

*Johanson, Chair*  
*Montemach*  
*Kreiman*

HSB 643

Agriculture

HOUSE FILE \_\_\_\_\_ <sup>SUC</sup> SF 02405  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CHAIRPERSON KLEMME)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the acquisition and holding of agricultural  
2 land by qualified enterprises, providing penalties, and  
3 providing an effective date.

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

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1 Section 1. PURPOSE. The purpose of this Act is to promote  
2 economic and agricultural prosperity in this state, by  
3 providing opportunities for leading commercial enterprises  
4 that are engaged in the advancement of animal and human health  
5 sciences to acquire and hold agricultural land with certain  
6 restrictions and in a manner that complements rather than  
7 competes with the production of grain and livestock on farms  
8 in this state, and promises to enhance this state's preeminent  
9 position in agriculture.

10 Sec. 2. Section 10B.4, subsection 2, Code 2001, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. h. If the reporting entity is a qualified  
13 enterprise, as provided in chapter 10D, the total amount of  
14 commercial sales of products from a designated or incidental  
15 use as provided for in section 10D.2.

16 Sec. 3. NEW SECTION. 10D.1 DEFINITIONS.

17 As used in this section, unless the context otherwise  
18 requires:

19 1. "Actively engaged in farming" means the same as defined  
20 in section 10.1.

21 2. "Agricultural land" means land suitable for use in  
22 farming as defined in section 9H.1.

23 3. "Baby chicks" means the same as defined in section  
24 168.1.

25 4. "Qualified enterprise" or "enterprise" means a domestic  
26 or foreign corporation subject to chapter 490, a nonprofit  
27 corporation organized under chapter 504A, a limited liability  
28 company as defined in section 490A.102, a cooperative  
29 association as defined in section 10.1, or a foreign business  
30 as defined in section 567.1.

31 Sec. 4. NEW SECTION. 10D.2 QUALIFIED ENTERPRISES --  
32 AGRICULTURAL LAND INTERESTS.

33 Notwithstanding any other provision of law, a qualified  
34 enterprise may acquire or hold an ownership or leasehold  
35 interest in agricultural land as long as the qualified

1 enterprise complies with all of the following requirements:

2 1. The enterprise holds a total of not more than one  
3 thousand two hundred eighty acres of agricultural land.

4 2. The enterprise only holds the agricultural land for a  
5 designated or incidental use.

6 a. A designated use must relate to producing baby chicks  
7 or fertile chicken eggs for any of the following purposes:

8 (1) Sale or resale as breeding stock or breeding stock  
9 progeny.

10 (2) Research, testing, or experimentation required to  
11 modify the genetic characteristics of chickens.

12 (3) The production and sale of products using  
13 biotechnological systems or techniques for purposes of  
14 manufacturing biological, pharmaceutical, or nutraceutical  
15 products.

16 b. An incidental use must be for a purpose related to the  
17 sale of a surplus commodity that is produced or kept on the  
18 agricultural land, or to the sale of any by-product that is  
19 produced as part of a designated use.

20 Sec. 5. NEW SECTION. 10D.3 ENFORCEMENT -- PENALTIES.

21 1. The office of attorney general or a county attorney  
22 shall enforce the provisions of this chapter.

23 2. A person who violates a provision of this chapter shall  
24 be subject to all of the following:

25 a. The person shall be assessed a civil penalty of not  
26 more than twenty-five thousand dollars. Each day that a  
27 violation exists constitutes a separate offense.

28 b. The person shall be divested of any land held in  
29 violation of this chapter within one year after judgment. The  
30 court may determine the method of divesting an interest held  
31 by a person found to be in violation of this chapter. A  
32 financial gain realized by the person that disposes of an  
33 interest held in violation of this chapter shall be forfeited.

34 c. The person shall pay all court costs and attorney fees  
35 associated with any enforcement action which shall be taxed as

1 court costs.

2 3. If the attorney general is the prevailing party, the  
3 moneys required to be paid or forfeited by a person who  
4 violates a provision of this chapter shall be deposited in the  
5 general fund of the state. If the county attorney is the  
6 prevailing party, the moneys shall be deposited in the general  
7 fund of the county.

