

REPRINTED

FILED FEB 23 1998

SENATE FILE 2284

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2110)

Passed Senate, Date 4-14-98 <sup>(P.1229)</sup>

Vote: Ayes 35 Nays 11

Approved May 6, 1998

Passed House, Date 4/20/98 <sup>(P.1774)</sup>

Vote: Ayes 92 Nays 0

A BILL FOR

1 An Act relating to rural improvement zones.

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

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S.F. 2284

TLSB 3697SV 77

mg/jl/8

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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**SENATE FILE 2284  
FISCAL NOTE**

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A fiscal note for Senate File 2284 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2284 allows all counties with a private lake in an unincorporated area to designate a Rural Improvement Zone. Under current law, counties with populations of 10,500 to 11,500 can designate a Rural Improvement Zone. Rural Improvement Zones are eligible for Tax Increment Financing.

**FISCAL IMPACT**

The fiscal impact of SF 2284 cannot be determined because the future growth in Rural Improvement Zones is unknown. The Bill allows taxes on future taxable valuation increases to be used for improvements. This diverts the uniform levy (\$5.40 per thousand dollars of taxable valuation) from the school aid formula to the improvements. This results in an increase in state aid. For every \$10,000,000 in taxable valuation that would have occurred naturally in a Rural Improvement Zone, state aid will increase by \$54,000.

(LSB 3697SV, JAS)

FILED MARCH 2, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR





4/14  
WITHDRAWN

## SENATE FILE 2284

S-5316

1 Amend Senate File 2284 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~~ eight thousand ~~five~~ three hundred ~~fifty~~  
7 residents, based upon the 1990 certified federal  
8 census, and with a private lake development, shall  
9 designate".

By MICHAEL E. GRONSTAL

S-5316 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5317

1 Amend Senate File 2284 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~~ eight thousand ~~five~~ three hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5317 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5318

1 Amend Senate File 2284 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~~ eight thousand ~~five~~ four hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5318 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5319

1 Amend Senate File 2284 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~~ nine thousand ~~five-hundred~~ residents, based  
7 upon the 1990 certified federal census, and with a  
8 private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5319 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5259

1 Amend Senate File 2284 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~~ four hundred ninety-five  
6 residents but more than ten thousand five hundred  
7 residents, based upon the 1990 certified federal  
8 census, and with a private lake development, shall  
9 designate".*Adapted 4/14/98* (P. 1229) By STEWART IVERSON, Jr.

S-5259 FILED MARCH 17, 1998

## SENATE FILE 2284

S-5261

1 Amend Senate File 2284 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~~ twenty thousand ~~five-hundred~~ residents but  
6 more than ten thousand ~~five-hundred~~ residents, based  
7 upon the 1990 certified federal census, and with a  
8 private lake development, shall designate".By DENNIS H. BLACK  
KITTY REHBERG*O/Order 4/14/98*  
(P. 1229)  
S-5261 FILED MARCH 17, 1998

## SENATE FILE 2284

S-5294

1 Amend Senate File 2284 as follows:

2 1. Page 1, line 7, by striking the word "lake"  
3 and inserting the following: "~~lake~~".4 2. Page 1, line 8, by striking the word "lake"  
5 and inserting the following: "~~lake~~ development".

By H. KAY HEDGE

S-5294 FILED MARCH 23, 1998

*O/Order 4/14/98*  
(P. 1229)

## SENATE FILE 2284

S-5313

1 Amend the amendment, S-5259, to Senate File 2284 as  
2 follows:

3 1. Page 1, by striking lines 2 through 9 and  
4 inserting the following:

5 "\_\_\_\_. By striking everything after the enacting  
6 clause and inserting the following:

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

9 357H.1 RURAL IMPROVEMENT ZONES.

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

24 For purposes of this chapter, "board" means the  
25 board of supervisors of the county.

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

28 357H.6 TRUSTEES -- TERMS AND QUALIFICATIONS.

