

MAR 13 1997
Agriculture

HOUSE FILE 623
BY MUNDIE

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

A BILL FOR

1 An Act providing for the levy of assessments and related tax
2 deductibility, and the creation and administration of a fund
3 to support the financing of improvements within drainage
4 districts.

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

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HF 623

1 Section 1. NEW SECTION. 468.568 DISTRICT IMPROVEMENT
2 FUND -- SPECIAL IMPROVEMENTS -- ASSESSMENT -- DEDUCTIBILITY.

3 1. The board may establish a district improvement fund
4 which shall be maintained by the treasurer of the county where
5 the district is located. The board shall use the fund to
6 finance the costs of an improvement.

7 2. In order to establish the fund and levy an assessment
8 to finance the cost of an improvement, a petition must be
9 filed with the board. The petition must call for the fund's
10 establishment, describe the proposed improvement, and be
11 signed by landowners owning at least seventy-five percent of
12 the land within the district to be assessed for benefits. The
13 board shall determine if the petition satisfies the
14 requirements of this section at its next meeting following the
15 petition's filing. The board shall establish the fund and
16 levy assessments as soon as practicable after it determines
17 that the petition satisfies the requirements.

18 3. If the district is an intercounty district, the fund
19 shall be maintained by the treasurer of the county designated
20 by the board. The county treasurer shall invest moneys in the
21 fund in United States government bonds, time certificates of
22 deposit, in savings accounts in banks, or as provided in
23 chapter 12C as required by the board of supervisors. Interest
24 collected by the treasurer on the funds invested shall be
25 credited to the fund.

26 4. The board shall levy an assessment on lands within the
27 district in order to finance the cost of the improvement in
28 the same manner and according to the same procedures as
29 provided in subchapter I. However, the board may provide that
30 the owners of land against which a levy is made pay the levied
31 amount based on an installment payment schedule established by
32 the board. The schedule shall provide that the payments of
33 the assessment must be completed within five years from the
34 date that the assessment is levied. The assessment is due and
35 payable with the first half of ordinary taxes. It shall be

1 collected in the same manner with the same interest for
2 delinquency as ordinary taxes, and shall be enforced in the
3 same manner as enforcing collection by tax sale.

4 5. The payment of an assessment by a landowner shall be
5 deductible in determining net income for the purposes of the
6 state individual and corporate income tax under divisions II
7 and III of chapter 422.

8 6. The board shall begin construction of the improvement
9 as provided in subchapter I within five years after the
10 assessment is levied. The fund is abolished after moneys in
11 the fund have been used to finance the costs of the
12 improvement.

13 EXPLANATION

14 This bill amends Code chapter 468 which concerns the
15 organization and management of drainage districts, including
16 levying assessments against land within the district to
17 finance the costs of making improvements.

18 This bill provides for the establishment of a district
19 improvement fund to finance the costs of a special
20 improvement. The bill requires that in order to establish the
21 fund and an assessment to pay for the cost of the improvement,
22 a petition must be filed with the board with the names of
23 landowners in the district owning at least 75 percent of the
24 land within the district to be assessed for benefits. The
25 bill provides for the management of the fund. It provides
26 that the board must levy an assessment on lands within the
27 district in order to finance the cost of the improvement in
28 the same manner and according to the same procedures as
29 provided for other assessments. The bill provides that the
30 board may provide that the owners of land against which a levy
31 is made pay the levied amount based on an installment payment
32 schedule. The bill provides for the collection of the
33 assessment. It provides that the payment amount of the
34 assessment is tax deductible. The bill provides that the
35 construction of the improvement must begin within five years

1 after the levy and that the fund must be abolished after
2 moneys in the fund have been expended.

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