divest itself of the land by public auction to
23 the highest bidder.

24 4. A district may acquire by purchase, condemnation, or
25 gift, real or personal property, right-of-way, and easement
26 within or without its corporate limits necessary for its
27 corporate purposes specified in section 358C.3.

28 5. If the board of trustees of the district decide to make
29 a public improvement pursuant to this chapter which requires
30 that private property be taken or damaged, the board may
31 exercise the power of eminent domain. The procedure to
32 condemn property shall be exercised in the manner provided in
33 chapter 6B.

34 6. A district located within two miles of the boundaries
35 of a city shall comply with all city building and use codes

1 for owner-occupied residential housing.

2 7. A district shall not incorporate as a city if the
3 district is within two miles of the boundaries of a city at
4 the time the district is approved.

5 Sec. 12. NEW SECTION. 358C.12 BOARD OF TRUSTEES --
6 POWERS -- PROHIBITED ACTIONS.

7 1. The board of trustees is the corporate authority of the
8 district and shall manage and control the affairs and property
9 of the district. A majority of the board of trustees shall
10 constitute a quorum, but a smaller number may adjourn from day
11 to day. The board of trustees shall elect a president, a
12 clerk, and a treasurer from its membership and may employ
13 employees as necessary, who shall hold their employment during
14 the pleasure of the board. The board shall prescribe the
15 duties and fix the compensation of all employees of the
16 district and the amount of bond to be filed by the treasurer
17 of the district and by any employee for whom the board may
18 require bond. The members of the board of trustees shall
19 receive a per diem of forty dollars for attendance at a
20 meeting of the board or while otherwise engaged in official
21 duties, but the total per diem for each member shall not
22 exceed two thousand four hundred dollars for a fiscal year.
23 However, the board of trustees, by resolution, may establish
24 for its members a lower rate of pay than is fixed by this
25 section. The members of the board shall also be reimbursed
26 for their travel and other necessary expenses incurred in
27 performing their official duties. Travel expenses are
28 reimbursable at the rate specified in section 70A.9.

29 2. The board of trustees may adopt the necessary
30 ordinances, resolutions, and regulations for the proper
31 management and conduct of the business of the board of
32 trustees and the corporation and for carrying out the purposes
33 for which the district is formed, including for the
34 negotiation of short-term loans and the issuance of warrants.

35 3. If the board of trustees wishes to expand its authority

1 to carry out public improvements in addition to the public
2 improvements listed in the board's original petition as
3 provided in section 358C.3, the board shall submit a petition
4 to the board of supervisors specifying the additional public
5 improvements to be included within the authority of the
6 district and requesting that the board of supervisors order an
7 election as provided in section 358C.6 to approve or
8 disapprove the amendment. If the petition includes public
9 improvements as specified in section 358C.3, the board of
10 supervisors shall order the election to be conducted as
11 otherwise provided in this chapter. If the amendment is
12 approved, the original petition is amended to include the
13 additional public improvements.

14 4. The board of trustees of a district shall not purchase
15 and resell electric service or establish and operate a
16 gasworks or electric light and power plant and system.

17 5. The board of trustees shall not require or grant a
18 franchise to any person pursuant to subsection 4.

19 Sec. 13. NEW SECTION. 358C.13 TAXES -- POWER TO LEVY --
20 TAX SALES.

21 1. The board of trustees of a real estate improvement
22 district shall have the power by ordinance to levy annually
23 for the purpose of paying the administrative costs of the
24 district, or for the payment of deficiencies in special
25 assessments, or for both, a tax upon property within the
26 territorial limits of the district not exceeding fifty-four
27 cents per thousand dollars of the adjusted taxable valuation
28 of the property within the district for the preceding fiscal
29 year.

30 2. All taxes thus levied by the board shall be certified
31 by the clerk on or before March 1 to the county auditor of
32 each county in which any of the property included within the
33 territorial limits of the district is located, and shall be
34 placed upon the tax list for the current fiscal year by the
35 auditor. The county treasurer of more than one county shall

1 collect all taxes so levied in the same manner as other taxes,
2 and when delinquent the taxes shall draw the same interest.

3 All taxes levied and collected shall be paid over by the
4 officer collecting the taxes to the treasurer of the district.

5 3. Sales for delinquent taxes owing to the district shall
6 be made at the same time and in the same manner as the sales
7 are made for other taxes, and all provisions of the law of
8 this state relating to the sale of property for delinquent
9 taxes shall be applicable, so far as may be, to the sales.

10 Sec. 14. NEW SECTION. 358C.14 RENTALS AND CHARGES.

11 1. A board of trustees may by ordinance establish
12 equitable rates, charges, or rentals for the utilities and
13 services furnished by the district to be paid to the district
14 by every person, firm, or corporation whose premises are
15 served by a connection to the utilities and services directly
16 or indirectly. The rates, charges, or rentals, as near as may
17 be in the judgment of the board of trustees, shall be
18 equitable and in proportion to the services rendered and the
19 cost of the services, and taking into consideration in the
20 case of the premises the quantity of sewage or water produced
21 or used and the concentration, strength, and pollution
22 qualities of the sewage. The board of trustees may change the
23 rates, charges, or rentals as it may deem advisable, and by
24 ordinance may provide for collection. The board may contract
25 with any municipality within the district, whereby the
26 municipality may collect or assist in collecting any of the
27 rates, charges, or rentals, whether in conjunction with water
28 rentals or otherwise, and the municipality may undertake the
29 collection and render the service. The rates, charges, or
30 rentals, if not paid when due, shall constitute a lien upon
31 the real property served by a connection. The lien shall have
32 equal precedence with ordinary taxes, may be certified to the
33 county treasurer and collected in the same manner as taxes,
34 and is not divested by a judicial sale.

35 2. Sewer rentals, charges, or rates may supplant or

1 replace, in whole or in part, any monetary levy of taxes which
2 may be, or have been, authorized by the board of trustees for
3 any of the following purposes:

4 a. To meet interest and principal payments on bonds
5 legally authorized for the financing of sanitary utilities in
6 any manner.

7 b. To pay costs of the construction, maintenance, or
8 repair of the facilities or utilities, including payments to
9 be made under any contract between municipalities for either
10 the joint use of water or sewage facilities, or for the use by
11 one municipality of all or a part of the water or sewer system
12 of another municipality.

13 Sec. 15. NEW SECTION. 358C.15 DEBT LIMIT -- BORROWING --
14 BONDS -- PURPOSES.

15 1. A district may borrow money for its corporate purposes,
16 but shall not become indebted in any manner or for any purpose
17 to an amount in the aggregate exceeding its constitutional
18 debt limit of five percent on the value of the taxable
19 property within the district, to be ascertained by the last
20 state and county tax lists previous to the incurring of the
21 indebtedness. Indebtedness within this constitutional limit
22 shall not include the indebtedness of any other municipal
23 corporation located wholly or partly within the boundaries of
24 the district, special assessment bonds or obligations
25 authorized under section 358C.16.

26 2. Subject only to this debt limitation, a district shall
27 have the same powers to issue bonds, including both general
28 obligation and revenue bonds, which cities have under the laws
29 of this state. In the application of the laws to this
30 chapter, the words used in the laws referring to municipal
31 corporations or to cities shall be held to include real estate
32 improvement districts organized under this chapter; the words
33 "council" or "city council" shall be held to include the board
34 of trustees of a district; the words "mayor" and "clerk" shall
35 be held to include the president and clerk of a board of

1 trustees; and like construction shall be given to any other
2 words in the laws where required to permit the exercise of the
3 powers by real estate improvement districts.

4 3. All bonds issued shall be signed by the president of
5 the board of trustees and attested by the clerk, with the seal
6 of the district, if any, affixed, and interest coupons
7 attached to the bonds shall be attested by the signature of
8 the clerk.

9 4. The proceeds of any bond issue made under this section
10 shall be used only for the public improvements specified in
11 section 358C.3. Proceeds from the bond issue may also be used
12 for the payment of special assessment deficiencies. The bonds
13 shall be payable in not more than forty annual installments
14 and with interest at a rate not exceeding that permitted by
15 chapter 74A, and shall be made payable at the place and be of
16 the form as the board of trustees shall by resolution
17 designate. A district issuing bonds as authorized in this
18 section is granted authority to pledge the future avails of a
19 tax levy to the payment of the principal and interest of the
20 bonds after the same come due, and the power to impose and
21 certify the levy is granted to the trustees of real estate
22 improvement districts organized under this chapter.

23 Sec. 16. NEW SECTION. 358C.16 SPECIAL ASSESSMENTS.

24 1. The board of trustees of a real estate improvement
25 district may provide for payment of all or any portion of the
26 costs of a public improvement specified in section 358C.3, by
27 assessing all, or any portion of the costs, on adjacent
28 property according to the benefits derived. For the purposes
29 of this chapter, the board of trustees may define "adjacent
30 property" as all that included within a designated benefited
31 district to be fixed by the board, which may be all of the
32 property located within the real estate improvement district
33 or any lesser portion of that property. It is not a valid
34 objection to a special assessment that the improvement for
35 which the assessment is levied is outside the limits of the

1 district, but a special assessment shall not be made upon
2 property situated outside of the district. Special
3 assessments pursuant to this section shall be in proportion to
4 the special benefits conferred upon the property, and not in
5 excess of the benefits. The value of a property is the
6 present fair market value of the property with the proposed
7 public improvements completed. Payment of installments of a
8 special assessment against property used and assessed as
9 agricultural property shall be deferred upon the filing of a
10 request by the owner in the same manner and under the same
11 procedures as provided in chapter 384 for special assessments
12 by cities.

13 2. The assessments may be made to extend over a period not
14 to exceed fifteen years, payable in as nearly equal annual
15 installments as practicable. A majority vote of the board of
16 trustees is requisite and sufficient for any action required
17 by the board of trustees under this section.

18 3. Subject to the limitations otherwise stated in this
19 section, a district organized under this chapter has all of
20 the powers to specially assess the costs of improvements
21 described in this section, including the power to issue
22 special assessment bonds, warrants, project notes, or other
23 forms of interim financing obligations, which cities have
24 under the laws of this state.

25 Sec. 17. NEW SECTION. 358C.17 ADDITIONAL TERRITORY.

26 1. The district may be enlarged and additional territory
27 annexed to the district by either of the following methods:

28 a. By petitions signed by the owners of all the property
29 to be annexed to the district. If a petition requesting
30 annexation is presented to the trustees and approved by the
31 trustees the change in the boundaries to include the
32 additional area shall be certified by the clerk of the
33 district to the county auditor in which the greater portion of
34 the district is located and thereafter the district shall
35 include the area thus annexed.

1 b. By a petition filed with the clerk of the district,
2 signed by persons owning not less than fifty percent of the
3 area to be annexed, but not signed by persons owning all the
4 area requested to be annexed. On the filing of the petition,
5 the trustees of the district shall fix a time and place for a
6 hearing on the petition and give notice of the hearing, as
7 provided in section 331.305, and by certified mail to the
8 record owners of all persons owning land within the territory
9 sought to be annexed, not less than ten days prior to the date
10 of the hearing, if the address of the owners is known or can
11 be ascertained by reasonable diligence by the trustees. At
12 the hearing, any person owning property within the area
13 proposed to be annexed or any person owning property or
14 residing within the district may appear and be heard. If,
15 after the hearing, the board of trustees determines that
16 annexation of the additional area will be conducive to the
17 public health, convenience, and welfare and will not be an
18 undue burden on the district, the board of trustees may, by
19 resolution, annex the additional area and fix the boundary
20 which shall not include more than the area requested in the
21 petition. A copy of the resolution shall be filed with the
22 county auditor of the county in which the largest portion of
23 the district is located and thereafter the area included by
24 the resolution shall be a part of the district.

25 2. All property, from and after it is annexed to the
26 district, shall be subject to all taxes and other burdens
27 levied by the district, regardless of when the obligation for
28 which the taxes or assessments are levied was incurred.

29 Sec. 18. NEW SECTION. 358C.18 ANNEXATION BY A CITY.

30 When a city or real estate improvement district proposes
31 that the district be annexed by the city, either wholly or
32 partially, an owner of property in the district shall not
33 object to the annexation if the district has issued, and there
34 remain, outstanding obligations of the district for public
35 improvements and the original petition and order of the board

1 of supervisors provide that a property owner has waived any
2 right to object if obligations are issued for public
3 improvements. When a city annexes all the territory within
4 the boundaries of a real estate improvement district, the
5 district shall merge with the city and the city shall succeed
6 to all the property and property rights of every kind,
7 contracts, and obligations, held by or belonging to the
8 district, and the city shall be liable for and recognize,
9 assume, and carry out all valid contracts and obligations of
10 the district. The city may assume and provide for the payment
11 of the obligations of any bonds of the district by issuing
12 general obligation, special assessment, or revenue refunding
13 bonds which may be sold at public or private sale or exchanged
14 for outstanding bonds. General obligation bonds of the city
15 may be issued to refund special assessment and revenue
16 obligations if the governing body of the city determines that
17 it is in the best interest of the city. The refunding of
18 these obligations shall constitute an essential corporate
19 purpose under section 384.24. All taxes, assessments, claims,
20 and demands of every kind due or owing to the district shall
21 be paid to and collected by the city. Any special assessments
22 which the district was authorized to levy, assess, relevel, or
23 reassess, but which were not levied, assessed, relevelled, or
24 reassessed, at the time of the merger, for improvements made
25 by the district or in the process of construction or
26 contracted for may be levied, assessed, relevelled, or
27 reassessed by the annexing city to the same extent as the
28 district may have levied or assessed but for the merger.
29 However, this section does not authorize the annexing city to
30 revoke any resolution, order, or finding made by the district
31 in regard to special benefits or increase any assessments made
32 by the district, but the city shall be bound by all findings
33 or orders and assessments to the same extent as the district
34 would be bound. Also, a district shall not levy any special
35 assessments after the effective date of the annexation.

