

Substituted for By ASF 2284
4/20/98 (P. 1774)

2/27/98 amend/Do Pass w/H. 8140
3/19/98 unfinished Business
Colombian

FEB 17 1998
LOCAL GOVERNMENT

HOUSE FILE 2232
BY LORD

WITHDRAWN 4/20/98

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

- 1 An Act relating to rural improvement zones.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2232

H-8140

- 1 Amend House File 2232 as follows:
- 2 1. Page 1, by striking lines 4 through 7 and
- 3 inserting the following:
- 4 "The board of supervisors of a county with less
- 5 than eleven thousand five hundred residents but more
- 6 than ten thousand five hundred residents, based upon
- 7 the 1990 certified federal census, and with a private
- 8 lake development, shall designate".

Withdrawn 4/20/98 By COMMITTEE ON LOCAL GOVERNMENT
VANDE HOEF of Osceola, Chairperson
H-8140 FILED FEBRUARY 27, 1998

HOUSE FILE 2232

H-9183

- 1 Amend House File 2232 as follows:
- 2 1. Page 1, by striking lines 4 through 7 and
- 3 inserting the following:
- 4 "The board of supervisors of a county with less
- 5 than eleven thousand five hundred residents but more
- 6 than ten thousand five hundred residents, based upon
- 7 the 1990 certified federal census, and with a private
- 8 lake development, shall designate".
- 9 2. Page 1, line 14, by inserting after the word
- 10 "improvements" the following: "including soil
- 11 conservation practices".

By HUSEMAN of Cherokee
H-9183 FILED APRIL 15, 1998

Adopted 4/21/98 (P. 1774)

HF 2232

1 Section 1. Section 357H.1, Code Supplement 1997, is
2 amended to read as follows:

3 357H.1 RURAL IMPROVEMENT ZONES.

4 The board of supervisors of a county with ~~less than eleven~~
5 ~~thousand five hundred residents but more than ten thousand~~
6 ~~five hundred residents, based upon the 1990 certified federal~~
7 ~~census, and with a private lake development, shall designate~~
8 an area surrounding the lake, if it is an unincorporated area
9 of the county, a rural improvement zone upon receipt of a
10 petition pursuant to section 357H.2, and upon the board's
11 determination that the area is in need of improvements. For
12 purposes of this chapter, "improvements" means dredging,
13 installation of erosion control measures, land acquisition,
14 and related improvements within or outside of the boundaries
15 of the zone.

16 For purposes of this chapter, "board" means the board of
17 supervisors of the county.

18 Sec. 2. Section 357H.6, Code Supplement 1997, is amended
19 to read as follows:

20 357H.6 TRUSTEES -- TERMS AND QUALIFICATIONS.

21 The election of trustees of a rural improvement zone shall
22 take place at a special election on ballots which shall not
23 reflect a nominee's political affiliation. Nomination shall
24 be made by petition in accordance with chapter 45. The
25 petition form shall be furnished by the county commissioner of
26 elections, signed by eligible electors of the rural
27 improvement zone equal in number to one percent of the vote
28 cast within the zone for governor in the last previous general
29 election, and shall be filed with the county commissioner of
30 elections. A plurality shall be sufficient to elect the five
31 trustees of the rural improvement zone, and no primary
32 election for that office shall be held. At the original
33 election, two trustees shall be elected for one year, two for
34 two years, and one for three years. The terms of the
35 succeeding trustees are for three years. The terms of the

1 trustees shall begin immediately after their election and
2 certification. The trustees must be residents of the zone.
3 Vacancies on the board shall be filled by appointment by the
4 remaining trustees.

5 Sec. 3. Section 357H.8, Code Supplement 1997, is amended
6 to read as follows:

7 357H.8 CERTIFICATES, CONTRACTS, AND OTHER OBLIGATIONS --
8 STANDBY TAX.

9 To provide funds for the payment of the costs of
10 improvement projects and for the payment of other activities
11 authorized pursuant to section 357H.7, the board of trustees
12 may borrow money and issue and sell certificates or may enter
13 into contracts or other obligations payable from a sufficient
14 portion of the future receipts of tax revenue authorized
15 pursuant to section 357H.9 and the standby tax in subsection 4
16 of this section. The receipts shall be pledged to the payment
17 of principal of and interest on the certificates, contracts,
18 or other obligations.

19 1. Certificates may be sold at public sale or at private
20 sale at par, premium, or discount at the discretion of the
21 board of trustees. Chapter 75 does not apply to the issuance
22 of these certificates.

23 2. Certificates may be issued with respect to a single
24 improvement project or multiple projects and may contain terms
25 or conditions as the board of trustees may provide by
26 resolution authorizing the issuance of the certificates.
27 However, certificates shall not be issued after January 1,
28 2007, except to refund other certificates as provided in
29 subsection 3.