8 4. The courts of this state may prevent and restrain  
9 violations of this chapter through the issuance of an  
10 injunction. The attorney general or a county attorney shall  
11 institute suits on behalf of the state to prevent and restrain  
12 violations of this chapter.

13 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
14 immediate importance, takes effect upon enactment.

15 EXPLANATION

16 This bill creates new Code chapter 10D. According to the  
17 bill, the purpose of the new Code chapter is to promote  
18 economic and agricultural prosperity in this state, by  
19 providing opportunities for leading commercial enterprises  
20 that are engaged in the advancement of animal and human health  
21 sciences.

22 Code chapter 9H generally prohibits corporate entities from  
23 holding an interest in agricultural land used in farming.  
24 Code chapter 567 also prohibits nonalien residents and foreign  
25 governments from holding such an interest.

26 The bill provides that notwithstanding any other provision  
27 of law, a qualified enterprise may hold an interest in  
28 agricultural land for a designated or incidental use. A  
29 qualified enterprise is a domestic or foreign corporation, a  
30 nonprofit corporation, a limited liability company, a  
31 cooperative association, or a foreign business. Code section  
32 567.1 defines a foreign business as a corporation incorporated  
33 under the laws of a foreign country, or a business entity  
34 whether or not incorporated, in which a majority interest is  
35 owned directly or indirectly by nonresident aliens.

1 The bill provides that a qualified enterprise must comply  
 2 with certain requirements in order to hold agricultural land  
 3 in this state. It can hold a total of not more than 1,280  
 4 acres of agricultural land. In addition it can only hold the  
 5 agricultural land for a designated or incidental use. A  
 6 designated use must relate to producing baby chicks or fertile  
 7 chicken eggs for sale or resale as breeding stock or breeding  
 8 stock progeny; research required to modify the genetic  
 9 characteristics of chickens; or the production and sale of  
 10 products using biotechnological systems or techniques for use  
 11 in the manufacture of biological, pharmaceutical, or  
 12 nutraceutical products. An incidental use must be the sale of  
 13 a surplus commodity that is produced or kept on the  
 14 agricultural land, or the sale of any by-product that is  
 15 produced as part of a designated use.

16 The bill provides that the attorney general or a county  
 17 attorney is responsible for enforcing the provision of the new  
 18 Code chapter. The bill provides that a person violating the  
 19 provisions of the Code chapter is subject to a civil penalty  
 20 of not more than \$25,000 and must be divested of any land held  
 21 in violation of the chapter. Each day that a violation exists  
 22 constitutes a separate violation. The person must pay all  
 23 court costs and attorney fees. The bill provides that a court  
 24 may grant an injunction in order to restrain violations of the  
 25 chapter's provisions.

26 The bill also amends Code chapter 10B, which provides for  
 27 reporting of agricultural land holdings. The bill provides  
 28 that along with other information required to be reported, an  
 29 enterprise must report the total amount of commercial sales  
 30 from commercial sales of products from a designated or  
 31 incidental use.

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Substituted for by SF ~~21~~ 2210  
3/18/02  
(P. 818)  
FEB 18 2002  
Place On Calendar

3/14/02 UNFINISHED BUSINESS CALENDAR

HOUSE FILE 2405  
BY COMMITTEE ON AGRICULTURE

**WITHDRAWN**  
3-18-02

(SUCCESSOR TO HSB 643)  
  
(COMPANION TO SF 2210)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the acquisition and holding of agricultural  
2 land by qualified enterprises, by providing for activities  
3 related to baby chicks and fertilized chicken eggs, providing  
4 penalties, and providing an effective date.

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

**HOUSE FILE 2405**

**H-8124**

1 Amend House File 2405 as follows:

2 1. Page 1, line 32, by striking the words "an  
3 ownership or" and inserting the following: "a".