1 Sec. 19. NEW SECTION. 358C.19 EFFECTIVE DATE OF MERGER.

2 The merger shall be effective thirty days after the
3 effective date of the ordinance annexing the territory within
4 the district. However, if the validity of the ordinance
5 annexing the territory is challenged by a court proceeding,
6 the effective date of the merger shall be thirty days after
7 the final determination of the validity of the ordinance. The
8 trustees of a district shall continue in possession and
9 conduct the affairs of the district until the effective date
10 of the merger, but shall not during the period levy any
11 special assessments after the effective date of annexation.

12 Sec. 20. NEW SECTION. 358C.20 PARTIAL ANNEXATION --
13 DIVISION AGREEMENT.

14 If only a part of the territory within a district is
15 annexed by a city, the city shall assume all obligations of
16 the district, whether there is an agreement between the city
17 and the district to change the boundaries of the district so
18 as to exclude the portion annexed by the city or whether there
19 is a merger of the district with the city. If a merger is
20 agreed upon, the city shall have all the rights, privileges,
21 duties, and obligations as provided in this chapter when the
22 city annexes the entire territory within the district, and the
23 trustees shall be relieved of all further duties and
24 liabilities and their bonds exonerated. An agreement between
25 the district and the city shall not be effective until
26 submitted to and approved by the district court of the county
27 in which the major portion of the district is located. An
28 agreement shall not be approved which may prejudice the rights
29 of any bondholder or creditor of the district. The district
30 court may direct amendments to the agreement before approving
31 the agreement. If the district and city do not agree upon the
32 proper adjustment of all matters growing out of the annexation
33 of a part of the territory located within the district, either
34 the district or the annexing city may apply to the district
35 court of the county where the major portion of the district is

1 located for an adjustment of all matters growing out of or in
2 any way connected with the annexation of the territory, and
3 after a hearing the district court may enter an order or
4 decree fixing the rights, duties, and obligations of the
5 parties. However, in every case the decree or order shall
6 require a change of the district boundaries so as to exclude
7 from the district that portion of the territory of the
8 district which has been annexed. The change of boundaries
9 shall become effective on the date of entry of the decree.
10 Only the district and the city shall be necessary parties to
11 the action. The decree when entered shall be binding on both
12 parties the same as though the parties had voluntarily agreed
13 thereto. This section does not authorize any district to levy
14 any special assessments within the annexed area after the
15 effective date of annexation.

16 Sec. 21. NEW SECTION. 358C.21 DISSOLUTION OF DISTRICT.

17 When a majority of the board of trustees of a district
18 desire that the district be wholly dissolved, the trustees
19 shall first propose a resolution declaring the advisability of
20 the dissolution and setting out the terms and conditions of
21 the dissolution, and also setting out the time and place when
22 the board of trustees shall meet to consider the adoption of
23 the resolution. Notice of the time and place when the
24 resolution shall be set for consideration shall be published
25 as provided in section 331.305, which publication shall
26 contain the entire wording of the proposed resolution. If any
27 part of the district lies within the area of the jurisdiction
28 of a city, then the trustees shall mail a copy of the proposed
29 resolution to the city on the date of first publication of the
30 resolution. At the hearing the owners of property within the
31 district, or a city if any part of the district lies within
32 the city, may appear and make objections to the proposed
33 resolution. If the owners representing a majority of the area
34 of real estate within the district fail to sign and present to
35 the board, on or prior to the hearing date, a written petition

1 opposing the resolution, a majority of the board of trustees
2 may pass the resolution and adopt the proposed dissolution.
3 However, the resolution shall not be adopted if the district
4 is obligated on any outstanding bonds, warrants, or other
5 debts or obligations unless the holders of the bonds,
6 warrants, or other debts or obligations all sign written
7 consents to the dissolution prior to the adoption of the
8 resolution of dissolution. If the petition opposing the
9 resolution is signed by property owners representing a
10 majority of the area of real estate within the district and
11 presented to the board of trustees on or prior to the hearing
12 date, the board of trustees shall not adopt the resolution.
13 After the board of trustees has adopted the resolution of
14 dissolution, the clerk of the district shall prepare and file
15 a certified copy of the resolution of dissolution in the
16 office of the county auditor where the original petition was
17 filed. A district shall dissolve within ninety days following
18 the merger of a district with a city.

19 Sec. 22. NEW SECTION. 358C.22 DETACHMENT OF LAND.

20 1. When a majority of the board of trustees of a district
21 desires that any property within the district be detached from
22 the district, the trustees shall first propose a resolution
23 declaring the advisability of the detachment and setting out
24 the terms and conditions of the detachment and also setting
25 out the time and place when the board of trustees will meet to
26 consider the adoption of the resolution. Notice of the time
27 and place when the resolution is set for consideration shall
28 be published as provided in section 331.305, which publication
29 shall contain the entire wording of the proposed resolution.
30 If any part of the district lies within a city, then the
31 trustees shall mail a copy of the proposed resolution to the
32 city on the date of first publication of the resolution. At
33 the hearing the owners of property within the district, or any
34 city, may appear and make objections to the proposed
35 resolution. If the owners representing a majority of the area

1 of real estate within the district fail to sign and present to
2 the board of trustees, on or prior to the hearing date, a
3 written petition opposing the resolution, a majority of the
4 board of trustees may pass the resolution and adopt the
5 proposed detachment, except that the resolution shall not be
6 adopted if the district is indebted on any outstanding bonds
7 or warrants of the district unless the holders of the bonds
8 and warrants all sign written consents to the detachment prior
9 to the adoption of the resolution of detachment. If the
10 petition opposing the resolution is signed by property owners
11 representing a majority of the area of real estate within the
12 district and presented to the board of trustees on or prior to
13 the hearing date, the board of trustees shall not adopt the
14 resolution. After the board of trustees has adopted the
15 resolution of detachment, the clerk of the district shall
16 prepare and file a certified copy of the resolution of
17 detachment in the office of the county auditor where the
18 original petition was filed, and the area detached shall
19 become excluded and detached from the boundaries of the
20 district.

21 2. The owner of a discrete tract of land which is part of
22 a district but which is not connected to the main area of the
23 district may petition the board of trustees of the district to
24 have the property detached from the district. Following
25 receipt of the petition, the board of trustees shall propose a
26 resolution declaring the advisability of the detachment and
27 setting out the terms and conditions of the detachment and
28 setting out the time and place when the board of trustees will
29 meet to consider the adoption of the resolution. Notice of
30 the time and place for the consideration shall be published as
31 provided in subsection 1. If any part of the district lies in
32 whole or in part within a city, the board of trustees shall
33 mail a copy of the proposed resolution to the municipality
34 within five days after the date of first publication of the
35 resolution. At the hearing for consideration of the

1 resolution, the board of trustees shall determine if the tract
2 of land proposed for detachment has all of the following
3 characteristics:

4 a. Has an area of twenty-five acres or more.

5 b. Is undeveloped and predominantly devoted to
6 agricultural uses.

7 c. Has no improvements placed upon it by the district and
8 receives no current services from the district.

9 3. If the board of trustees by majority vote determines
10 that the tract in question meets all of the conditions
11 provided in subsection 2, paragraphs "a" through "c", the
12 resolution shall be adopted, except that the resolution shall
13 not be adopted if the district is indebted on any outstanding
14 bonds or warrants of the district unless the holders of the
15 bonds and warrants all sign written consents to the
16 detachment. After the board of trustees has adopted the
17 resolution of detachment, the clerk of the district shall
18 prepare and file a certified copy of the resolution of
19 detachment in the office of the county auditor where the
20 original petition was filed and the area detached shall become
21 excluded and detached from the boundaries of the district.

22 Sec. 23. NEW SECTION. 358C.23 CHAPTER LIBERALLY
23 CONSTRUED.

24 The provisions of this chapter shall be liberally construed
25 to facilitate the development of land for housing.

26 EXPLANATION

27 This bill provides for the creation of real estate
28 improvement districts which are given the authority to
29 construct and install many types of infrastructure to
30 facilitate the development or redevelopment of real estate.
31 The types of infrastructure include underground gas, water,
32 heating, sewer, telecommunications, and electrical
33 connections; sanitary, storm, and combined sewers; waterworks,
34 water mains, and extensions; emergency warning systems;
35 sidewalk and pedestrian underpasses or overpasses; drainage

1 conduits, dikes, and levees; public waterways, docks, and
2 wharfs; public parks, playgrounds, and recreational
3 facilities; street grading and surfacing; drives and driveway
4 approaches; street lighting, sewage treatment plants, and
5 pumping stations; traffic control facilities; and public
6 streets, roads, and alleys.

7 A real estate improvement district is created by the
8 petition of at least a majority of the owners having an
9 interest in real property within a proposed district to the
10 board of supervisors of the county in which the largest part
11 of the proposed district is located. The petition shall
12 either request the issue of crediting the district be voted on
13 by all eligible voters in the district or state that all
14 property owners agree to the establishment of the district.
15 The proposed district may include contiguous and noncontiguous
16 parcels of land and is restricted to land within the
17 boundaries of a city, on land within two miles of a city, or
18 both. The petition shall include the names of the
19 petitioners, landowners not included on the petition whose
20 land will benefit from the public improvements, description of
21 all parcels included, the public improvements to be
22 constructed or installed, and the names of three or more
23 landowners who will serve as trustees of the district. The
24 organizational procedures are similar to those followed to
25 organize a sanitary district pursuant to chapter 358.

26 If a district is created, the board of trustees may proceed
27 to construct or install the public improvements authorized by
28 the district voters. The board has the authority to levy
29 annually 54 cents per \$1,000 of assessed valuation for
30 administrative purposes, to adopt by ordinance, rates,
31 charges, or rentals for utilities such as sewer service, issue
32 general obligation bonds and revenue bonds and impose taxes
33 and charges to repay the interest and principal on the bonds,
34 and provide for special assessment for certain improvements.
35 The district may acquire and own land, but the amount of land

1 shall not exceed 10 acres unless it is dedicated to a public
2 purpose within three years. The district may exercise the
3 power of eminent domain if necessary. Bond issues shall not
4 exceed 5 percent of the value of the taxable property and
5 special assessments are limited to the value of the property
6 with the proposed public improvement completed.

7 The bill also provides procedures for the dissolution of a
8 district, the annexation of all or part of a district, merger,
9 and the attachment or detachment of land to or from a
10 district.

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HOUSE FILE 577

H-4114

1 Amend House File 577 as follows:

2 1. Page 3, by striking lines 9 through 16 and
3 inserting the following: "objections to a subsequent
4 annexation by a city if all or the major part of the
5 district is located within two miles of the boundaries
6 of a city."

7 2. Page 4, line 4, by inserting after the words
8 "parcels of land" the following: ", all or the major
9 part of which is".

10 3. Page 12, line 2, by inserting after the word
11 "if" the following: "all or the major part of".

12 4. Page 15, line 28, by inserting after the word
13 "bonds," the following: "including the power to enter
14 into short-term loans and issue warrants,".

By DISNEY of Polk

H-4114 FILED APRIL 26, 1995

adopted 4-27-95

(P. 1988)

HOUSE FILE 577

H-4120

1 Amend the amendment, H-4114, to House File 577, as
2 follows:

3 1. Page 1, by inserting after line 9 the
4 following:

5 "____". Page 11, lines 34 and 35, by striking the
6 words: "located within two miles of the boundaries of
7 a city".

8 ____". Page 12, line 1, by inserting after the word
9 "housing" the following: "and shall comply with all
10 city design and construction standards for the public
11 improvements authorized in section 358C.3".

12 2. By renumbering as necessary.

By DISNEY of Polk

H-4120 FILED APRIL 27, 1995

adopted 4-27-95

(P. 1988)

S. 4/27/95 Ways & Means
S. 5/2/95 Motion to R/c by Head
S. 5/2/95 Amend/Do Pass
S. 5/4/95 Motion R/c Withdrawn w/ S. 3666

HOUSE FILE 577
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 222)

(As Amended and Passed by the House April 27, 1995)

Passed House, ^(P.1989) Date 4/27/95 Passed Senate, ^(P.1585) Date 5/2/95
Vote: Ayes 97 Nays 1 Vote: Ayes 33 Nays 15
Approved May 31, 1995
Repassed 5/4/95
Vote 93-1

A BILL FOR

1 An Act relating to the creation of real estate improvement
2 districts, authorizing the issuance of general obligation
3 bonds and revenue bonds, the imposition of ad valorem property
4 taxes, special assessments and fees, and other related
5 matters.

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

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House Amendments _____

1 Section 1. NEW SECTION. 358C.1 DEFINITIONS.

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

4 1. "Board" means the board of trustees of a real estate
5 improvement district.

6 2. "Construction" includes materials, labor, acts,
7 operations, and services necessary to complete a public
8 improvement.

9 3. "Cost" of a public improvement includes the cost of
10 engineering, preliminary reports, property valuations,
11 estimates, plans, specifications, notices, legal services,
12 acquisition of land, consequential damages, easements, rights-
13 of-way, construction, repair, supervision, inspection,
14 testing, notices and publication, interest during construction
15 and for not more than six months thereafter, and printing and
16 sale of bonds.

17 4. "District" means a real estate improvement district as
18 created in this chapter.

19 5. "Public improvement" includes the principal structures,
20 works, component parts, and accessories of the facilities or
21 systems specified in section 358C.3.

22 6. "Repair" includes materials, labor, acts, operations,
23 and services necessary for the reconstruction, reconstruction
24 by widening, or resurfacing of a public improvement.

25 Sec. 2. NEW SECTION. 358C.2 REAL ESTATE IMPROVEMENT
26 DISTRICT CREATED.

27 1. A majority of the owners having an interest in the real
28 property within the limits of a proposed district may file a
29 petition in the office of county auditor of the county in
30 which the proposed district or major part of the proposed
31 district is located, requesting that the question be submitted
32 to the registered voters of the proposed district of whether
33 the territory within the boundaries of the proposed district
34 shall be organized as a real estate improvement district as
35 provided in this chapter.