29 The election of trustees of a rural improvement  
30 zone shall take place at a special election on ballots  
31 which shall not reflect a nominee's political  
32 affiliation. Nomination shall be made by petition in  
33 accordance with chapter 45. The petition form shall  
34 be furnished by the county commissioner of elections,  
35 signed by eligible electors of the rural improvement  
36 zone equal in number to one percent of the vote cast  
37 within the zone for governor in the last previous  
38 general election, and shall be filed with the county  
39 commissioner of elections. A plurality shall be  
40 sufficient to elect the five trustees of the rural  
41 improvement zone, and no primary election for that  
42 office shall be held. At the original election, two  
43 trustees shall be elected for one year, two for two  
44 years, and one for three years. The terms of the  
45 succeeding trustees are for three years. The terms of  
46 the trustees shall begin immediately after their  
47 election and certification. The trustees must be  
48 residents of the zone. Vacancies on the board shall  
49 be filled by appointment by the remaining trustees.

50 Sec. 3. Section 357H.8, Code Supplement 1997, is

S-5313

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Page 2

1 amended to read as follows:

2 357H.8 CERTIFICATES, CONTRACTS, AND OTHER  
3 OBLIGATIONS -- STANDBY TAX.

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

15 1. Certificates may be sold at public sale or at  
16 private sale at par, premium, or discount at the  
17 discretion of the board of trustees. Chapter 75 does  
18 not apply to the issuance of these certificates.

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

26 3. Certificates issued to refund other  
27 certificates may be sold at public sale or at private  
28 sale as provided in this section with the proceeds  
29 from the sale to be used for the payment of the  
30 certificates being refunded. The refunding  
31 certificates may be exchanged in payment and discharge  
32 of the certificates being refunded, in installments at  
33 different times, or an entire issue or series at one  
34 time. Refunding certificates may be sold or exchanged  
35 at any time on, before, or after the maturity of the  
36 outstanding certificates to be refunded, may be issued  
37 for the purpose of refunding a like, greater, or  
38 lesser principal amount of certificates, and may bear  
39 a rate of interest higher or lower than, or equivalent  
40 to, the rate of interest on certificates being renewed  
41 or refunded.

42 4. To further secure the payment of the  
43 certificates, the board of trustees shall, by  
44 resolution, provide for the assessment of an annual  
45 levy of a standby tax upon all taxable property within  
46 the rural improvement zone. A copy of the resolution  
47 shall be sent to the county auditor. The revenues  
48 from the standby tax shall be deposited in a special  
49 fund and shall be expended only for the payment of  
50 principal of and interest on the certificates issued

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Page 3

1 as provided in this section, when the receipt of tax  
2 revenues pursuant to section 357H.9 is insufficient.  
3 If payments are necessary and made from the special  
4 fund, the amount of the payments shall be promptly  
5 repaid into the special fund from the first available  
6 payments received which are not required for the  
7 payment of principal of or interest on certificates  
8 due. No reserves may be built up in the special fund  
9 in anticipation of a projected default. The board of  
10 trustees shall adjust the annual standby tax levy for  
11 each year to reflect the amount of revenues in the  
12 special fund and the amount of principal and interest  
13 which is due in that year.

14 5. Before certificates, contracts, or other  
15 obligations are issued or entered into, the board of  
16 trustees shall publish a notice of its intention to  
17 ~~issue the certificates~~, stating the amount, the  
18 purpose, and the improvement project or projects for  
19 which the certificates, contracts, or other  
20 obligations are to be issued or entered into. A  
21 person may, within fifteen days after the publication  
22 of the notice, appeal the decision of the board of  
23 trustees in proposing to issue the certificates or to  
24 enter into the contracts or other obligations to the  
25 district court in the county in which the rural  
26 improvement zone exists. The action of the board of  
27 trustees in determining to issue the certificates or  
28 to enter into the contracts or other obligations is  
29 final and conclusive unless the district court finds  
30 that the board of trustees has exceeded its legal  
31 authority. An action shall not be brought which  
32 questions the legality of the certificates, contracts,  
33 or other obligations, the power of the board of  
34 trustees to issue the certificates or to enter into  
35 the contracts or other obligations, the effectiveness  
36 of any proceedings relating to the authorization of  
37 the project, or the authorization and issuance of the  
38 certificates or entrance into the contracts or other  
39 obligations after fifteen days from the publication of  
40 the notice of intention to issue certificates or enter  
41 into contracts or other obligations.

42 6. The board of trustees shall determine if  
43 revenues are sufficient to secure the faithful  
44 performance of obligations.

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

47 357H.9 INCREMENTAL PROPERTY TAXES.