4 2. Page 2, by inserting after line 28, the  
5 following:

6 "\_\_\_\_. The lease executed by the qualified  
7 enterprise terminates no later than twelve years from  
8 the date that the qualified enterprise files a notice  
9 with the secretary of state as provided in this  
10 section. The lease shall not be renewed or otherwise  
11 continued to a date that is later than twelve years  
12 from the date that the qualified enterprise files the  
13 notice with the secretary of state."

14 3. By renumbering as necessary.

By FALLON of Polk

**H-8124 FILED FEBRUARY 27, 2002**

*dot 3/18/02 (p. 818)*

HF 2405

1 Section 1. PURPOSE. The purpose of this Act is to promote  
2 economic and agricultural prosperity in this state, by  
3 providing opportunities for leading commercial enterprises  
4 that are engaged in the advancement of animal and human health  
5 sciences to acquire and hold agricultural land with certain  
6 restrictions and in a manner that complements rather than  
7 competes with the production of grain and livestock on farms  
8 in this state, and promises to enhance this state's preeminent  
9 position in agriculture.

10 Sec. 2. Section 10B.4A, Code 2001, is amended by adding  
11 the following new unnumbered paragraph:

12 NEW UNNUMBERED PARAGRAPH. A person required to file a  
13 report pursuant to this chapter is not required to register  
14 with the secretary of state as otherwise required in any  
15 chapter enumerated in this section.

16 Sec. 3. NEW SECTION. 10D.1 DEFINITIONS.

17 As used in this section, unless the context otherwise  
18 requires:

19 1. "Agricultural land" means land suitable for use in  
20 farming as defined in section 9H.1.

21 2. "Baby chicks" means the same as defined in section  
22 168.1.

23 3. "Qualified enterprise" or "enterprise" means a domestic  
24 or foreign corporation subject to chapter 490, a nonprofit  
25 corporation organized under chapter 504A, a limited liability  
26 company as defined in section 490A.102, a cooperative  
27 association as defined in section 10.1, or a foreign business  
28 as defined in section 567.1.

29 Sec. 4. NEW SECTION. 10D.2 QUALIFIED ENTERPRISES --  
30 AGRICULTURAL LAND INTERESTS.

31 Notwithstanding any other provision of law, a qualified  
32 enterprise may acquire or hold an ownership or leasehold  
33 interest in agricultural land as long as the qualified  
34 enterprise complies with all of the following requirements:

35 1. The enterprise files a notice with the secretary of

1 state not later than June 30, 2002. The notice shall be a  
2 simple statement providing the name of the enterprise and the  
3 address of the enterprise's registered office or registered  
4 agent. The notice shall indicate that the enterprise intends  
5 to acquire or hold an interest in agricultural land under this  
6 chapter. The secretary of state shall file the notice  
7 together with reports required for the enterprise as required  
8 in chapter 10B.

9 2. The enterprise holds a total of not more than one  
10 thousand two hundred eighty acres of agricultural land. The  
11 enterprise must hold not more than eight hundred acres of  
12 agricultural land in any one county.

13 3. The enterprise only holds the agricultural land for a  
14 designated or incidental use.

15 a. A designated use must relate to producing baby chicks  
16 or fertile chicken eggs for any of the following purposes:

17 (1) Sale or resale as breeding stock or breeding stock  
18 progeny.

19 (2) Research, testing, or experimentation related to the  
20 genetic characteristics of chickens.

21 (3) The production and sale of products using  
22 biotechnological systems or techniques for purposes of  
23 manufacturing animal vaccine, pharmaceutical, or nutraceutical  
24 products.

25 b. An incidental use must be for a purpose related to the  
26 sale of a surplus commodity or cull animal that is produced or  
27 kept on the agricultural land, or to the sale of any by-  
28 product that is produced as part of a designated use.

29 Sec. 5. NEW SECTION. 10D.3 ENFORCEMENT -- PENALTIES.

30 1. The office of attorney general or a county attorney  
31 shall enforce the provisions of this chapter.

32 2. A person who violates a provision of this chapter shall  
33 be subject to all of the following:

34 a. The person shall be assessed a civil penalty of not  
35 more than twenty-five thousand dollars. Each day that a

1 violation exists constitutes a separate offense.