1 2. All of the owners having an interest in the real
2 property within the limits of a proposed district may file a
3 petition in the office of county auditor of the county in
4 which the proposed district or a major part of the proposed
5 district is located, requesting that the proposed district be
6 organized as a real estate improvement district as provided in
7 this chapter.

8 3. Areas of contiguous and noncontiguous territory may be
9 incorporated within a district. The petition shall be
10 addressed to the board of supervisors if all or part of the
11 proposed district includes territory located outside the
12 boundaries of a city, shall be submitted to the board of
13 supervisors before it is filed with the county auditor, and
14 shall set forth the following information:

15 a. The name of the district.

16 b. The district shall have perpetual existence.

17 c. The boundaries of the district.

18 d. The names and addresses of the owners of land in the
19 proposed district.

20 e. The description of the tracts of land situated in the
21 proposed district owned by those persons who may organize the
22 district.

23 f. The names and descriptions of the real estate owned by
24 the persons who do not join in the organization of the
25 district, but who will be benefited by the district.

26 g. A listing of one or more of the district improvements
27 specified in section 358C.3 which will be carried out by the
28 district.

29 h. The owners of real estate in the proposed district that
30 are unknown may also be set out in the petition as being
31 unknown.

32 i. That the establishment of the proposed district will be
33 conducive to the public health, comfort, convenience, and
34 welfare.

35 4. The petition shall also state that the owners of real

1 estate who are forming the proposed district are willing to
2 pay the taxes which may be levied against all of the property
3 in the proposed district and special assessments against the
4 real property benefited which may be assessed against them to
5 pay the costs necessary to carry out the purposes of the
6 district.

7 5. The petition shall also state that the owners of real
8 estate who are forming the proposed district waive any
9 objections to a subsequent annexation by a city if all or the
10 major part of the district is located within two miles of the
11 boundaries of a city.

12 6. The petition shall propose the names of three or more
13 trustees who shall be owners of real estate in the proposed
14 district or the designees of owners of property in the
15 proposed district, to serve as a board of trustees until their
16 successors are elected and qualified if the district is
17 organized. The board of trustees shall only carry out those
18 purposes which are authorized in this chapter and listed in
19 the petition.

20 7. If the petition requests that the district be organized
21 without an election, the petition shall contain the signatures
22 of all known owners of property within the proposed district.

23 8. If the proposed district includes real estate located
24 in whole or in part within the boundaries of a city, the
25 petition shall be submitted to and approved by the city
26 council before it is filed with the county auditor as provided
27 in subsection 1. If a petition includes a proposed district
28 located solely within the boundaries of a city, the petition
29 is not subject to action by the board of supervisors except
30 for the purpose of selecting the initial trustees and setting
31 the election date to finally organize the district or the date
32 to organize the district if no election is required.

33 9. A proposed district shall be created only from parcels
34 of land within the boundaries of a city, on parcels of land,
35 all or the major part of which is within two miles of the

1 boundaries of a city, or on parcels of land from both
2 locations.

3 Sec. 3. NEW SECTION. 358C.3 PUBLIC IMPROVEMENTS
4 AUTHORIZED.

5 1. A district may acquire, construct, reconstruct,
6 install, maintain, and repair any of the public improvements
7 listed in subsection 2.

8 2. A public improvement includes the principal structures,
9 works, component parts, and accessories of any of the
10 following:

11 a. Underground gas, water, heating, sewer,
12 telecommunications, and electrical connections located in
13 streets for private property.

14 b. Sanitary, storm, and combined sewers.

15 c. Waterworks, water mains, and extensions.

16 d. Emergency warning systems.

17 e. Sidewalks and pedestrian underpasses or overpasses.

18 f. Drainage conduits, dikes, and levees for flood
19 protection.

20 g. Public waterways, docks, and wharfs.

21 h. Public parks, playgrounds, and recreational facilities.

22 i. Street grading, paving, graveling, macadamizing,
23 curbing, guttering, and surfacing with oil and gravel or
24 chloride.

25 j. Drives and driveway approaches located within the
26 public right-of-way.

27 k. Street lighting fixtures, connections, and facilities.

28 l. Sewage pumping stations and disposal and treatment
29 plants.

30 m. Traffic control devices, fixtures, connections, and
31 facilities.

32 n. Public roads, streets, and alleys.

33 Sec. 4. NEW SECTION. 358C.4 DATE AND NOTICE OF HEARING.

34 1. The board of supervisors to which the petition is
35 addressed, at its next meeting, shall set the time and place

1 for a hearing on the petition. The board shall direct the
2 county auditor in whose office the petition is filed to cause
3 notice to be given to all persons whom it may concern, without
4 naming them, of the pendency and content of the petition, by
5 publication of a notice as provided in section 331.305. Proof
6 of giving the notice shall be made by affidavit of the
7 publisher and the proof shall be on file with the county
8 auditor at the time the hearing begins. The notice of hearing
9 shall be directed to all persons it may concern, and shall
10 state:

11 a. That a petition has been filed with the county auditor
12 of the county, naming it, for establishment of a proposed
13 district, and the name of the proposed district.

14 b. An intelligible description of the boundaries of the
15 territory to be embraced in the district.

16 c. The date, hour, and the place where the petition will
17 be brought for hearing before the board of supervisors of the
18 named county.

19 d. That the board of supervisors will fix and determine
20 the boundaries of the proposed district as described in the
21 petition or otherwise, and for that purpose may alter and
22 amend the petition. At the hearing all interested persons
23 shall have an opportunity to be heard on the location and
24 boundaries of the proposed district and to make suggestions
25 regarding the location and boundaries.

26 e. That, in the case of a petition under section 358C.2,
27 subsection 2, a property owner who was not known and who did
28 not sign the petition and who does not object to the proposed
29 district in writing prior to the hearing or in person at the
30 hearing shall waive all objections to the organization of the
31 proposed district.

32 2. For a district which does not include land within a
33 city, copy of the notice shall also be sent by mail to each
34 owner, without naming them, of each tract of land or lot
35 within the proposed district as shown by the transfer books of

1 the auditor's office. The mailings shall be to the last known
2 mailing address unless there is on file an affidavit of the
3 auditor or of a person designated by the board to make the
4 necessary investigation, stating that a mailing address is not
5 known and that diligent inquiry has been made to ascertain it.
6 The copy of notice shall be mailed no less than twenty days
7 before the day set for hearing and proof of service shall be
8 by affidavit of the auditor. The proofs of service required
9 by this subsection shall be on file at the time the hearing
10 begins.

11 3. In lieu of the mailing to the last known address a
12 person owning land affected by a proposed district may file
13 with the county auditor an instrument in writing designating
14 the address for the mailing. This designation when filed is
15 effective for five years and applies to all proceedings under
16 this chapter. The person making the designation may change
17 the address in the same manner as the original designation is
18 made.

19 4. In lieu of publication, personal service of the notice
20 may be made upon an owner of land in the proposed district in
21 the manner and for the time required for service of original
22 notices in the district court. Proof of the service shall be
23 on file with the auditor on the date of the hearing.

24 Sec. 5. NEW SECTION. 358C.5 HEARING OF PETITION AND
25 ORDER.

26 The board of supervisors to whom the petition is addressed
27 shall preside at the hearing provided for in section 358C.4
28 and shall continue the hearing in session, with adjournments
29 from day to day, if necessary, until completed, without being
30 required to give any further notice of the hearing. Proof of
31 the residences and qualifications of the petitioners as
32 registered voters shall be made by affidavit or otherwise as
33 the board may direct. The board may consider the boundaries
34 of a proposed district, whether the boundaries are described
35 in the petition or otherwise, and for that purpose may alter

1 and amend the petition and limit or change the boundaries of
2 the proposed district as stated in the petition. The board
3 shall adjust the boundaries of a proposed district as needed
4 to exclude land that has no reasonable likelihood of benefit
5 from inclusion in the proposed district. The boundaries of a
6 proposed district shall not be changed to incorporate property
7 not included in the original petition and published notice
8 until the owner of the property is given notice of inclusion
9 as on the original hearing. All persons in the proposed
10 district shall have an opportunity to be heard regarding the
11 location and boundaries of the proposed district and to make
12 suggestions regarding the location and boundaries, and the
13 board of supervisors, after hearing the statements, evidence,
14 and suggestions made and offered at the hearing, shall approve
15 or reject the petition. If the petition is approved, the
16 board shall enter an order fixing and determining the limits
17 and boundaries of the proposed district and whether or not all
18 present and future property owners within the district have
19 waived any objections to the annexation by a city if the
20 district has issued obligations or bonds for public
21 improvement and the city assumes those obligations, and, if
22 the petition was requested under section 358C.2, subsection 1,
23 directing that an election be held for the purpose of
24 submitting to the registered voters owning land within the
25 boundaries of the proposed district the question of
26 organization and establishment of the proposed district as
27 determined by the board of supervisors. The order shall fix a
28 date for the election not more than sixty days after the date
29 of the order. If the petition was requested under section
30 358C.2, subsection 2, the order shall fix a date for the
31 organization of the district.

32 Sec. 6. NEW SECTION. 358C.6 NOTICE OF ELECTION.

33 In its order for the election the board of supervisors
34 shall direct the county commissioner of elections of the
35 county in which the petition is filed to cause notice of the

1 election to be given at least thirty days before the date of
2 election by publication of the notice as provided in section
3 331.305. The notice shall state the time and place of holding
4 the election and the hours when the polls will open and close,
5 the purpose of the election, with the name of the proposed
6 district and a description of the boundaries of the proposed
7 district, and shall set forth briefly the limits of each
8 voting precinct and the location of the polling places. Proof
9 of publication shall be made in the manner provided in section
10 358C.4 and filed with the county auditor.

11 Sec. 7. NEW SECTION. 358C.7 ELECTION.

12 1. Each registered voter resident within the proposed
13 district shall have the right to cast a ballot at the election
14 and a person shall not vote in any precinct but that of the
15 person's residence. Ballots at the election shall be in
16 substantially the following form, to wit:

17 For Real Estate Improvement District

18 Against Real Estate Improvement District

19 2. The board of supervisors shall cause a statement of the
20 result of the election to be included in the records of the
21 county auditor. If a majority of the votes cast upon the
22 question of incorporation of the proposed district shall be in
23 favor of the proposed district, the proposed district shall be
24 deemed an organized real estate improvement district under
25 this chapter and established as conducive to the public
26 health, comfort, convenience, and welfare.

27 3. In the event the petition and order provide that any
28 present or future owner of property within the district waives
29 objection to annexation if the district has issued obligations
30 or bonds for a public improvement and the annexing city
31 assumes those obligations, the board of supervisors shall file
32 a certified declaration of that provision and a legal
33 description of all real estate in the district with the county
34 recorder in each county in which the district is located.

35 Sec. 8. NEW SECTION. 358C.8 EXPENSES AND COSTS OF

1 ELECTION.

2 The election held pursuant to this chapter shall be
3 conducted by the county commissioner of elections. All
4 expenses incurred in carrying out the preceding sections of
5 this chapter, and the costs of the election, as determined by
6 the county commissioner of elections, shall be paid by those
7 who will be benefited by the proposed district. If the
8 district is not established, the expenses and costs shall be
9 collected upon the bonds of the petitioners.

10 Sec. 9. NEW SECTION. 358C.9 SELECTION OF TRUSTEES --
11 TERM OF OFFICE.

12 1. The board of supervisors which had jurisdiction of the
13 proceedings for establishment of the district, together with
14 the board of supervisors of any other county in which any part
15 of the district is located, shall appoint three trustees from
16 among those persons listed in the petition. The trustees
17 shall serve an initial two-year term. A special election
18 shall be held thirty days prior to the expiration of the
19 initial term to reelect the original trustees or elect
20 successor trustees unless less than twenty percent of the
21 planned residential units are occupied. In that case, the
22 board, at the request of a majority of the owners of real
23 estate in the districts, may appoint the trustees for an
24 additional two-year term. A special election shall be held to
25 elect successor trustees at the close of that term in
26 accordance with this section. One of the trustees elected or
27 reelected shall be designated to serve a term expiring on the
28 first day of January which is not a Sunday or legal holiday
29 following the next general election, one to serve a term
30 expiring on the first day of January which is not a Sunday or
31 legal holiday one year later, and one to serve a term expiring
32 on the first day of January which is not a Sunday or legal
33 holiday three years later. Thereafter, each term shall be for
34 a term of years established by the board of supervisors, not
35 less than three years or more than six years. Successors to

1 trustees shall be elected by special election or at a special
2 meeting of the board of trustees called for that purpose. For
3 each special election called after the initial appointment, a
4 candidate for office of trustee shall be nominated by a
5 personal affidavit of the candidate or by petition of at least
6 ten registered voters of the district and the candidate's
7 personal affidavit, which shall be filed with the county
8 commissioner of elections at least twenty-five days before the
9 date of the election. The form of the candidate's affidavit
10 shall be substantially the same as provided in section 45.3.

11 2. Vacancies in the office of trustee of a district shall
12 be filled by the remaining members of the board for the period
13 until a successor is chosen in the manner prescribed by this
14 section or by section 69.12, whichever is applicable.

15 3. In lieu of a special election, successors to trustees
16 shall be elected at a special meeting of the board of trustees
17 called for that purpose. Upon its own motion, the board of
18 trustees may, or upon petition of landowners owning more than
19 fifty percent of the total land in the district, shall, call a
20 special meeting of the residents of the district to elect
21 successors to trustees of the board. Notice of the meeting
22 shall be given at least ten days before the date of the
23 meeting by publication of the notice in a newspaper of general
24 circulation in the district. The notice shall state the date,
25 times, and location of the meeting and that the meeting is
26 called for the purpose of electing one or more trustees to the
27 board.