48 The board of trustees shall provide by resolution  
49 that taxes levied on the taxable property in a rural  
50 improvement zone each year by or for the benefit of

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Page 4

1 the state, city, county, school district, or other  
2 taxing district after the effective date of the  
3 resolution shall be divided as provided in section  
4 403.19, subsections 1 and 2, in the same manner as if  
5 the taxable property in the rural improvement zone was  
6 taxable property in an urban renewal area and the  
7 resolution was an ordinance within the meaning of  
8 those subsections. The taxes received by the board of  
9 trustees shall be allocated to, and when collected be  
10 paid into, a special fund and may be irrevocably  
11 pledged by the trustees to pay the principal of and  
12 interest on the certificates issued, contracts, or  
13 other obligations approved by the board of trustees to  
14 finance or refinance, in whole or in part, an  
15 improvement project. As used in this section, "taxes"  
16 includes, but is not limited to, all levies on an ad  
17 valorem basis upon land or real property located in  
18 the rural improvement zone."

By STEWART IVERSON, Jr.

*Adopted 4-14-98*  
*P. 1229*  
S-5313 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5314

1 Amend Senate File 2284 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".

By MICHAEL E. GRONSTAL

S-5314 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5315

1 Amend Senate File 2284 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~~ eight thousand ~~five~~ three hundred ~~twenty-five~~  
7 residents, based upon the 1990 certified federal  
8 census, and with a private lake development, shall  
9 designate".

By MICHAEL E. GRONSTAL

S-5315 FILED MARCH 23, 1998

WITHDRAWN  
4/14WITHDRAWN  
4/14

## SENATE FILE 2284

S-5326

- 1 Amend Senate File 2284 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~~ seven thousand ~~five~~ three hundred residents,  
7 based upon the 1990 ~~certified~~ federal census, and with  
8 a private lake development, shall designate".

4-14

By MICHAEL E. GRONSTAL

S-5326 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5327

- 1 Amend Senate File 2284 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~~ seven thousand ~~five~~-hundred residents, based  
7 upon the 1990 certified federal census, and with a  
8 private lake development, shall designate".

4/14

By MICHAEL E. GRONSTAL

S-5327 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5328

- 1 Amend Senate File 2284 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~~ seven thousand ~~five~~ two hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

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By MICHAEL E. GRONSTAL

S-5328 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5329

- 1 Amend Senate File 2284 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~~ seven thousand ~~five~~ six hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5329 FILED MARCH 23, 1998

WITHDRAWN

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## SENATE FILE 2284

S-5320

1 Amend Senate File 2284 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 nine thousand five eight hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5320 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5321

1 Amend Senate File 2284 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 eight thousand five two hundred fifty  
7 residents, based upon the 1990 certified federal  
8 census, and with a private lake development, shall  
9 designate".

By MICHAEL E. GRONSTAL

S-5321 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5322

1 Amend Senate File 2284 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 nine thousand five hundred residents, based  
7 upon the 1990 certified federal census, and with a  
8 private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5322 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5325

1 Amend Senate File 2284 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 seven thousand five one hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5325 FILED MARCH 23, 1998



## SENATE FILE 2284

S-5330

1 Amend Senate File 2284 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 eight thousand five one hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5330 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5331

1 Amend Senate File 2284 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 seven thousand five nine hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5331 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5332

1 Amend Senate File 2284 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 eight thousand five two hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5332 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5333

1 Amend Senate File 2284 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 five thousand five four hundred residents,  
7 based upon the 1990 certified federal census, and with  
8 a private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5333 FILED MARCH 23, 1998

## SENATE FILE 2284

S-5334

1 Amend Senate File 2284 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~~ four thousand five hundred residents, based  
7 upon the 1990 certified federal census, and with a  
8 private lake development, shall designate".

By MICHAEL E. GRONSTAL

S-5334 FILED MARCH 23, 1998

**WITHDRAWN** 4-14

## SENATE FILE 2284

S-5140

1 Amend Senate File 2284 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".

By H. KAY HEDGE

Lost 3/10/98 (p. 605) - Motion to R/c by Douglas  
S-5140 FILED MARCH 4, 1998 Motion to R/c Lost 3/16/98

## SENATE FILE 2284

S-5339

1 Amend the amendment, S-5259, to Senate File 2284 as  
2 follows:

3 1. Page 1, by striking lines 1 through 9 and  
4 inserting the following:

5 "Amend Senate File 2284 as follows:

6 \_\_\_\_\_. By striking everything after the enacting  
7 clause and inserting the following:

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

10 357H.1 RURAL IMPROVEMENT ZONES.