2 b. The person shall be divested of any land held in  
3 violation of this chapter within one year after judgment. The  
4 court may determine the method of divesting an interest held  
5 by a person found to be in violation of this chapter. A  
6 financial gain realized by the person that disposes of an  
7 interest held in violation of this chapter shall be forfeited.

8 c. The person shall pay all court costs and fees  
9 associated with any enforcement action which shall be taxed as  
10 court costs.

11 3. If the attorney general is the prevailing party, the  
12 moneys required to be paid or forfeited by a person who  
13 violates a provision of this chapter shall be deposited in the  
14 general fund of the state. If the county attorney is the  
15 prevailing party, the moneys shall be deposited in the general  
16 fund of the county.

17 4. The courts of this state may prevent and restrain  
18 violations of this chapter through the issuance of an  
19 injunction. The attorney general or a county attorney shall  
20 institute suits on behalf of the state to prevent and restrain  
21 violations of this chapter.

22 5. A person who is in violation of this chapter shall not  
23 be subject to an enforcement action other than as provided in  
24 this section.

25 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
26 immediate importance, takes effect upon enactment.

27 EXPLANATION

28 This bill creates new Code chapter 10D. According to the  
29 bill, the purpose of the new Code chapter is to promote  
30 economic and agricultural prosperity in this state, by  
31 providing opportunities for leading commercial enterprises  
32 that are engaged in the advancement of animal and human health  
33 sciences.

34 Code chapter 9H generally prohibits corporate entities from  
35 holding an interest in agricultural land used in farming.

1 Code chapter 567 also prohibits nonalien residents and foreign  
2 governments from holding such an interest.

3 The bill provides that notwithstanding any other provision  
4 of law, a qualified enterprise may hold an interest in  
5 agricultural land for a designated or incidental use. A  
6 qualified enterprise is a domestic or foreign corporation, a  
7 nonprofit corporation, a limited liability company, a  
8 cooperative association, or a foreign business. Code section  
9 567.1 defines a foreign business as a corporation incorporated  
10 under the laws of a foreign country, or a business entity  
11 whether or not incorporated, in which a majority interest is  
12 owned directly or indirectly by nonresident aliens.

13 The bill provides that a qualified enterprise must comply  
14 with certain requirements in order to hold agricultural land  
15 in this state. It must file a notice with the secretary of  
16 state by June 30, 2002, declaring an intention to acquire or  
17 hold agricultural land under the Code chapter. It can hold a  
18 total of not more than 1,280 acres of agricultural land, but  
19 not more than 800 acres in any one county. In addition it can  
20 only hold the agricultural land for a designated or incidental  
21 use. A designated use must relate to producing baby chicks or  
22 fertile chicken eggs for sale or resale as breeding stock or  
23 breeding stock progeny; research related to the genetic  
24 characteristics of chickens; or the production and sale of  
25 products using biotechnological systems or techniques for use  
26 in the manufacture of animal vaccine, pharmaceutical, or  
27 nutraceutical products. An incidental use must be the sale of  
28 a surplus commodity that is produced or kept on the  
29 agricultural land, or the sale of any by-product that is  
30 produced as part of a designated use.

31 The bill provides that the attorney general or a county  
32 attorney is responsible for enforcing the provision of the new  
33 Code chapter. The bill provides that a person violating the  
34 provisions of the Code chapter is subject to a civil penalty  
35 of not more than \$25,000 and must be divested of any land held

1 in violation of the chapter. Each day that a violation exists  
2 constitutes a separate violation. The person must pay all  
3 court costs and fees. The bill provides that a court may  
4 grant an injunction in order to restrain violations of the  
5 chapter's provisions.

6 The bill also amends Code chapter 10B, which provides for  
7 reporting of agricultural land holdings. The bill provides  
8 that a person required to file a report pursuant to the Code  
9 chapter is not required to register with the secretary of  
10 state under Code chapter 567.