28 Sec. 10. NEW SECTION. 358C.10 TRUSTEE'S BOND.

29 Each trustee, before entering upon the duties of office,
30 shall execute a bond payable to the district, with security to
31 be approved by the board of supervisors which had jurisdiction
32 of the petition for establishment of the district, in such
33 form and amount as the board of supervisors may determine,
34 which bond shall be filed with the county auditor of the
35 county.

1 Sec. 11. NEW SECTION. 358C.11 REAL ESTATE IMPROVEMENT
2 DISTRICT TO BE A BODY CORPORATE -- EMINENT DOMAIN.

3 1. Each district organized under this chapter shall be a
4 body corporate and politic, with the name and style under
5 which it was organized, and by that name and style may sue and
6 be sued, contract and be contracted with, acquire and hold
7 real and personal property necessary for corporate purposes,
8 adopt a corporate seal and alter the same at pleasure, and
9 exercise all the powers conferred in this chapter.

10 2. All courts of this state shall take judicial notice of
11 the existence of real estate improvement districts organized
12 under this chapter.

13 3. A district shall not own or hold land in excess of ten
14 acres unless the land is actually used for a public purpose
15 within three years of its acquisition. A district which owns
16 or holds land in excess of ten acres for more than three years
17 without devoting it to a public purpose as provided in this
18 chapter shall divest itself of the land by public auction to
19 the highest bidder.

20 4. A district may acquire by purchase, condemnation, or
21 gift, real or personal property, right-of-way, and easement
22 within or without its corporate limits necessary for its
23 corporate purposes specified in section 358C.3.

24 5. If the board of trustees of the district decide to make
25 a public improvement pursuant to this chapter which requires
26 that private property be taken or damaged, the board may
27 exercise the power of eminent domain. The procedure to
28 condemn property shall be exercised in the manner provided in
29 chapter 6B.

* 30 6. A district shall comply with all city building and use
31 codes for owner-occupied residential housing and shall comply
32 with all city design and construction standards for the public
33 improvements authorized in section 358C.3.

34 7. A district shall not incorporate as a city if all or
35 the major part of the district is within two miles of the

1 boundaries of a city at the time the district is approved.

2 Sec. 12. NEW SECTION. 358C.12 BOARD OF TRUSTEES --

3 POWERS -- PROHIBITED ACTIONS.

4 1. The board of trustees is the corporate authority of the
5 district and shall manage and control the affairs and property
6 of the district. A majority of the board of trustees shall
7 constitute a quorum, but a smaller number may adjourn from day
8 to day. The board of trustees shall elect a president, a
9 clerk, and a treasurer from its membership and may employ
10 employees as necessary, who shall hold their employment during
11 the pleasure of the board. The board shall prescribe the
12 duties and fix the compensation of all employees of the
13 district and the amount of bond to be filed by the treasurer
14 of the district and by any employee for whom the board may
15 require bond. The members of the board of trustees shall
16 receive a per diem of forty dollars for attendance at a
17 meeting of the board or while otherwise engaged in official
18 duties, but the total per diem for each member shall not
19 exceed two thousand four hundred dollars for a fiscal year.
20 However, the board of trustees, by resolution, may establish
21 for its members a lower rate of pay than is fixed by this
22 section. The members of the board shall also be reimbursed
23 for their travel and other necessary expenses incurred in
24 performing their official duties. Travel expenses are
25 reimbursable at the rate specified in section 70A.9.

26 2. The board of trustees may adopt the necessary
27 ordinances, resolutions, and regulations for the proper
28 management and conduct of the business of the board of
29 trustees and the corporation and for carrying out the purposes
30 for which the district is formed, including for the
31 negotiation of short-term loans and the issuance of warrants.

32 3. If the board of trustees wishes to expand its authority
33 to carry out public improvements in addition to the public
34 improvements listed in the board's original petition as
35 provided in section 358C.3, the board shall submit a petition

1 to the board of supervisors specifying the additional public
2 improvements to be included within the authority of the
3 district and requesting that the board of supervisors order an
4 election as provided in section 358C.6 to approve or
5 disapprove the amendment. If the petition includes public
6 improvements as specified in section 358C.3, the board of
7 supervisors shall order the election to be conducted as
8 otherwise provided in this chapter. If the amendment is
9 approved, the original petition is amended to include the
10 additional public improvements.

11 4. The board of trustees of a district shall not purchase
12 and resell electric service or establish and operate a
13 gasworks or electric light and power plant and system.

14 5. The board of trustees shall not require or grant a
15 franchise to any person pursuant to subsection 4.

16 Sec. 13. NEW SECTION. 358C.13 TAXES -- POWER TO LEVY --
17 TAX SALES.

18 1. The board of trustees of a real estate improvement
19 district shall have the power by ordinance to levy annually
20 for the purpose of paying the administrative costs of the
21 district, or for the payment of deficiencies in special
22 assessments, or for both, a tax upon property within the
23 territorial limits of the district not exceeding fifty-four
24 cents per thousand dollars of the adjusted taxable valuation
25 of the property within the district for the preceding fiscal
26 year.

27 2. All taxes thus levied by the board shall be certified
28 by the clerk on or before March 1 to the county auditor of
29 each county in which any of the property included within the
30 territorial limits of the district is located, and shall be
31 placed upon the tax list for the current fiscal year by the
32 auditor. The county treasurer of more than one county shall
33 collect all taxes so levied in the same manner as other taxes,
34 and when delinquent the taxes shall draw the same interest.
35 All taxes levied and collected shall be paid over by the

1 officer collecting the taxes to the treasurer of the district.
2 3. Sales for delinquent taxes owing to the district shall
3 be made at the same time and in the same manner as the sales
4 are made for other taxes, and all provisions of the law of
5 this state relating to the sale of property for delinquent
6 taxes shall be applicable, so far as may be, to the sales.

7 Sec. 14. NEW SECTION. 358C.14 RENTALS AND CHARGES.

8 1. A board of trustees may by ordinance establish
9 equitable rates, charges, or rentals for the utilities and
10 services furnished by the district to be paid to the district
11 by every person, firm, or corporation whose premises are
12 served by a connection to the utilities and services directly
13 or indirectly. The rates, charges, or rentals, as near as may
14 be in the judgment of the board of trustees, shall be
15 equitable and in proportion to the services rendered and the
16 cost of the services, and taking into consideration in the
17 case of the premises the quantity of sewage or water produced
18 or used and the concentration, strength, and pollution
19 qualities of the sewage. The board of trustees may change the
20 rates, charges, or rentals as it may deem advisable, and by
21 ordinance may provide for collection. The board may contract
22 with any municipality within the district, whereby the
23 municipality may collect or assist in collecting any of the
24 rates, charges, or rentals, whether in conjunction with water
25 rentals or otherwise, and the municipality may undertake the
26 collection and render the service. The rates, charges, or
27 rentals, if not paid when due, shall constitute a lien upon
28 the real property served by a connection. The lien shall have
29 equal precedence with ordinary taxes, may be certified to the
30 county treasurer and collected in the same manner as taxes,
31 and is not divested by a judicial sale.

32 2. Sewer rentals, charges, or rates may supplant or
33 replace, in whole or in part, any monetary levy of taxes which
34 may be, or have been, authorized by the board of trustees for
35 any of the following purposes:

1 a. To meet interest and principal payments on bonds
2 legally authorized for the financing of sanitary utilities in
3 any manner.

4 b. To pay costs of the construction, maintenance, or
5 repair of the facilities or utilities, including payments to
6 be made under any contract between municipalities for either
7 the joint use of water or sewage facilities, or for the use by
8 one municipality of all or a part of the water or sewer system
9 of another municipality.

10 Sec. 15. NEW SECTION. 358C.15 DEBT LIMIT -- BORROWING --
11 BONDS -- PURPOSES.

12 1. A district may borrow money for its corporate purposes,
13 but shall not become indebted in any manner or for any purpose
14 to an amount in the aggregate exceeding its constitutional
15 debt limit of five percent on the value of the taxable
16 property within the district, to be ascertained by the last
17 state and county tax lists previous to the incurring of the
18 indebtedness. Indebtedness within this constitutional limit
19 shall not include the indebtedness of any other municipal
20 corporation located wholly or partly within the boundaries of
21 the district, special assessment bonds or obligations
22 authorized under section 358C.16.

23 2. Subject only to this debt limitation, a district shall
24 have the same powers to issue bonds, including both general
25 obligation and revenue bonds, including the power to enter
26 into short-term loans and issue warrants, which cities have
27 under the laws of this state. In the application of the laws
28 to this chapter, the words used in the laws referring to
29 municipal corporations or to cities shall be held to include
30 real estate improvement districts organized under this
31 chapter; the words "council" or "city council" shall be held
32 to include the board of trustees of a district; the words
33 "mayor" and "clerk" shall be held to include the president and
34 clerk of a board of trustees; and like construction shall be
35 given to any other words in the laws where required to permit

1 the exercise of the powers by real estate improvement
2 districts.

3 3. All bonds issued shall be signed by the president of
4 the board of trustees and attested by the clerk, with the seal
5 of the district, if any, affixed, and interest coupons
6 attached to the bonds shall be attested by the signature of
7 the clerk.

8 4. The proceeds of any bond issue made under this section
9 shall be used only for the public improvements specified in
10 section 358C.3. Proceeds from the bond issue may also be used
11 for the payment of special assessment deficiencies. The bonds
12 shall be payable in not more than forty annual installments
13 and with interest at a rate not exceeding that permitted by
14 chapter 74A, and shall be made payable at the place and be of
15 the form as the board of trustees shall by resolution
16 designate. A district issuing bonds as authorized in this
17 section is granted authority to pledge the future avails of a
18 tax levy to the payment of the principal and interest of the
19 bonds after the same come due, and the power to impose and
20 certify the levy is granted to the trustees of real estate
21 improvement districts organized under this chapter.

22 Sec. 16. NEW SECTION. 358C.16 SPECIAL ASSESSMENTS.

23 1. The board of trustees of a real estate improvement
24 district may provide for payment of all or any portion of the
25 costs of a public improvement specified in section 358C.3, by
26 assessing all, or any portion of the costs, on adjacent
27 property according to the benefits derived. For the purposes
28 of this chapter, the board of trustees may define "adjacent
29 property" as all that included within a designated benefited
30 district to be fixed by the board, which may be all of the
31 property located within the real estate improvement district
32 or any lesser portion of that property. It is not a valid
33 objection to a special assessment that the improvement for
34 which the assessment is levied is outside the limits of the
35 district, but a special assessment shall not be made upon

1 property situated outside of the district. Special
2 assessments pursuant to this section shall be in proportion to
3 the special benefits conferred upon the property, and not in
4 excess of the benefits. The value of a property is the
5 present fair market value of the property with the proposed
6 public improvements completed. Payment of installments of a
7 special assessment against property used and assessed as
8 agricultural property shall be deferred upon the filing of a
9 request by the owner in the same manner and under the same
10 procedures as provided in chapter 384 for special assessments
11 by cities.

12 2. The assessments may be made to extend over a period not
13 to exceed fifteen years, payable in as nearly equal annual
14 installments as practicable. A majority vote of the board of
15 trustees is requisite and sufficient for any action required
16 by the board of trustees under this section.

17 3. Subject to the limitations otherwise stated in this
18 section, a district organized under this chapter has all of
19 the powers to specially assess the costs of improvements
20 described in this section, including the power to issue
21 special assessment bonds, warrants, project notes, or other
22 forms of interim financing obligations, which cities have
23 under the laws of this state.

24 Sec. 17. NEW SECTION. 358C.17 ADDITIONAL TERRITORY.

25 1. The district may be enlarged and additional territory
26 annexed to the district by either of the following methods:

27 a. By petitions signed by the owners of all the property
28 to be annexed to the district. If a petition requesting
29 annexation is presented to the trustees and approved by the
30 trustees the change in the boundaries to include the
31 additional area shall be certified by the clerk of the
32 district to the county auditor in which the greater portion of
33 the district is located and thereafter the district shall
34 include the area thus annexed.

35 b. By a petition filed with the clerk of the district,

1 signed by persons owning not less than fifty percent of the
2 area to be annexed, but not signed by persons owning all the
3 area requested to be annexed. On the filing of the petition,
4 the trustees of the district shall fix a time and place for a
5 hearing on the petition and give notice of the hearing, as
6 provided in section 331.305, and by certified mail to the
7 record owners of all persons owning land within the territory
8 sought to be annexed, not less than ten days prior to the date
9 of the hearing, if the address of the owners is known or can
10 be ascertained by reasonable diligence by the trustees. At
11 the hearing, any person owning property within the area
12 proposed to be annexed or any person owning property or
13 residing within the district may appear and be heard. If,
14 after the hearing, the board of trustees determines that
15 annexation of the additional area will be conducive to the
16 public health, convenience, and welfare and will not be an
17 undue burden on the district, the board of trustees may, by
18 resolution, annex the additional area and fix the boundary
19 which shall not include more than the area requested in the
20 petition. A copy of the resolution shall be filed with the
21 county auditor of the county in which the largest portion of
22 the district is located and thereafter the area included by
23 the resolution shall be a part of the district.

24 2. All property, from and after it is annexed to the
25 district, shall be subject to all taxes and other burdens
26 levied by the district, regardless of when the obligation for
27 which the taxes or assessments are levied was incurred.