11 The board of supervisors of a county ~~with less than~~  
12 ~~eleven-thousand-five-hundred-residents-but-more-than~~  
13 ~~ten-thousand-five-hundred-residents,-based-upon-the~~  
14 ~~1990-certified-federal-census,-and~~ with a private lake  
15 development, shall designate an area surrounding the  
16 lake, if it is an unincorporated area of the county, a  
17 rural improvement zone upon receipt of a petition  
18 pursuant to section 357H.2, and upon the board's  
19 determination that the area is in need of  
20 improvements. For purposes of this chapter,  
21 "improvements" means dredging, installation of erosion  
22 control measures, land acquisition, and related  
23 improvements, including soil conservation practices,  
24 within or outside of the boundaries of the zone.

25 For purposes of this chapter, "board" means the  
26 board of supervisors of the county.

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

29 357H.6 TRUSTEES -- TERMS AND QUALIFICATIONS.

30 The election of trustees of a rural improvement  
31 zone shall take place at a special election on ballots  
32 which shall not reflect a nominee's political  
33 affiliation. Nomination shall be made by petition in  
34 accordance with chapter 45. The petition form shall  
35 be furnished by the county commissioner of elections,  
36 signed by eligible electors of the rural improvement  
37 zone equal in number to one percent of the vote cast  
38 within the zone for governor in the last previous  
39 general election, and shall be filed with the county  
40 commissioner of elections. A plurality shall be  
41 sufficient to elect the five trustees of the rural  
42 improvement zone, and no primary election for that  
43 office shall be held. At the original election, two  
44 trustees shall be elected for one year, two for two  
45 years, and one for three years. The terms of the  
46 succeeding trustees are for three years. The terms of  
47 the trustees shall begin immediately after their  
48 election and certification. The trustees must be  
49 residents of the zone. Vacancies on the board shall  
50 be filled by appointment by the remaining trustees.

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S-5339

Page 2

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

3 357H.8 CERTIFICATES, CONTRACTS, AND OTHER  
4 OBLIGATIONS -- STANDBY TAX.

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

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

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

27 3. Certificates issued to refund other  
28 certificates may be sold at public sale or at private  
29 sale as provided in this section with the proceeds  
30 from the sale to be used for the payment of the  
31 certificates being refunded. The refunding  
32 certificates may be exchanged in payment and discharge  
33 of the certificates being refunded, in installments at  
34 different times, or an entire issue or series at one  
35 time. Refunding certificates may be sold or exchanged  
36 at any time on, before, or after the maturity of the  
37 outstanding certificates to be refunded, may be issued  
38 for the purpose of refunding a like, greater, or  
39 lesser principal amount of certificates, and may bear  
40 a rate of interest higher or lower than, or equivalent  
41 to, the rate of interest on certificates being renewed  
42 or refunded.

43 4. To further secure the payment of the  
44 certificates, the board of trustees shall, by  
45 resolution, provide for the assessment of an annual  
46 levy of a standby tax upon all taxable property within  
47 the rural improvement zone. A copy of the resolution  
48 shall be sent to the county auditor. The revenues  
49 from the standby tax shall be deposited in a special  
50 fund and shall be expended only for the payment of

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Page 3

1 principal of and interest on the certificates issued  
2 as provided in this section, when the receipt of tax  
3 revenues pursuant to section 357H.9 is insufficient.  
4 If payments are necessary and made from the special  
5 fund, the amount of the payments shall be promptly  
6 repaid into the special fund from the first available  
7 payments received which are not required for the  
8 payment of principal of or interest on certificates  
9 due. No reserves may be built up in the special fund  
10 in anticipation of a projected default. The board of  
11 trustees shall adjust the annual standby tax levy for  
12 each year to reflect the amount of revenues in the  
13 special fund and the amount of principal and interest  
14 which is due in that year.