11 The bill takes effect upon enactment.

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## HOUSE FILE 2405

H-8293

1 Amend House File 2405 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "DIVISION I

5 STATE LAND MANAGEMENT AND PLANNING

6 Section 1. NEW SECTION. 6C.1 TITLE.

7 This chapter shall be known and may be cited as the  
8 "Land Management Planning Act".

9 Sec. \_\_\_\_ . NEW SECTION. 6C.2 LAND DEVELOPMENT AND  
10 USE -- STATE POLICY ESTABLISHED.

11 It is the policy of this state to provide for the  
12 sound and orderly development and use of land and to  
13 provide for the protection and preservation of the  
14 private and public interest in the land, water, and  
15 related resources of this state for the public health,  
16 safety, morals, and general welfare of present and  
17 future generations. It is further the policy of this  
18 state to preserve the use of prime agricultural land  
19 for agricultural production and to preserve natural,  
20 cultural, and historical areas while striking a  
21 balance between legitimate public purposes and private  
22 property rights.

23 Sec. \_\_\_\_ . NEW SECTION. 6C.3 DEFINITIONS.

24 1. "Agricultural land" means agricultural land as  
25 that term is defined in section 9H.1.

26 2. "Board" means the land management planning  
27 board established in section 6C.4.

28 3. "Department" means the department of economic  
29 development.

30 4. "Public agency" means an agency as defined in  
31 section 17A.2, a county, a city, or other political  
32 subdivision, including but not limited to a principal  
33 department as provided in section 7E.5, a school  
34 corporation organized under chapter 273 or 274, a  
35 community college as provided in chapter 260C, or a  
36 township as provided in chapter 359.

37 5. "Strategic development plan" means a plan  
38 adopted by a county and the cities within the county  
39 and approved by the land management planning board as  
40 provided in chapter 366.

41 Sec. \_\_\_\_ . NEW SECTION. 6C.4 LAND MANAGEMENT  
42 PLANNING BOARD.

43 1. A land management planning board is established  
44 as the state's principal agency overseeing land  
45 management planning by cities and counties. The board  
46 shall oversee the administration of this chapter, and  
47 chapters 366 and 368, monitor the effectiveness of  
48 public agencies in carrying out the policy of this  
49 state as established in section 6C.2, and study  
50 methods to successfully implement the policy.

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1 2. The board shall be composed of the following  
2 members:

3 a. One member appointed from a city with a  
4 population of more than forty-five thousand, according  
5 to the most recent certified federal census.

6 b. One member appointed from a city with a  
7 population of forty-five thousand or less, according  
8 to the most recent certified federal census.

9 c. One member appointed from a county with a  
10 population of more than fifty thousand, according to  
11 the most recent certified federal census.

12 d. One member appointed from a county with a  
13 population of fifty thousand or less, according to the  
14 most recent certified federal census.

15 e. One member appointed to represent the general  
16 public.

17 3. The members shall be appointed by the governor  
18 subject to confirmation by the senate as provided in  
19 section 2.32. The appointments shall be for six-year  
20 staggered terms beginning and ending as provided in  
21 section 69.19, or for an unexpired term if a vacancy  
22 occurs. No member shall serve more than two complete  
23 six-year terms.

24 4. The board shall elect a chairperson each year.

25 5. Members of the board, other than a state  
26 officer or employee, are entitled to receive a per  
27 diem as specified in section 7E.6 for each day spent  
28 in performance of duties as members, and shall be  
29 reimbursed for all actual and necessary expenses  
30 incurred in the performance of duties as members.

31 6. The department shall provide office space and  
32 staff assistance, and shall budget funds to cover  
33 expenses of the board and of committees established  
34 pursuant to chapter 368. The office of attorney  
35 general shall provide legal counsel to the board.

36 Sec. \_\_\_\_ . NEW SECTION. 6C.5 POWERS AND DUTIES OF  
37 THE BOARD.

38 1. The board shall do all of the following:

39 a. Review strategic development plans submitted  
40 for dispute resolution pursuant to section 366.6.

41 b. Review and approve plans submitted for final  
42 approval pursuant to section 366.7.

43 c. Approve or disapprove petitions for boundary  
44 adjustment as provided in chapter 368.