28 Sec. 18. NEW SECTION. 358C.18 ANNEXATION BY A CITY.

29 When a city or real estate improvement district proposes
30 that the district be annexed by the city, either wholly or
31 partially, an owner of property in the district shall not
32 object to the annexation if the district has issued, and there
33 remain, outstanding obligations of the district for public
34 improvements and the original petition and order of the board
35 of supervisors provide that a property owner has waived any

1 right to object if obligations are issued for public
2 improvements. When a city annexes all the territory within
3 the boundaries of a real estate improvement district, the
4 district shall merge with the city and the city shall succeed
5 to all the property and property rights of every kind,
6 contracts, and obligations, held by or belonging to the
7 district, and the city shall be liable for and recognize,
8 assume, and carry out all valid contracts and obligations of
9 the district. The city may assume and provide for the payment
10 of the obligations of any bonds of the district by issuing
11 general obligation, special assessment, or revenue refunding
12 bonds which may be sold at public or private sale or exchanged
13 for outstanding bonds. General obligation bonds of the city
14 may be issued to refund special assessment and revenue
15 obligations if the governing body of the city determines that
16 it is in the best interest of the city. The refunding of
17 these obligations shall constitute an essential corporate
18 purpose under section 384.24. All taxes, assessments, claims,
19 and demands of every kind due or owing to the district shall
20 be paid to and collected by the city. Any special assessments
21 which the district was authorized to levy, assess, relevel, or
22 reassess, but which were not levied, assessed, relevelled, or
23 reassessed, at the time of the merger, for improvements made
24 by the district or in the process of construction or
25 contracted for may be levied, assessed, relevelled, or
26 reassessed by the annexing city to the same extent as the
27 district may have levied or assessed but for the merger.
28 However, this section does not authorize the annexing city to
29 revoke any resolution, order, or finding made by the district
30 in regard to special benefits or increase any assessments made
31 by the district, but the city shall be bound by all findings
32 or orders and assessments to the same extent as the district
33 would be bound. Also, a district shall not levy any special
34 assessments after the effective date of the annexation.

35 Sec. 19. NEW SECTION. 358C.19 EFFECTIVE DATE OF MERGER.

1 The merger shall be effective thirty days after the
2 effective date of the ordinance annexing the territory within
3 the district. However, if the validity of the ordinance
4 annexing the territory is challenged by a court proceeding,
5 the effective date of the merger shall be thirty days after
6 the final determination of the validity of the ordinance. The
7 trustees of a district shall continue in possession and
8 conduct the affairs of the district until the effective date
9 of the merger, but shall not during the period levy any
10 special assessments after the effective date of annexation.

11 Sec. 20. NEW SECTION. 358C.20 PARTIAL ANNEXATION --
12 DIVISION AGREEMENT.

13 If only a part of the territory within a district is
14 annexed by a city, the city shall assume all obligations of
15 the district, whether there is an agreement between the city
16 and the district to change the boundaries of the district so
17 as to exclude the portion annexed by the city or whether there
18 is a merger of the district with the city. If a merger is
19 agreed upon, the city shall have all the rights, privileges,
20 duties, and obligations as provided in this chapter when the
21 city annexes the entire territory within the district, and the
22 trustees shall be relieved of all further duties and
23 liabilities and their bonds exonerated. An agreement between
24 the district and the city shall not be effective until
25 submitted to and approved by the district court of the county
26 in which the major portion of the district is located. An
27 agreement shall not be approved which may prejudice the rights
28 of any bondholder or creditor of the district. The district
29 court may direct amendments to the agreement before approving
30 the agreement. If the district and city do not agree upon the
31 proper adjustment of all matters growing out of the annexation
32 of a part of the territory located within the district, either
33 the district or the annexing city may apply to the district
34 court of the county where the major portion of the district is
35 located for an adjustment of all matters growing out of or in

1 any way connected with the annexation of the territory, and
2 after a hearing the district court may enter an order or
3 decree fixing the rights, duties, and obligations of the
4 parties. However, in every case the decree or order shall
5 require a change of the district boundaries so as to exclude
6 from the district that portion of the territory of the
7 district which has been annexed. The change of boundaries
8 shall become effective on the date of entry of the decree.
9 Only the district and the city shall be necessary parties to
10 the action. The decree when entered shall be binding on both
11 parties the same as though the parties had voluntarily agreed
12 thereto. This section does not authorize any district to levy
13 any special assessments within the annexed area after the
14 effective date of annexation.

15 Sec. 21. NEW SECTION. 358C.21 DISSOLUTION OF DISTRICT.

16 When a majority of the board of trustees of a district
17 desire that the district be wholly dissolved, the trustees
18 shall first propose a resolution declaring the advisability of
19 the dissolution and setting out the terms and conditions of
20 the dissolution, and also setting out the time and place when
21 the board of trustees shall meet to consider the adoption of
22 the resolution. Notice of the time and place when the
23 resolution shall be set for consideration shall be published
24 as provided in section 331.305, which publication shall
25 contain the entire wording of the proposed resolution. If any
26 part of the district lies within the area of the jurisdiction
27 of a city, then the trustees shall mail a copy of the proposed
28 resolution to the city on the date of first publication of the
29 resolution. At the hearing the owners of property within the
30 district, or a city if any part of the district lies within
31 the city, may appear and make objections to the proposed
32 resolution. If the owners representing a majority of the area
33 of real estate within the district fail to sign and present to
34 the board, on or prior to the hearing date, a written petition
35 opposing the resolution, a majority of the board of trustees

1 may pass the resolution and adopt the proposed dissolution.
2 However, the resolution shall not be adopted if the district
3 is obligated on any outstanding bonds, warrants, or other
4 debts or obligations unless the holders of the bonds,
5 warrants, or other debts or obligations all sign written
6 consents to the dissolution prior to the adoption of the
7 resolution of dissolution. If the petition opposing the
8 resolution is signed by property owners representing a
9 majority of the area of real estate within the district and
10 presented to the board of trustees on or prior to the hearing
11 date, the board of trustees shall not adopt the resolution.
12 After the board of trustees has adopted the resolution of
13 dissolution, the clerk of the district shall prepare and file
14 a certified copy of the resolution of dissolution in the
15 office of the county auditor where the original petition was
16 filed. A district shall dissolve within ninety days following
17 the merger of a district with a city.

18 Sec. 22. NEW SECTION. 358C.22 DETACHMENT OF LAND.

19 1. When a majority of the board of trustees of a district
20 desires that any property within the district be detached from
21 the district, the trustees shall first propose a resolution
22 declaring the advisability of the detachment and setting out
23 the terms and conditions of the detachment and also setting
24 out the time and place when the board of trustees will meet to
25 consider the adoption of the resolution. Notice of the time
26 and place when the resolution is set for consideration shall
27 be published as provided in section 331.305, which publication
28 shall contain the entire wording of the proposed resolution.
29 If any part of the district lies within a city, then the
30 trustees shall mail a copy of the proposed resolution to the
31 city on the date of first publication of the resolution. At
32 the hearing the owners of property within the district, or any
33 city, may appear and make objections to the proposed
34 resolution. If the owners representing a majority of the area
35 of real estate within the district fail to sign and present to

1 the board of trustees, on or prior to the hearing date, a
2 written petition opposing the resolution, a majority of the
3 board of trustees may pass the resolution and adopt the
4 proposed detachment, except that the resolution shall not be
5 adopted if the district is indebted on any outstanding bonds
6 or warrants of the district unless the holders of the bonds
7 and warrants all sign written consents to the detachment prior
8 to the adoption of the resolution of detachment. If the
9 petition opposing the resolution is signed by property owners
10 representing a majority of the area of real estate within the
11 district and presented to the board of trustees on or prior to
12 the hearing date, the board of trustees shall not adopt the
13 resolution. After the board of trustees has adopted the
14 resolution of detachment, the clerk of the district shall
15 prepare and file a certified copy of the resolution of
16 detachment in the office of the county auditor where the
17 original petition was filed, and the area detached shall
18 become excluded and detached from the boundaries of the
19 district.

20 2. The owner of a discrete tract of land which is part of
21 a district but which is not connected to the main area of the
22 district may petition the board of trustees of the district to
23 have the property detached from the district. Following
24 receipt of the petition, the board of trustees shall propose a
25 resolution declaring the advisability of the detachment and
26 setting out the terms and conditions of the detachment and
27 setting out the time and place when the board of trustees will
28 meet to consider the adoption of the resolution. Notice of
29 the time and place for the consideration shall be published as
30 provided in subsection 1. If any part of the district lies in
31 whole or in part within a city, the board of trustees shall
32 mail a copy of the proposed resolution to the municipality
33 within five days after the date of first publication of the
34 resolution. At the hearing for consideration of the
35 resolution, the board of trustees shall determine if the tract

1 of land proposed for detachment has all of the following
2 characteristics:

3 a. Has an area of twenty-five acres or more.

4 b. Is undeveloped and predominantly devoted to
5 agricultural uses.

6 c. Has no improvements placed upon it by the district and
7 receives no current services from the district.

8 3. If the board of trustees by majority vote determines
9 that the tract in question meets all of the conditions
10 provided in subsection 2, paragraphs "a" through "c", the
11 resolution shall be adopted, except that the resolution shall
12 not be adopted if the district is indebted on any outstanding
13 bonds or warrants of the district unless the holders of the
14 bonds and warrants all sign written consents to the
15 detachment. After the board of trustees has adopted the
16 resolution of detachment, the clerk of the district shall
17 prepare and file a certified copy of the resolution of
18 detachment in the office of the county auditor where the
19 original petition was filed and the area detached shall become
20 excluded and detached from the boundaries of the district.

21 Sec. 23. NEW SECTION. 358C.23 CHAPTER LIBERALLY
22 CONSTRUED.

23 The provisions of this chapter shall be liberally construed
24 to facilitate the development of land for housing.

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HOUSE FILE 577

S-3668

- 1 Amend House File 577, as passed by the House, as
2 follows:
- 3 1. Page 2, line 8, by striking the words "Areas
4 of contiguous and noncontiguous" and inserting the
5 following: "Only areas of contiguous".
- 6 2. Page 3, by striking lines 9 through 11 and
7 inserting the following: "objections to a subsequent
8 annexation by a city."
- 9 3. Page 3, by striking lines 23 and 24 and
10 inserting the following:
11 "8. The".
- 12 4. Page 4, line 17, by striking the words
13 "Sidewalks and pedestrian" and inserting the
14 following: "Pedestrian".
- 15 5. Page 4, by striking lines 25 and 26.
- 16 6. Page 4, lines 28 and 29, by striking the words
17 "and disposal and treatment plants".
- 18 7. Page 9, line 12, by inserting after the word
19 "supervisors" the following: "or city council".
- 20 8. By striking page 9, line 17, through page 10,
21 line 10, and inserting the following: "shall serve an
22 initial two-year term."
- 23 9. Page 10, line 15, by striking the words "In
24 lieu of a special election, successors" and inserting
25 the following: "Successors".
- 26 10. Page 12, by striking lines 9 through 25 and
27 inserting the following: "clerk, and a treasurer from
28 its membership."
- 29 11. Page 13, line 15, by inserting after the word
30 "franchise" the following: "under section 364.2,".
- 31 12. Page 17, lines 7 through 9, by striking the
32 words "used and assessed as agricultural property
33 shall be deferred upon the filing of a request by the
34 owner" and inserting the following: "shall be made".
- 35 13. Page 17, line 11, by inserting after the word
36 "cities." the following: "Notwithstanding the
37 provisions of section 384.62, the combined assessments
38 against any lot for public improvements included in
39 the petition creating the housing development district
40 or as authorized in section 358C.3, shall not exceed
41 the valuation of that lot as established by section
42 384.46."
- 43 14. By striking page 18, line 32, through page
44 19, line 2, and inserting the following: "object to
45 the annexation if a city annexes all the territory
46 within".
- 47 15. By striking page 20, line 11, through page
48 21, line 14.
- 49 16. Page 24, line 6, by inserting after the word
50 "improvements" the following: "or obligations".

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Page 2

1 17. By renumbering and relettering as necessary.
By MICHAEL E. GRONSTAL

S-3668 FILED MAY 2, 1995

ADOPTED

HOUSE FILE 577

S-3669

1 Amend the amendment, S-3666, to House File 577, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by striking lines 37 through 39, and
5 inserting the following: "pilot counties,"

By MICHAEL E. GRONSTAL

S-3669 FILED MAY 2, 1995

ADOPTED (P. 1579)

HOUSE FILE 577

S-3672

1 Amend the amendment, S-3666, to House File 577, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 2, by inserting after line 50 the
5 following:

6 "h. A representative of the Iowa association of
7 regional councils.

8 i. A representative of an organization
9 representing real estate brokers."

By MICHAEL E. GRONSTAL

S-3672 FILED MAY 2, 1995

ADOPTED (P. 1580)

HOUSE FILE 577

S-3677

1 Amend House File 577, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 12, by inserting after line 1 the
4 following:

5 "8. The provisions of chapters 21 and 22
6 applicable to cities, counties, and school districts
7 apply to the district. The records of the district
8 are subject to audit pursuant to section 11.6."

By PATRICK J. DELUHERY
MICHAEL E. GRONSTAL

S-3677 FILED MAY 2, 1995

ADOPTED

(P. 1584)

HOUSE FILE 577

S-3666

1 Amend House File 577, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by striking line 1 and inserting the
4 following:

5 "Section 1. NEW SECTION. 358C.1 LEGISLATIVE
6 FINDINGS -- PURPOSE.

7 The general assembly finds and declares as follows:

8 1. The economic health and development of Iowa
9 communities is tied to opportunities for jobs in and
10 near those communities and the availability of jobs is
11 in part tied to the availability of affordable, decent
12 housing in those communities.

13 2. A need exists for a program to assist
14 developers and communities in increasing the
15 availability of housing in Iowa communities.

16 3. A shortage of opportunities and means for
17 developing local housing exists. It is in the best
18 interest of the state and its citizens for
19 infrastructure development which will lower the costs
20 of developing housing.

21 4. The expansion of local housing is dependent
22 upon the cost of providing the basic infrastructure
23 necessary for a housing development. Providing this
24 infrastructure is a public purpose for which the state
25 may encourage the formation of real estate improvement
26 districts for the purpose of providing water, sewer,
27 roads, and other infrastructure."

28 2. Page 1, line 18, by inserting after the word
29 "chapter" the following: ", in a county designated as
30 a pilot county under section 358C.1A".

31 3. Page 1, by inserting after line 24 the
32 following:

33 "Sec. ____ . NEW SECTION. 358C.1A PILOT PROGRAM
34 ESTABLISHED.