15 5. Before certificates, contracts, or other  
16 obligations are issued or entered into, the board of  
17 trustees shall publish a notice of its intention to  
18 ~~issue the certificates~~, stating the amount, the  
19 purpose, and the improvement project or projects for  
20 which the certificates, contracts, or other  
21 obligations are to be issued or entered into. A  
22 person may, within fifteen days after the publication  
23 of the notice, appeal the decision of the board of  
24 trustees in proposing to issue the certificates or to  
25 enter into the contracts or other obligations to the  
26 district court in the county in which the rural  
27 improvement zone exists. The action of the board of  
28 trustees in determining to issue the certificates or  
29 to enter into the contracts or other obligations is  
30 final and conclusive unless the district court finds  
31 that the board of trustees has exceeded its legal  
32 authority. An action shall not be brought which  
33 questions the legality of the certificates, contracts,  
34 or other obligations, the power of the board of  
35 trustees to issue the certificates or to enter into  
36 the contracts or other obligations, the effectiveness  
37 of any proceedings relating to the authorization of  
38 the project, or the authorization and issuance of the  
39 certificates or entrance into the contracts or other  
40 obligations after fifteen days from the publication of  
41 the notice of intention to issue certificates or enter  
42 into contracts or other obligations.

43 6. The board of trustees shall determine if  
44 revenues are sufficient to secure the faithful  
45 performance of obligations.

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

48 357H.9 INCREMENTAL PROPERTY TAXES.

49 The board of trustees shall provide by resolution  
50 that taxes levied on the taxable property in a rural

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Page 4

1 improvement zone each year by or for the benefit of  
2 the state, city, county, school district, or other  
3 taxing district after the effective date of the  
4 resolution shall be divided as provided in section  
5 403.19, subsections 1 and 2, in the same manner as if  
6 the taxable property in the rural improvement zone was  
7 taxable property in an urban renewal area and the  
8 resolution was an ordinance within the meaning of  
9 those subsections. The taxes received by the board of  
10 trustees shall be allocated to, and when collected be  
11 paid into, a special fund and may be irrevocably  
12 pledged by the trustees to pay the principal of and  
13 interest on the certificates issued, contracts, or  
14 other obligations approved by the board of trustees to  
15 finance or refinance, in whole or in part, an  
16 improvement project. As used in this section, "taxes"  
17 includes, but is not limited to, all levies on an ad  
18 valorem basis upon land or real property located in  
19 the rural improvement zone."

By MICHAEL E. GRONSTAL

S-5339 FILED MARCH 23, 1998

*Lost 4/7/98*  
*(P.1113)*

## SENATE FILE 2284

S-5499

1 Amend the amendment, S-5259, to Senate File 2284 as  
2 follows:

3 1. Page 1, by striking lines 1 through 9 and  
4 inserting the following:

5 "Amend Senate File 2284 as follows:

6 \_\_\_\_\_. By striking everything after the enacting  
7 clause and inserting the following:

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

10 357H.1 RURAL IMPROVEMENT ZONES.

11 The board of supervisors of a county with less than  
12 eleven thousand five hundred residents but more than  
13 ten thousand five hundred residents, based upon the  
14 1990 certified federal census, and with a private lake  
15 development, shall designate an area surrounding and  
16 adjoining the lake, if it is an unincorporated area of  
17 the county, a rural improvement zone upon receipt of a  
18 petition pursuant to section 357H.2, and upon the  
19 board's determination that the area is in need of  
20 improvements. For purposes of this chapter,  
21 "improvements" means dredging, installation of erosion  
22 control measures, land acquisition, and related  
23 improvements, including soil conservation practices,  
24 within or outside of the boundaries of the zone.

25 For purposes of this chapter, "board" means the  
26 board of supervisors of the county.

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

29 357H.6 TRUSTEES -- TERMS AND QUALIFICATIONS.

30 The election of trustees of a rural improvement  
31 zone shall take place at a special election on ballots  
32 which shall not reflect a nominee's political  
33 affiliation. Nomination shall be made by petition in  
34 accordance with chapter 45. The petition form shall  
35 be furnished by the county commissioner of elections,  
36 signed by eligible electors of the rural improvement  
37 zone equal in number to one percent of the vote cast  
38 within the zone for governor in the last previous  
39 general election, and shall be filed with the county  
40 commissioner of elections. A plurality shall be  
41 sufficient to elect the five trustees of the rural  
42 improvement zone, and no primary election for that  
43 office shall be held. At the original election, two  
44 trustees shall be elected for one year, two for two  
45 years, and one for three years. The terms of the  
46 succeeding trustees are for three years. The terms of  
47 the trustees shall begin immediately after their  
48 election and certification. The trustees must be  
49 residents of the zone. Vacancies on the board shall  
50 be filled by appointment by the remaining trustees.