30 3. Certificates issued to refund other certificates may be
31 sold at public sale or at private sale as provided in this
32 section with the proceeds from the sale to be used for the
33 payment of the certificates being refunded. The refunding
34 certificates may be exchanged in payment and discharge of the
35 certificates being refunded, in installments at different

1 times, or an entire issue or series at one time. Refunding
2 certificates may be sold or exchanged at any time on, before,
3 or after the maturity of the outstanding certificates to be
4 refunded, may be issued for the purpose of refunding a like,
5 greater, or lesser principal amount of certificates, and may
6 bear a rate of interest higher or lower than, or equivalent
7 to, the rate of interest on certificates being renewed or
8 refunded.

9 4. To further secure the payment of the certificates, the
10 board of trustees shall, by resolution, provide for the
11 assessment of an annual levy of a standby tax upon all taxable
12 property within the rural improvement zone. A copy of the
13 resolution shall be sent to the county auditor. The revenues
14 from the standby tax shall be deposited in a special fund and
15 shall be expended only for the payment of principal of and
16 interest on the certificates issued as provided in this
17 section, when the receipt of tax revenues pursuant to section
18 357H.9 is insufficient. If payments are necessary and made
19 from the special fund, the amount of the payments shall be
20 promptly repaid into the special fund from the first available
21 payments received which are not required for the payment of
22 principal of or interest on certificates due. No reserves may
23 be built up in the special fund in anticipation of a projected
24 default. The board of trustees shall adjust the annual
25 standby tax levy for each year to reflect the amount of
26 revenues in the special fund and the amount of principal and
27 interest which is due in that year.

28 5. Before certificates, contracts, or other obligations
29 are issued or entered into, the board of trustees shall
30 publish a notice of its intention ~~to issue the certificates,~~
31 stating the amount, the purpose, and the improvement project
32 or projects for which the certificates, contracts, or other
33 obligations are to be issued or entered into. A person may,
34 within fifteen days after the publication of the notice,
35 appeal the decision of the board of trustees in proposing to

1 issue the certificates or to enter into the contracts or other
2 obligations to the district court in the county in which the
3 rural improvement zone exists. The action of the board of
4 trustees in determining to issue the certificates or to enter
5 into the contracts or other obligations is final and
6 conclusive unless the district court finds that the board of
7 trustees has exceeded its legal authority. An action shall
8 not be brought which questions the legality of the
9 certificates, contracts, or other obligations, the power of
10 the board of trustees to issue the certificates or to enter
11 into the contracts or other obligations, the effectiveness of
12 any proceedings relating to the authorization of the project,
13 or the authorization and issuance of the certificates or
14 entrance into the contracts or other obligations after fifteen
15 days from the publication of the notice of intention to issue
16 certificates or enter into contracts or other obligations.

17 6. The board of trustees shall determine if revenues are
18 sufficient to secure the faithful performance of obligations.

19 Sec. 4. Section 357H.9, Code Supplement 1997, is amended
20 to read as follows:

21 357H.9 INCREMENTAL PROPERTY TAXES.

22 The board of trustees shall provide by resolution that
23 taxes levied on the taxable property in a rural improvement
24 zone each year by or for the benefit of the state, city,
25 county, school district, or other taxing district after the
26 effective date of the resolution shall be divided as provided
27 in section 403.19, subsections 1 and 2, in the same manner as
28 if the taxable property in the rural improvement zone was
29 taxable property in an urban renewal area and the resolution
30 was an ordinance within the meaning of those subsections. The
31 taxes received by the board of trustees shall be allocated to,
32 and when collected be paid into, a special fund and may be
33 irrevocably pledged by the trustees to pay the principal of
34 and interest on the certificates issued, contracts, or other
35 obligations approved by the board of trustees to finance or

1 refinance, in whole or in part, an improvement project. As
2 used in this section, "taxes" includes, but is not limited to,
3 all levies on an ad valorem basis upon land or real property
4 located in the rural improvement zone.

5 EXPLANATION

6 The bill allows all counties with a private lake
7 development to have an area designated a rural improvement
8 zone. Present law allows only counties with populations of
9 10,500 to 11,500 to do so. The bill expands the definition of
10 improvement for purposes of rural improvement zones to include
11 dredgings, installation of erosion control measures, land
12 acquisition, and related improvements outside of the
13 boundaries of the zone. Present law limits such items to
14 items located within the zone.

15 The bill specifies that the original and succeeding
16 trustees of a rural improvement zone shall begin their terms
17 immediately following the election and certification of the
18 outcome.

19 Present law allows for the issuance of certificates to
20 finance improvements. The bill expands this to allow for
21 entering into contracts and other obligations for purposes of
22 financing improvements.

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