35 1. The establishment of real estate improvement
36 districts under this chapter shall be limited to six
37 pilot counties. Districts may be established in
38 Jasper, Pottawattamie, and Woodbury counties.
39 Districts may also be established in three counties
40 which shall be determined by the director of the Iowa
41 finance authority so as to add to the diversity of the
42 pilot program. A real estate improvement district
43 shall not be established in a pilot county after two
44 years from the effective date of this Act."

45 4. Page 24, by inserting after line 24 the
46 following:

47 "Sec. ____ . HOUSING SUMMIT. The Iowa league of
48 cities and the Iowa state association of counties are
49 requested to convene a housing summit to examine
50 housing development in Iowa. It is requested that the

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1 summit examine the use of tax increment financing, the
2 desirability of establishing a local housing
3 development bond program in the Iowa finance
4 authority, the effect of recissions of federal funds
5 on Iowa's ability to increase its stock of housing,
6 and existing programs which have been successful in
7 promoting the expansion of housing in Iowa. It is
8 requested that participants in the summit include the
9 Iowa chapter of the American planning association,
10 home developers and builders, economic development
11 experts, and others with experience in housing
12 development or financing. A report containing the
13 recommendations of the summit is requested to be
14 provided to the studies committee of the legislative
15 council not later than September 1, 1995.

16 Sec. ____ . LEGISLATIVE STUDY. The legislative
17 council is requested to establish a study committee to
18 receive the report and recommendations of the housing
19 summit requested to be convened under this Act and to
20 determine whether changes should be made to Iowa's
21 laws regarding housing development. The committee
22 shall present its recommendations, if any, to the
23 legislative council not later than November 15, 1995.
24 Membership on the committee is requested to be the
25 following:

26 1. Eight members from the senate and house of
27 representatives, two members appointed by the majority
28 leader of the senate, two members appointed by the
29 minority leader of the senate, two members appointed
30 by the speaker of the house of representatives, and
31 two members appointed by the minority leader of the
32 house of representatives.

33 2. Eight nonvoting private members appointed by
34 the legislative council as follows:

35 a. The director of the department of economic
36 development and the director of the Iowa finance
37 authority, or their designees.

38 b. A representative of the Iowa league of cities.

39 c. A representative of the Iowa state association
40 of counties.

41 d. A representative of an organization
42 representing home builders.

43 e. A person with experience in municipal bonding
44 and knowledgeable about the legal requirements for
45 issuing bonds.

46 f. A person representing an organization which
47 advocates for low and moderate income persons
48 regarding housing.

49 g. A person with experience in financing the
50 development and purchase of housing."

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1 5. Title page, line 1, by inserting after the
2 word "to" the following: "the establishment of a
3 pilot program for".

4 6. By renumbering, relettering, or redesignating
5 and correcting internal references as necessary.

By COMMITTEE ON WAYS AND MEANS
WILLIAM D. PALMER, Chairperson

S-3666 FILED MAY 2, 1995
ADOPTED

(P.1580)

SENATE AMENDMENT TO HOUSE FILE 577

H-4227

1 Amend House File 577, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by striking line 1 and inserting the
4 following:

5 "Section 1. NEW SECTION. 358C.1 LEGISLATIVE
6 FINDINGS -- PURPOSE.

7 The general assembly finds and declares as follows:

8 1. The economic health and development of Iowa
9 communities is tied to opportunities for jobs in and
10 near those communities and the availability of jobs is
11 in part tied to the availability of affordable, decent
12 housing in those communities.

13 2. A need exists for a program to assist
14 developers and communities in increasing the
15 availability of housing in Iowa communities.

16 3. A shortage of opportunities and means for
17 developing local housing exists. It is in the best
18 interest of the state and its citizens for
19 infrastructure development which will lower the costs
20 of developing housing.

21 4. The expansion of local housing is dependent
22 upon the cost of providing the basic infrastructure
23 necessary for a housing development. Providing this
24 infrastructure is a public purpose for which the state
25 may encourage the formation of real estate improvement
26 districts for the purpose of providing water, sewer,
27 roads, and other infrastructure."

28 2. Page 1, line 18, by inserting after the word
29 "chapter" the following: ", in a county designated as
30 a pilot county under section 358C.1A".

31 3. Page 1, by inserting after line 24 the
32 following:

33 "Sec. NEW SECTION. 358C.1A PILOT PROGRAM
34 ESTABLISHED.

35 1. The establishment of real estate improvement
36 districts under this chapter shall be limited to six
37 pilot counties, which shall be determined by the
38 director of the Iowa finance authority so as to add to
39 the diversity of the pilot program. A real estate
40 improvement district shall not be established in a
41 pilot county after two years from the effective date
42 of this Act."

43 4. Page 2, line 8, by striking the words "Areas
44 of contiguous and noncontiguous" and inserting the
45 following: "Only areas of contiguous".

46 5. Page 3, by striking lines 9 through 11 and
47 inserting the following: "objections to a subsequent
48 annexation by a city."

49 6. Page 3, by striking lines 23 and 24 and
50 inserting the following:

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Page 2

- 1 "8. The".
- 2 7. Page 4, line 17, by striking the words
- 3 "Sidewalks and pedestrian" and inserting the
- 4 following: "Pedestrian".
- 5 8. Page 4, by striking lines 25 and 26.
- 6 9. Page 4, lines 28 and 29, by striking the words
- 7 "and disposal and treatment plants".
- 8 10. Page 9, line 12, by inserting after the word
- 9 "supervisors" the following: "or city council".
- 10 11. By striking page 9, line 17, through page 10,
- 11 line 10, and inserting the following: "shall serve an
- 12 initial two-year term."
- 13 12. Page 10, line 15, by striking the words "In
- 14 lieu of a special election, successors" and inserting
- 15 the following: "Successors".
- 16 13. Page 12, by inserting after line 1 the
- 17 following:
- 18 "8. The provisions of chapters 21 and 22
- 19 applicable to cities, counties, and school districts
- 20 apply to the district. The records of the district
- 21 are subject to audit pursuant to section 11.6."
- 22 14. Page 12, by striking lines 9 through 25 and
- 23 inserting the following: "clerk, and a treasurer from
- 24 its membership."
- 25 15. Page 13, line 15, by inserting after the word
- 26 "franchise" the following: "under section 364.2,".
- 27 16. Page 17, lines 7 through 9, by striking the
- 28 words "used and assessed as agricultural property
- 29 shall be deferred upon the filing of a request by the
- 30 owner" and inserting the following: "shall be made".
- 31 17. Page 17, line 11, by inserting after the word
- 32 "cities." the following: "Notwithstanding the
- 33 provisions of section 384.62, the combined assessments
- 34 against any lot for public improvements included in
- 35 the petition creating the housing development district
- 36 or as authorized in section 358C.3, shall not exceed
- 37 the valuation of that lot as established by section
- 38 384.46."
- 39 18. By striking page 18, line 32, through page
- 40 19, line 2, and inserting the following: "object to
- 41 the annexation if a city annexes all the territory
- 42 within".
- 43 19. By striking page 20, line 11, through page
- 44 21, line 14.
- 45 20. Page 24, line 6, by inserting after the word
- 46 "improvements" the following: "or obligations".
- 47 21. Page 24, by inserting after line 24 the
- 48 following:
- 49 "Sec. _____. HOUSING SUMMIT. The Iowa league of
- 50 cities and the Iowa state association of counties are

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1 requested to convene a housing summit to examine
2 housing development in Iowa. It is requested that the
3 summit examine the use of tax increment financing, the
4 desirability of establishing a local housing
5 development bond program in the Iowa finance
6 authority, the effect of recissions of federal funds
7 on Iowa's ability to increase its stock of housing,
8 and existing programs which have been successful in
9 promoting the expansion of housing in Iowa. It is
10 requested that participants in the summit include the
11 Iowa chapter of the American planning association,
12 home developers and builders, economic development
13 experts, and others with experience in housing
14 development or financing. A report containing the
15 recommendations of the summit is requested to be
16 provided to the studies committee of the legislative
17 council not later than September 1, 1995.

18 Sec. ____ . LEGISLATIVE STUDY. The legislative
19 council is requested to establish a study committee to
20 receive the report and recommendations of the housing
21 summit requested to be convened under this Act and to
22 determine whether changes should be made to Iowa's
23 laws regarding housing development. The committee
24 shall present its recommendations, if any, to the
25 legislative council not later than November 15, 1995.
26 Membership on the committee is requested to be the
27 following:

28 1. Eight members from the senate and house of
29 representatives, two members appointed by the majority
30 leader of the senate, two members appointed by the
31 minority leader of the senate, two members appointed
32 by the speaker of the house of representatives, and
33 two members appointed by the minority leader of the
34 house of representatives.

35 2. Eight nonvoting private members appointed by
36 the legislative council as follows:

37 a. The director of the department of economic
38 development and the director of the Iowa finance
39 authority, or their designees.

40 b. A representative of the Iowa league of cities.

41 c. A representative of the Iowa state association
42 of counties.

43 d. A representative of an organization
44 representing home builders.

45 e. A person with experience in municipal bonding
46 and knowledgeable about the legal requirements for
47 issuing bonds.

48 f. A person representing an organization which
49 advocates for low and moderate income persons
50 regarding housing.

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- 1 g. A person with experience in financing the
2 development and purchase of housing.
3 h. A representative of the Iowa association of
4 regional councils.
5 i. A representative of an organization
6 representing real estate brokers."
7 22. Title page, line 1, by inserting after the
8 word "to" the following: "the establishment of a
9 pilot program for".
10 23. By renumbering, relettering, or redesignating
11 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4227 FILED MAY 4, 1995

CONCURRED

(p.2379)

HOUSE FILE 577

AN ACT

RELATING TO THE ESTABLISHMENT OF A PILOT PROGRAM FOR THE CREATION OF REAL ESTATE IMPROVEMENT DISTRICTS, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND REVENUE BONDS, THE IMPOSITION OF AD VALOREM PROPERTY TAXES, SPECIAL ASSESSMENTS AND FEES, AND OTHER RELATED MATTERS.

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

Section 1. NEW SECTION. 358C.1 LEGISLATIVE FINDINGS -- PURPOSE.

The general assembly finds and declares as follows:

1. The economic health and development of Iowa communities is tied to opportunities for jobs in and near those communities and the availability of jobs is in part tied to the availability of affordable, decent housing in those communities.

2. A need exists for a program to assist developers and communities in increasing the availability of housing in Iowa communities.

3. A shortage of opportunities and means for developing local housing exists. It is in the best interest of the state and its citizens for infrastructure development which will lower the costs of developing housing.

4. The expansion of local housing is dependent upon the cost of providing the basic infrastructure necessary for a housing development. Providing this infrastructure is a public purpose for which the state may encourage the formation of real estate improvement districts for the purpose of providing water, sewer, roads, and other infrastructure.

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

1. "Board" means the board of trustees of a real estate improvement district.

2. "Construction" includes materials, labor, acts, operations, and services necessary to complete a public improvement.

3. "Cost" of a public improvement includes the cost of engineering, preliminary reports, property valuations, estimates, plans, specifications, notices, legal services, acquisition of land, consequential damages, easements, rights-of-way, construction, repair, supervision, inspection, testing, notices and publication, interest during construction and for not more than six months thereafter, and printing and sale of bonds.

4. "District" means a real estate improvement district as created in this chapter, in a county designated as a pilot county under section 358C.2.

5. "Public improvement" includes the principal structures, works, component parts, and accessories of the facilities or systems specified in section 358C.4.

6. "Repair" includes materials, labor, acts, operations, and services necessary for the reconstruction, reconstruction by widening, or resurfacing of a public improvement.

Sec. 2. NEW SECTION. 358C.2 PILOT PROGRAM ESTABLISHED.

1. The establishment of real estate improvement districts under this chapter shall be limited to six pilot counties, which shall be determined by the director of the Iowa finance authority so as to add to the diversity of the pilot program. A real estate improvement district shall not be established in a pilot county after two years from the effective date of this Act.

Sec. 3. NEW SECTION. 358C.3 REAL ESTATE IMPROVEMENT DISTRICT CREATED.

1. A majority of the owners having an interest in the real property within the limits of a proposed district may file a petition in the office of county auditor of the county in which the proposed district or major part of the proposed district is located, requesting that the question be submitted to the registered voters of the proposed district of whether

the territory within the boundaries of the proposed district shall be organized as a real estate improvement district as provided in this chapter.

2. All of the owners having an interest in the real property within the limits of a proposed district may file a petition in the office of county auditor of the county in which the proposed district or a major part of the proposed district is located, requesting that the proposed district be organized as a real estate improvement district as provided in this chapter.

3. Only areas of contiguous territory may be incorporated within a district. The petition shall be addressed to the board of supervisors if all or part of the proposed district includes territory located outside the boundaries of a city, shall be submitted to the board of supervisors before it is filed with the county auditor, and shall set forth the following information:

- a. The name of the district.
- b. The district shall have perpetual existence.
- c. The boundaries of the district.
- d. The names and addresses of the owners of land in the proposed district.
- e. The description of the tracts of land situated in the proposed district owned by those persons who may organize the district.
- f. The names and descriptions of the real estate owned by the persons who do not join in the organization of the district, but who will be benefited by the district.
- g. A listing of one or more of the district improvements specified in section 358C.4 which will be carried out by the district.
- h. The owners of real estate in the proposed district that are unknown may also be set out in the petition as being unknown.
- i. That the establishment of the proposed district will be conducive to the public health, comfort, convenience, and welfare.

4. The petition shall also state that the owners of real estate who are forming the proposed district are willing to pay the taxes which may be levied against all of the property in the proposed district and special assessments against the real property benefited which may be assessed against them to pay the costs necessary to carry out the purposes of the district.

5. The petition shall also state that the owners of real estate who are forming the proposed district waive any objections to a subsequent annexation by a city.