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Page 2

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

3 357H.8 CERTIFICATES, CONTRACTS, AND OTHER  
4 OBLIGATIONS -- STANDBY TAX.

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

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

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

27 3. Certificates issued to refund other  
28 certificates may be sold at public sale or at private  
29 sale as provided in this section with the proceeds  
30 from the sale to be used for the payment of the  
31 certificates being refunded. The refunding  
32 certificates may be exchanged in payment and discharge  
33 of the certificates being refunded, in installments at  
34 different times, or an entire issue or series at one  
35 time. Refunding certificates may be sold or exchanged  
36 at any time on, before, or after the maturity of the  
37 outstanding certificates to be refunded, may be issued  
38 for the purpose of refunding a like, greater, or  
39 lesser principal amount of certificates, and may bear  
40 a rate of interest higher or lower than, or equivalent  
41 to, the rate of interest on certificates being renewed  
42 or refunded.

43 4. To further secure the payment of the  
44 certificates, the board of trustees shall, by  
45 resolution, provide for the assessment of an annual  
46 levy of a standby tax upon all taxable property within  
47 the rural improvement zone. A copy of the resolution  
48 shall be sent to the county auditor. The revenues  
49 from the standby tax shall be deposited in a special  
50 fund and shall be expended only for the payment of

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Page 3

1 principal of and interest on the certificates issued  
2 as provided in this section, when the receipt of tax  
3 revenues pursuant to section 357H.9 is insufficient.  
4 If payments are necessary and made from the special  
5 fund, the amount of the payments shall be promptly  
6 repaid into the special fund from the first available  
7 payments received which are not required for the  
8 payment of principal of or interest on certificates  
9 due. No reserves may be built up in the special fund  
10 in anticipation of a projected default. The board of  
11 trustees shall adjust the annual standby tax levy for  
12 each year to reflect the amount of revenues in the  
13 special fund and the amount of principal and interest  
14 which is due in that year.

15 5. Before certificates, contracts, or other  
16 obligations are issued or entered into, the board of  
17 trustees shall publish a notice of its intention to  
18 ~~issue the certificates~~, stating the amount, the  
19 purpose, and the improvement project or projects for  
20 which the certificates, contracts, or other  
21 obligations are to be issued or entered into. A  
22 person may, within fifteen days after the publication  
23 of the notice, appeal the decision of the board of  
24 trustees in proposing to issue the certificates or to  
25 enter into the contracts or other obligations to the  
26 district court in the county in which the rural  
27 improvement zone exists. The action of the board of  
28 trustees in determining to issue the certificates or  
29 to enter into the contracts or other obligations is  
30 final and conclusive unless the district court finds  
31 that the board of trustees has exceeded its legal  
32 authority. An action shall not be brought which  
33 questions the legality of the certificates, contracts,  
34 or other obligations, the power of the board of  
35 trustees to issue the certificates or to enter into  
36 the contracts or other obligations, the effectiveness  
37 of any proceedings relating to the authorization of  
38 the project, or the authorization and issuance of the  
39 certificates or entrance into the contracts or other  
40 obligations after fifteen days from the publication of  
41 the notice of intention to issue certificates or enter  
42 into contracts or other obligations.

43 6. The board of trustees shall determine if  
44 revenues are sufficient to secure the faithful  
45 performance of obligations.

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

48 357H.9 INCREMENTAL PROPERTY TAXES.

49 The board of trustees shall provide by resolution  
50 that taxes levied on the taxable property in a rural

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Page 4

1 improvement zone each year by or for the benefit of  
2 the state, city, county, school district, or other  
3 taxing district after the effective date of the  
4 resolution shall be divided as provided in section  
5 403.19, subsections 1 and 2, in the same manner as if  
6 the taxable property in the rural improvement zone was  
7 taxable property in an urban renewal area and the  
8 resolution was an ordinance within the meaning of  
9 those subsections. The taxes received by the board of  
10 trustees shall be allocated to, and when collected be  
11 paid into, a special fund and may be irrevocably  
12 pledged by the trustees to pay the principal of and  
13 interest on the certificates issued, contracts, or  
14 other obligations approved by the board of trustees to  
15 finance or refinance, in whole or in part, an  
16 improvement project. As used in this section, "taxes"  
17 includes, but is not limited to, all levies on an ad  
18 valorem basis upon land or real property located in  
19 the rural improvement zone."