45 d. Establish policies for administration of the  
46 land management planning fund created in section 6C.6.

47 e. Adopt rules pursuant to chapter 17A necessary  
48 to administer its duties under this chapter and  
49 chapters 366 and 368. The rules may include  
50 establishing filing fees for applications and

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1 petitions submitted to the board pursuant to chapter  
2 368.

3 2. The board may adopt forms to be completed and  
4 submitted by cities and counties as necessary for the  
5 efficient administration of this chapter and chapters  
6 366 and 368.

7 Sec. \_\_\_\_ . NEW SECTION. 6C.6 LAND MANAGEMENT  
8 PLANNING FUND.

9 1. A land management planning fund is created  
10 within the state treasury under the control of the  
11 department. Moneys in the fund shall be used  
12 exclusively to pay for the costs of administration of  
13 this chapter and chapters 366 and 368 by the  
14 department.

15 2. The fund shall consist of all of the following:

16 a. Moneys appropriated by the general assembly.

17 b. Moneys available to and obtained or accepted by  
18 the department from the federal government or private  
19 sources for deposit in the fund.

20 c. Filing fees paid for applications and petitions  
21 submitted to the board pursuant to chapter 368.

22 DIVISION II"

23 2. Page 3, by striking lines 25 and 26.

24 3. Page 3, by inserting before line 27 the  
25 following:

26 "DIVISION III

27 LOCAL GOVERNMENT LAND MANAGEMENT AND PLANNING

28 Sec. \_\_\_\_ . NEW SECTION. 366.1 DEFINITIONS.

29 1. "Agricultural land" means agricultural land as  
30 defined in section 9H.1.

31 2. "Board" means the land management planning  
32 board created in section 6C.4.

33 Sec. \_\_\_\_ . NEW SECTION. 366.2 LOCAL STRATEGIC  
34 DEVELOPMENT COMMITTEE.

35 1. A local strategic development committee is  
36 created within each county whose population is forty  
37 thousand or more or whose population is over ten  
38 thousand and increased by six percent or more between  
39 the 1990 federal decennial census and the 2000 federal  
40 decennial census. Members shall be appointed to the  
41 committee on or before September 1, 2002. The

42 committee shall be composed of the following members:

43 a. Three members appointed by the county board of  
44 supervisors. Two of the three members must be  
45 residents of the unincorporated area of the county.

46 b. One member appointed by the city council of  
47 each city located in the county.

48 c. One member appointed by the mayor of each of  
49 the two cities with the highest population located in  
50 the county.

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1 d. An additional member shall be appointed by the  
2 mayor of each participating city for every fifty  
3 thousand residents in the city.

4 2. A city shall be represented on a committee if  
5 any part of the city is located in the county.

6 3. Two or more contiguous counties required to  
7 create a strategic development plan may organize as  
8 one combined strategic development committee.

9 4. The committee shall hold an organizational  
10 meeting no later than ten days after appointment of  
11 members. The organizational meeting shall be convened  
12 by the chairperson of the county board of supervisors.

13 Sec. \_\_\_\_ . NEW SECTION. 366.3 STRATEGIC  
14 DEVELOPMENT PLAN -- GOALS AND OBJECTIVES.

15 1. The local strategic development committee shall  
16 create and recommend a strategic development plan for  
17 the county.

18 2. The purpose of a strategic development plan is  
19 to direct coordinated, efficient, and orderly urban  
20 development that will, based on an analysis of present  
21 and future needs, best promote the public health,  
22 safety, morals, and general welfare. The goals and  
23 objectives of a strategic development plan include the  
24 following:

25 a. Encouraging a pattern of compact development in  
26 strategic development areas.

27 b. Promoting redevelopment of existing urban  
28 areas.

29 c. Promoting employment opportunities and the  
30 economic health of the county and all cities in the  
31 county.

32 d. Providing for a variety of housing choices  
33 within strategic development areas and assuring  
34 affordable housing for future population growth.