6. The petition shall propose the names of three or more trustees who shall be owners of real estate in the proposed district or the designees of owners of property in the proposed district, to serve as a board of trustees until their successors are elected and qualified if the district is organized. The board of trustees shall only carry out those purposes which are authorized in this chapter and listed in the petition.

7. If the petition requests that the district be organized without an election, the petition shall contain the signatures of all known owners of property within the proposed district.

8. The petition shall be submitted to and approved by the city council before it is filed with the county auditor as provided in subsection 1. If a petition includes a proposed district located solely within the boundaries of a city, the petition is not subject to action by the board of supervisors except for the purpose of selecting the initial trustees and setting the election date to finally organize the district or the date to organize the district if no election is required.

9. A proposed district shall be created only from parcels of land within the boundaries of a city, on parcels of land, all or the major part of which is within two miles of the boundaries of a city, or on parcels of land from both locations.

Sec. 4. NEW SECTION. 358C.4 PUBLIC IMPROVEMENTS AUTHORIZED.

1. A district may acquire, construct, reconstruct, install, maintain, and repair any of the public improvements listed in subsection 2.

2. A public improvement includes the principal structures, works, component parts, and accessories of any of the following:

- a. Underground gas, water, heating, sewer, telecommunications, and electrical connections located in streets for private property.
- b. Sanitary, storm, and combined sewers.
- c. Waterworks, water mains, and extensions.
- d. Emergency warning systems.
- e. Pedestrian underpasses or overpasses.
- f. Drainage conduits, dikes, and levees for flood protection.
- g. Public waterways, docks, and wharfs.
- h. Public parks, playgrounds, and recreational facilities.
- i. Street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil and gravel or chloride.
- j. Street lighting fixtures, connections, and facilities.
- k. Sewage pumping stations.
- l. Traffic control devices, fixtures, connections, and facilities.
- m. Public roads, streets, and alleys.

Sec. 5. NEW SECTION. 358C.5 DATE AND NOTICE OF HEARING.

1. The board of supervisors to which the petition is addressed, at its next meeting, shall set the time and place for a hearing on the petition. The board shall direct the county auditor in whose office the petition is filed to cause notice to be given to all persons whom it may concern, without naming them, of the pendency and content of the petition, by publication of a notice as provided in section 331.305. Proof of giving the notice shall be made by affidavit of the publisher and the proof shall be on file with the county auditor at the time the hearing begins. The notice of hearing

shall be directed to all persons it may concern, and shall state:

- a. That a petition has been filed with the county auditor of the county, naming it, for establishment of a proposed district, and the name of the proposed district.
- b. An intelligible description of the boundaries of the territory to be embraced in the district.
- c. The date, hour, and the place where the petition will be brought for hearing before the board of supervisors of the named county.
- d. That the board of supervisors will fix and determine the boundaries of the proposed district as described in the petition or otherwise, and for that purpose may alter and amend the petition. At the hearing all interested persons shall have an opportunity to be heard on the location and boundaries of the proposed district and to make suggestions regarding the location and boundaries.
- e. That, in the case of a petition under section 358C.3, subsection 2, a property owner who was not known and who did not sign the petition and who does not object to the proposed district in writing prior to the hearing or in person at the hearing shall waive all objections to the organization of the proposed district.

2. For a district which does not include land within a city, copy of the notice shall also be sent by mail to each owner, without naming them, of each tract of land or lot within the proposed district as shown by the transfer books of the auditor's office. The mailings shall be to the last known mailing address unless there is on file an affidavit of the auditor or of a person designated by the board to make the necessary investigation, stating that a mailing address is not known and that diligent inquiry has been made to ascertain it. The copy of notice shall be mailed no less than twenty days before the day set for hearing and proof of service shall be by affidavit of the auditor. The proofs of service required by this subsection shall be on file at the time the hearing begins.

3. In lieu of the mailing to the last known address a person owning land affected by a proposed district may file with the county auditor an instrument in writing designating the address for the mailing. This designation when filed is effective for five years and applies to all proceedings under this chapter. The person making the designation may change the address in the same manner as the original designation is made.

4. In lieu of publication, personal service of the notice may be made upon an owner of land in the proposed district in the manner and for the time required for service of original notices in the district court. Proof of the service shall be on file with the auditor on the date of the hearing.

Sec. 6. NEW SECTION. 358C.6 HEARING OF PETITION AND ORDER.

The board of supervisors to whom the petition is addressed shall preside at the hearing provided for in section 358C.5 and shall continue the hearing in session, with adjournments from day to day, if necessary, until completed, without being required to give any further notice of the hearing. Proof of the residences and qualifications of the petitioners as registered voters shall be made by affidavit or otherwise as the board may direct. The board may consider the boundaries of a proposed district, whether the boundaries are described in the petition or otherwise, and for that purpose may alter and amend the petition and limit or change the boundaries of the proposed district as stated in the petition. The board shall 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. The boundaries of a proposed district shall not be changed to incorporate property not included in the original petition and published notice until the owner of the property is given notice of inclusion as on the original hearing. All persons in the proposed district shall have an opportunity to be heard regarding the location and boundaries of the proposed district and to make

suggestions regarding the location and boundaries, and the board of supervisors, after hearing the statements, evidence, and suggestions made and offered at the hearing, shall approve or reject the petition. If the petition is approved, the board shall enter an order fixing and determining the limits and boundaries of the proposed district and whether or not all present and future property owners within the district have waived any objections to the annexation by a city if the district has issued obligations or bonds for public improvement and the city assumes those obligations, and, if the petition was requested under section 358C.3, subsection 1, directing that an election be held for the purpose of submitting to the registered voters owning land within the boundaries of the proposed district the question of organization and establishment of the proposed district as determined by the board of supervisors. The order shall fix a date for the election not more than sixty days after the date of the order. If the petition was requested under section 358C.3, subsection 2, the order shall fix a date for the organization of the district.

Sec. 7. NEW SECTION. 358C.7 NOTICE OF ELECTION.

In its order for the election the board of supervisors shall direct the county commissioner of elections of the county in which the petition is filed to cause notice of the election to be given at least thirty days before the date of election by publication of the notice as provided in section 331.305. The notice shall state the time and place of holding the election and the hours when the polls will open and close, the purpose of the election, with the name of the proposed district and a description of the boundaries of the proposed district, and shall set forth briefly the limits of each voting precinct and the location of the polling places. Proof of publication shall be made in the manner provided in section 358C.5 and filed with the county auditor.

Sec. 8. NEW SECTION. 358C.8 ELECTION.

1. Each registered voter resident within the proposed district shall have the right to cast a ballot at the election and a person shall not vote in any precinct but that of the person's residence. Ballots at the election shall be in substantially the following form, to wit:

For Real Estate Improvement District

Against Real Estate Improvement District

2. The board of supervisors shall cause a statement of the result of the election to be included in the records of the county auditor. If a majority of the votes cast upon the question of incorporation of the proposed district shall be in favor of the proposed district, the proposed district shall be deemed an organized real estate improvement district under this chapter and established as conducive to the public health, comfort, convenience, and welfare.

3. In the event the petition and order provide that any present or future owner of property within the district waives objection to annexation if the district has issued obligations or bonds for a public improvement and the annexing city assumes those obligations, the board of supervisors shall file a certified declaration of that provision and a legal description of all real estate in the district with the county recorder in each county in which the district is located.

Sec. 9. NEW SECTION. 358C.9 EXPENSES AND COSTS OF ELECTION.

The election held pursuant to this chapter shall be conducted by the county commissioner of elections. All expenses incurred in carrying out the preceding sections of this chapter, and the costs of the election, as determined by the county commissioner of elections, shall be paid by those who will be benefited by the proposed district. If the district is not established, the expenses and costs shall be collected upon the bonds of the petitioners.

Sec. 10. NEW SECTION. 358C.10 SELECTION OF TRUSTEES -- TERM OF OFFICE.

1. The board of supervisors or city council which had jurisdiction of the proceedings for establishment of the district, together with the board of supervisors of any other county in which any part of the district is located, shall appoint three trustees from among those persons listed in the petition. The trustees shall serve an initial two-year term.

2. Vacancies in the office of trustee of a district shall be filled by the remaining members of the board for the period until a successor is chosen in the manner prescribed by this section or by section 69.12, whichever is applicable.

3. Successors to trustees shall be elected at a special meeting of the board of trustees called for that purpose. Upon its own motion, the board of trustees may, or upon petition of landowners owning more than fifty percent of the total land in the district, shall, call a special meeting of the residents of the district to elect successors to trustees of the board. Notice of the meeting shall be given at least ten days before the date of the meeting by publication of the notice in a newspaper of general circulation in the district. The notice shall state the date, times, and location of the meeting and that the meeting is called for the purpose of electing one or more trustees to the board.

Sec. 11. NEW SECTION. 358C.11 TRUSTEE'S BOND.

Each trustee, before entering upon the duties of office, shall execute a bond payable to the district, with security to be approved by the board of supervisors which had jurisdiction of the petition for establishment of the district, in such form and amount as the board of supervisors may determine, which bond shall be filed with the county auditor of the county.

Sec. 12. NEW SECTION. 358C.12 REAL ESTATE IMPROVEMENT DISTRICT TO BE A BODY CORPORATE -- EMINENT DOMAIN.

1. Each district organized under this chapter shall be a body corporate and politic, with the name and style under which it was organized, and by that name and style may sue and be sued, contract and be contracted with, acquire and hold

real and personal property necessary for corporate purposes, adopt a corporate seal and alter the same at pleasure, and exercise all the powers conferred in this chapter.

2. All courts of this state shall take judicial notice of the existence of real estate improvement districts organized under this chapter.

3. A district shall not own or hold land in excess of ten acres unless the land is actually used for a public purpose within three years of its acquisition. A district which owns or holds land in excess of ten acres for more than three years without devoting it to a public purpose as provided in this chapter shall divest itself of the land by public auction to the highest bidder.

4. A district may acquire by purchase, condemnation, or gift, real or personal property, right-of-way, and easement within or without its corporate limits necessary for its corporate purposes specified in section 358C.4.

5. If the board of trustees of the district decide to make a public improvement pursuant to this chapter which requires that private property be taken or damaged, the board may exercise the power of eminent domain. The procedure to condemn property shall be exercised in the manner provided in chapter 6B.

6. A district shall comply with all city building and use codes for owner-occupied residential housing and shall comply with all city design and construction standards for the public improvements authorized in section 358C.4.

7. A district shall not incorporate as a city if all or the major part of the district is within two miles of the boundaries of a city at the time the district is approved.

8. The provisions of chapters 21 and 22 applicable to cities, counties, and school districts apply to the district. The records of the district are subject to audit pursuant to section 11.6.

Sec. 13. NEW SECTION. 358C.13 BOARD OF TRUSTEES -- POWERS -- PROHIBITED ACTIONS.

1. The board of trustees is the corporate authority of the district and shall manage and control the affairs and property of the district. A majority of the board of trustees shall constitute a quorum, but a smaller number may adjourn from day to day. The board of trustees shall elect a president, a clerk, and a treasurer from its membership.

2. The board of trustees may adopt the necessary ordinances, resolutions, and regulations for the proper management and conduct of the business of the board of trustees and the corporation and for carrying out the purposes for which the district is formed, including for the negotiation of short-term loans and the issuance of warrants.

3. If the board of trustees wishes to expand its authority to carry out public improvements in addition to the public improvements listed in the board's original petition as provided in section 358C.4, the board shall submit a petition to the board of supervisors specifying the additional public improvements to be included within the authority of the district and requesting that the board of supervisors order an election as provided in section 358C.7 to approve or disapprove the amendment. If the petition includes public improvements as specified in section 358C.4, the board of supervisors shall order the election to be conducted as otherwise provided in this chapter. If the amendment is approved, the original petition is amended to include the additional public improvements.

4. The board of trustees of a district shall not purchase and resell electric service or establish and operate a gasworks or electric light and power plant and system.

5. The board of trustees shall not require or grant a franchise under section 364.2, to any person pursuant to subsection 4.

Sec. 14. NEW SECTION. 358C.14 TAXES -- POWER TO LEVY -- TAX SALES.

1. The board of trustees of a real estate improvement district shall have the power by ordinance to levy annually

for the purpose of paying the administrative costs of the district, or for the payment of deficiencies in special assessments, or for both, a tax upon property within the territorial limits of the district not exceeding fifty-four cents per thousand dollars of the adjusted taxable valuation of the property within the district for the preceding fiscal year.

2. All taxes thus levied by the board shall be certified by the clerk on or before March 1 to the county auditor of each county in which any of the property included within the territorial limits of the district is located, and shall be placed upon the tax list for the current fiscal year by the auditor. The county treasurer of more than one county shall collect all taxes so levied in the same manner as other taxes, and when delinquent the taxes shall draw the same interest. All taxes levied and collected shall be paid over by the officer collecting the taxes to the treasurer of the district.

3. Sales for delinquent taxes owing to the district shall be made at the same time and in the same manner as the sales are made for other taxes, and all provisions of the law of this state relating to the sale of property for delinquent taxes shall be applicable, so far as may be, to the sales.

Sec. 15. NEW SECTION. 358C.15 RENTALS AND CHARGES.

1. A board of trustees may by ordinance establish equitable rates, charges, or rentals for the utilities and services furnished by the district to be paid to the district by every person, firm, or corporation whose premises are served by a connection to the utilities and services directly or indirectly. The rates, charges, or rentals, as near as may be in the judgment of the board of trustees, shall be equitable and in proportion to the services rendered and the cost of the services, and taking into consideration in the case of the premises the quantity of sewage or water produced or used and the concentration, strength, and pollution qualities of the sewage. The board of trustees may change the rates, charges, or rentals as it may deem advisable, and by

ordinance may provide for collection. The board may contract with any municipality within the district, whereby the municipality may collect or assist in collecting any of the rates, charges, or rentals, whether in conjunction with water rentals or otherwise, and the municipality may undertake the collection and render the service. The rates, charges, or rentals, if not paid when due, shall constitute a lien upon the real property served by a connection. The lien shall have equal precedence with ordinary taxes, may be certified to the county treasurer and collected in the same manner as taxes, and is not divested by a judicial sale.