By MICHAEL E. GRONSTAL

S-5499 FILED APRIL 2, 1998

4/14/98

*Withdrawn*  
(P. 1227)

SENATE FILE 2284

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2110)

(AS AMENDED AND PASSED BY THE SENATE APRIL 14, 1998)

ALL New Language by the Senate

Passed Senate, Date \_\_\_\_\_ Passed House, Date 4/20/98

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 92 Nays 0

Approved May 6, 1998

(P.1774)

**A BILL FOR**

1 An Act relating to rural improvement zones.

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

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10777 J.C.

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, including soil conservation  
15 practices, within or outside of the boundaries 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.

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Maddox  
Douglas  
Judge

SS B-2110  
Ways & Means  
Succeeded By  
SENATE FILE CHF 2284  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL  
BY CHAIRPERSON DOUGLAS)

Passed Senate, Date \_\_\_\_\_ Passed House, 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:

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TLSB 3697SC 77

mg/jl/8

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.

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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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## SENATE FILE 2284

AN ACT  
RELATING TO RURAL IMPROVEMENT ZONES.

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

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

357H.1 RURAL IMPROVEMENT ZONES.

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

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

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

357H.6 TRUSTEES -- TERMS AND QUALIFICATIONS.

The election of trustees of a rural improvement zone shall take place at a special election on ballots which shall not reflect a nominee's political affiliation. Nomination shall be made by petition in accordance with chapter 45. The petition form shall be furnished by the county commissioner of elections, signed by eligible electors of the rural improvement zone equal in number to one percent of the vote cast within the zone for governor in the last previous general

election, and shall be filed with the county commissioner of elections. A plurality shall be sufficient to elect the five trustees of the rural improvement zone, and no primary election for that office shall be held. At the original election, two trustees shall be elected for one year, two for two years, and one for three years. The terms of the succeeding trustees are for three years. The terms of the trustees shall begin immediately after their election and certification. The trustees must be residents of the zone. Vacancies on the board shall be filled by appointment by the remaining trustees.

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

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

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

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

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

3. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times, or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded, may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates, and may bear a rate of interest higher or lower than, or equivalent to, the rate of interest on certificates being renewed or refunded.

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

5. Before certificates, contracts, or other obligations are issued or entered into, the board of trustees shall

publish a notice of its intention to ~~issue the certificates~~, stating the amount, the purpose, and the improvement project or projects for which the certificates, contracts, or other obligations are to be issued or entered into. A person may, within fifteen days after the publication of the notice, appeal the decision of the board of trustees in proposing to issue the certificates or to enter into the contracts or other obligations to the district court in the county in which the rural improvement zone exists. The action of the board of trustees in determining to issue the certificates or to enter into the contracts or other obligations is final and conclusive unless the district court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, contracts, or other obligations, the power of the board of trustees to issue the certificates or to enter into the contracts or other obligations, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates or entrance into the contracts or other obligations after fifteen days from the publication of the notice of intention to issue certificates or enter into contracts or other obligations.

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

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

#### 357H.9 INCREMENTAL PROPERTY TAXES.

The board of trustees shall provide by resolution that taxes levied on the taxable property in a rural improvement zone each year by or for the benefit of the state, city, county, school district, or other taxing district after the effective date of the resolution shall be divided as provided in section 403.19, subsections 1 and 2, in the same manner as if the taxable property in the rural improvement zone was taxable property in an urban renewal area and the resolution



was an ordinance within the meaning of those subsections. The taxes received by the board of trustees shall be allocated to, and when collected be paid into, a special fund and may be irrevocably pledged by the trustees to pay the principal of and interest on the certificates issued, contracts, or other obligations approved by the board of trustees to finance or refinance, in whole or in part, an improvement project. As used in this section, "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property located in the rural improvement zone.

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MARY E. KRAMER

President of the Senate

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RON J. CORBETT

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2284, Seventy-seventh General Assembly.

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MARY PAT GUNDERSON

Secretary of the Senate

Approved May 6, 1998

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TERRY E. BRANSTAD

Governor

SF 2284