2. Sewer rentals, charges, or rates may supplant or replace, in whole or in part, any monetary levy of taxes which may be, or have been, authorized by the board of trustees for any of the following purposes:

a. To meet interest and principal payments on bonds legally authorized for the financing of sanitary utilities in any manner.

b. To pay costs of the construction, maintenance, or repair of the facilities or utilities, including payments to be made under any contract between municipalities for either the joint use of water or sewage facilities, or for the use by one municipality of all or a part of the water or sewer system of another municipality.

Sec. 16. NEW SECTION. 358C.16 DEBT LIMIT -- BORROWING -- BONDS -- PURPOSES.

1. A 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 its constitutional debt limit of 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 constitutional limit shall not include the indebtedness of any other municipal corporation located wholly or partly within the boundaries of the district, special assessment bonds or obligations authorized under section 358C.17.

2. Subject only to this debt limitation, a district shall have the same powers to issue bonds, including both general obligation and revenue bonds, including the power to enter into short-term loans and issue warrants, which cities have under the laws of this state. In the application of the laws to this chapter, the words used in the laws referring to municipal corporations or to cities shall be held to include real estate improvement districts organized under this chapter; the words "council" or "city council" shall be held to include the board of trustees of a 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 real estate improvement districts.

3. All bonds issued shall be signed by the president of the board of trustees and attested by the clerk, with the seal of the district, if any, affixed, and interest coupons attached to the bonds shall be attested by the signature of the clerk.

4. The proceeds of any bond issue made under this section shall be used only for the public improvements specified in section 358C.4. Proceeds from the bond issue may also be used for the payment of special assessment deficiencies. The bonds shall be payable in not more than forty annual installments and with interest at a rate not exceeding that permitted by chapter 74A, and shall be made payable at the place and be of the form as the board of trustees shall by resolution designate. A district issuing bonds as authorized in this section is granted authority to pledge the future avails of a tax levy to the payment of the principal and interest of the bonds after the same come due, and the power to impose and certify the levy is granted to the trustees of real estate improvement districts organized under this chapter.

Sec. 17. NEW SECTION. 358C.17 SPECIAL ASSESSMENTS.

1. The board of trustees of a real estate improvement district may provide for payment of all or any portion of the costs of a public improvement specified in section 358C.4, by assessing all, or any portion of the costs, on adjacent property according to the benefits derived. For the purposes of this chapter, the board of trustees may define "adjacent property" as all that included within a designated benefited district to be fixed by the board, which may be all of the property located within the real estate improvement district or any lesser portion of that property. It is not a valid objection to a special assessment that the improvement for which the assessment is levied is outside the limits of the district, but a special assessment shall not be made upon property situated outside of the district. Special assessments pursuant to this section shall be in proportion to the special benefits conferred upon the property, and not in excess of the benefits. The value of a property is the present fair market value of the property with the proposed public improvements completed. Payment of installments of a special assessment against property shall be made in the same manner and under the same procedures as provided in chapter 384 for special assessments by cities. Notwithstanding the provisions of section 384.62, the combined assessments against any lot for public improvements included in the petition creating the housing development district or as authorized in section 358C.4, shall not exceed the valuation of that lot as established by section 384.46.

2. The assessments may be made to extend over a period not to exceed fifteen years, payable in as nearly equal annual installments as practicable. A majority vote of the board of trustees is requisite and sufficient for any action required by the board of trustees under this section.

3. Subject to the limitations otherwise stated in this section, a district organized under this chapter has all of the powers to specially assess the costs of improvements described in this section, including the power to issue

special assessment bonds, warrants, project notes, or other forms of interim financing obligations, which cities have under the laws of this state.

Sec. 18. NEW SECTION. 358C.18 ADDITIONAL TERRITORY.

1. The district may be enlarged and additional territory annexed to the district by either of the following methods:

a. By petitions signed by the owners of all the property to be annexed to the district. If a petition requesting annexation is presented to the trustees and approved by the trustees the change in the boundaries to include the additional area shall be certified by the clerk of the district to the county auditor in which the greater portion of the district is located and thereafter the district shall include the area thus annexed.

b. By a petition filed with the clerk of the district, signed by persons owning not less than fifty percent of the area to be annexed, but not signed by persons owning all the area requested to be annexed. On the filing of the petition, the trustees of the district shall fix a time and place for a hearing on the petition and give notice of the hearing, as provided in section 331.305, and by certified mail to the record owners of all persons owning land within the territory sought to be annexed, not less than ten days prior to the date of the hearing, if the address of the owners is known or can be ascertained by reasonable diligence by the trustees. At the hearing, any person owning property within the area proposed to be annexed or any person owning property or residing within the district may appear and be heard. If, after the hearing, the board of trustees determines that annexation of the additional area will be conducive to the public health, convenience, and welfare and will not be an undue burden on the district, the board of trustees may, by resolution, annex the additional area and fix the boundary which shall not include more than the area requested in the petition. A copy of the resolution shall be filed with the county auditor of the county in which the largest portion of

the district is located and thereafter the area included by the resolution shall be a part of the district.

2. All property, from and after it is annexed to the district, shall be subject to all taxes and other burdens levied by the district, regardless of when the obligation for which the taxes or assessments are levied was incurred.

Sec. 19. NEW SECTION. 358C.19 ANNEXATION BY A CITY.

When a city or real estate improvement district proposes that the district be annexed by the city, either wholly or partially, an owner of property in the district shall not object to the annexation if a city annexes all the territory within the boundaries of a real estate improvement district, the district shall merge with the city and the city shall succeed to all the property and property rights of every kind, contracts, and obligations, held by or belonging to the district, and the city shall be liable for and recognize, assume, and carry out all valid contracts and obligations of the district. The city may assume and provide for the payment of the obligations of any bonds of the district by issuing general obligation, special assessment, or revenue refunding bonds which may be sold at public or private sale or exchanged for outstanding bonds. General obligation bonds of the city may be issued to refund special assessment and revenue obligations if the governing body of the city determines that it is in the best interest of the city. The refunding of these obligations shall constitute an essential corporate purpose under section 384.24. All taxes, assessments, claims, and demands of every kind due or owing to the district shall be paid to and collected by the city. Any special assessments which the district was authorized to levy, assess, relevel, or reassess, but which were not levied, assessed, relevelled, or reassessed, at the time of the merger, for improvements made by the district or in the process of construction or contracted for may be levied, assessed, relevelled, or reassessed by the annexing city to the same extent as the district may have levied or assessed but for the merger.

However, this section does not authorize the annexing city to revoke any resolution, order, or finding made by the district in regard to special benefits or increase any assessments made by the district, but the city shall be bound by all findings or orders and assessments to the same extent as the district would be bound. Also, a district shall not levy any special assessments after the effective date of the annexation.

Sec. 20. NEW SECTION. 358C.20 EFFECTIVE DATE OF MERGER.

The merger shall be effective thirty days after the effective date of the ordinance annexing the territory within the district. However, if the validity of the ordinance annexing the territory is challenged by a court proceeding, the effective date of the merger shall be thirty days after the final determination of the validity of the ordinance. The trustees of a district shall continue in possession and conduct the affairs of the district until the effective date of the merger, but shall not during the period levy any special assessments after the effective date of annexation.

Sec. 21. NEW SECTION. 358C.21 DISSOLUTION OF DISTRICT.

When a majority of the board of trustees of a district desire that the district be wholly dissolved, the trustees shall first propose a resolution declaring the advisability of the dissolution and setting out the terms and conditions of the dissolution, and also setting out the time and place when the board of trustees shall meet to consider the adoption of the resolution. Notice of the time and place when the resolution shall be set for consideration shall be published as provided in section 331.305, which publication shall contain the entire wording of the proposed resolution. If any part of the district lies within the area of the jurisdiction of a city, then the trustees shall mail a copy of the proposed resolution to the city on the date of first publication of the resolution. At the hearing the owners of property within the district, or a city if any part of the district lies within the city, may appear and make objections to the proposed resolution. If the owners representing a majority of the area

of real estate within the district fail to sign and present to the board, on or prior to the hearing date, a written petition opposing the resolution, a majority of the board of trustees may pass the resolution and adopt the proposed dissolution. However, the resolution shall not be adopted if the district is obligated on any outstanding bonds, warrants, or other debts or obligations unless the holders of the bonds, warrants, or other debts or obligations all sign written consents to the dissolution prior to the adoption of the resolution of dissolution. If the petition opposing the resolution is signed by property owners representing a majority of the area of real estate within the district and presented to the board of trustees on or prior to the hearing date, the board of trustees shall not adopt the resolution. After the board of trustees has adopted the resolution of dissolution, the clerk of the district shall prepare and file a certified copy of the resolution of dissolution in the office of the county auditor where the original petition was filed. A district shall dissolve within ninety days following the merger of a district with a city.

Sec. 22. NEW SECTION. 358C.22 DETACHMENT OF LAND.

1. When a majority of the board of trustees of a district desires that any property within the district be detached from the district, the trustees shall first propose a resolution declaring the advisability of the detachment and setting out the terms and conditions of the detachment and also setting out the time and place when the board of trustees will meet to consider the adoption of the resolution. Notice of the time and place when the resolution is set for consideration shall be published as provided in section 331.305, which publication shall contain the entire wording of the proposed resolution. If any part of the district lies within a city, then the trustees shall mail a copy of the proposed resolution to the city on the date of first publication of the resolution. At the hearing the owners of property within the district, or any city, may appear and make objections to the proposed

resolution. If the owners representing a majority of the area of real estate within the district fail to sign and present to the board of trustees, on or prior to the hearing date, a written petition opposing the resolution, a majority of the board of trustees may pass the resolution and adopt the proposed detachment, except that the resolution shall not be adopted if the district is indebted on any outstanding bonds or warrants of the district unless the holders of the bonds and warrants all sign written consents to the detachment prior to the adoption of the resolution of detachment. If the petition opposing the resolution is signed by property owners representing a majority of the area of real estate within the district and presented to the board of trustees on or prior to the hearing date, the board of trustees shall not adopt the resolution. After the board of trustees has adopted the resolution of detachment, the clerk of the district shall prepare and file a certified copy of the resolution of detachment in the office of the county auditor where the original petition was filed, and the area detached shall become excluded and detached from the boundaries of the district.

2. The owner of a discrete tract of land which is part of a district but which is not connected to the main area of the district may petition the board of trustees of the district to have the property detached from the district. Following receipt of the petition, the board of trustees shall propose a resolution declaring the advisability of the detachment and setting out the terms and conditions of the detachment and setting out the time and place when the board of trustees will meet to consider the adoption of the resolution. Notice of the time and place for the consideration shall be published as provided in subsection 1. If any part of the district lies in whole or in part within a city, the board of trustees shall mail a copy of the proposed resolution to the municipality within five days after the date of first publication of the resolution. At the hearing for consideration of the

resolution, the board of trustees shall determine if the tract of land proposed for detachment has all of the following characteristics:

- a. Has an area of twenty-five acres or more.
- b. Is undeveloped and predominantly devoted to agricultural uses.
- c. Has no improvements or obligations placed upon it by the district and receives no current services from the district.

3. If the board of trustees by majority vote determines that the tract in question meets all of the conditions provided in subsection 2, paragraphs "a" through "c", the resolution shall be adopted, except that the resolution shall not be adopted if the district is indebted on any outstanding bonds or warrants of the district unless the holders of the bonds and warrants all sign written consents to the detachment. After the board of trustees has adopted the resolution of detachment, the clerk of the district shall prepare and file a certified copy of the resolution of detachment in the office of the county auditor where the original petition was filed and the area detached shall become excluded and detached from the boundaries of the district.

Sec. 23. NEW SECTION. 358C.23 CHAPTER LIBERALLY CONSTRUED.

The provisions of this chapter shall be liberally construed to facilitate the development of land for housing.

Sec. 24. HOUSING SUMMIT. The Iowa league of cities and the Iowa state association of counties are requested to convene a housing summit to examine housing development in Iowa. It is requested that the summit examine the use of tax increment financing, the desirability of establishing a local housing development bond program in the Iowa finance authority, the effect of recissions of federal funds on Iowa's ability to increase its stock of housing, and existing programs which have been successful in promoting the expansion of housing in Iowa. It is requested that participants in the

summit include the Iowa chapter of the American planning association, home developers and builders, economic development experts, and others with experience in housing development or financing. A report containing the recommendations of the summit is requested to be provided to the studies committee of the legislative council not later than September 1, 1995.

Sec. 25. LEGISLATIVE STUDY. The legislative council is requested to establish a study committee to receive the report and recommendations of the housing summit requested to be convened under this Act and to determine whether changes should be made to Iowa's laws regarding housing development. The committee shall present its recommendations, if any, to the legislative council not later than November 15, 1995. Membership on the committee is requested to be the following:

1. Eight members from the senate and house of representatives, two members appointed by the majority leader of the senate, two members appointed by the minority leader of the senate, two members appointed by the speaker of the house of representatives, and two members appointed by the minority leader of the house of representatives.

2. Eight nonvoting private members appointed by the legislative council as follows:

a. The director of the department of economic development and the director of the Iowa finance authority, or their designees.

b. A representative of the Iowa league of cities.

c. A representative of the Iowa state association of counties.

d. A representative of an organization representing home builders.

e. A person with experience in municipal bonding and knowledgeable about the legal requirements for issuing bonds.

f. A person representing an organization which advocates for low and moderate income persons regarding housing.

g. A person with experience in financing the development and purchase of housing.

h. A representative of the Iowa association of regional councils.

i. A representative of an organization representing real estate brokers.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 577, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved *May 31*, 1995

TERRY E. BRANSTAD
Governor