35 e. Identifying and conserving natural resource  
36 areas, environmentally sensitive land, and features of  
37 significant local, statewide, or regional  
38 architectural, cultural, historical, or archaeological  
39 interest.

40 f. Preserving land identified by the strategic  
41 development committee as prime agricultural land for  
42 use in agricultural production.

43 g. Balancing the need for land management  
44 regulations with the protection of private property  
45 rights.

46 h. Ensuring the efficient use of infrastructure  
47 and that adequate municipal services are provided  
48 concurrently with development.

49 i. Taking into consideration such other matters  
50 that are related to the coordinated, efficient, and

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1 orderly development of the county and all cities in  
2 the county.

3 Sec. \_\_\_\_ . NEW SECTION. 366.4 STRATEGIC  
4 DEVELOPMENT PLAN -- REQUIREMENTS.

5 1. A strategic development plan shall divide the  
6 county into strategic development areas where future  
7 development would be allowed to occur and strategic  
8 preservation areas where development would not be  
9 allowed. A strategic development plan shall address  
10 transportation, public infrastructure, municipal  
11 services, economic development, housing, recreation,  
12 natural resources, and land use. A strategic  
13 development plan may address hazard mitigation, energy  
14 systems, cultural preservation, and other elements  
15 appropriate to the area governed by the plan.

16 2. The committee shall conduct a review of  
17 existing comprehensive plans governing the county, if  
18 applicable, and governing each city located in the  
19 county.

20 3. Before the committee drafts a strategic  
21 development plan, the committee shall hold a public  
22 hearing in order to obtain citizen input on  
23 preparation of the strategic development plan. The  
24 hearing shall be held no later than thirty days after  
25 the committee's organizational meeting. The county  
26 auditor shall publish notice of the time, date, place,  
27 and purpose of the public hearing in a newspaper of  
28 general circulation in the county. The notice must be  
29 published not less than ten days but no more than  
30 twenty days before the hearing. The notice shall  
31 include a description of the general duties of the  
32 strategic development committee and the cities and  
33 counties represented on the strategic development  
34 committee.

35 4. A strategic development plan shall include  
36 documents describing and depicting the corporate  
37 limits of each city in the county and the boundaries  
38 of each strategic development area and each strategic  
39 preservation area.

40 5. a. In establishing a strategic development  
41 area, the plan shall do all of the following:

42 (1) Identify territory that a reasonable and  
43 prudent person would project as the likely site of  
44 commercial, industrial, or residential growth over the  
45 next twenty years based on historical experience,  
46 economic trends, population growth patterns,  
47 topographical characteristics, and any professional  
48 planning, engineering, and economic studies that are  
49 available. The city shall report population growth  
50 projections for the city based upon federal census

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1 data.

2 (2) Identify agricultural land which has a corn  
3 suitability rating of sixty or higher, according to  
4 information released by Iowa state university to the  
5 department of revenue and finance for assessment and  
6 taxation of agricultural land. Agricultural land with  
7 a corn suitability rating of sixty or higher shall not  
8 be included in a strategic development area unless the  
9 local strategic development committee makes a showing  
10 that the land is necessary for the orderly development  
11 of the strategic development area.

12 b. In establishing a strategic preservation area,  
13 the plan shall identify territory to be preserved for  
14 the next twenty years for agricultural purposes,  
15 forests, recreational areas, wildlife management  
16 areas, cultural areas, historical areas, or other  
17 areas planned for preservation.

18 6. When designating that part of a strategic  
19 development area contiguous to a city, the committee  
20 shall identify, and give consideration to, the amount  
21 of territory within the current incorporated  
22 boundaries of the city that is vacant or undeveloped  
23 land.

24 7. The committee shall utilize planning resources  
25 that are available within the county, including city  
26 and county planning commissions, zoning  
27 administrators, and a council of governments  
28 established pursuant to chapter 28H. The committee is  
29 also encouraged to utilize the services of a joint  
30 planning commission established pursuant to chapter  
31 28I and colleges and universities in the state.

32 Sec. \_\_\_\_ . NEW SECTION. 366.5 LOCAL GOVERNMENT  
33 RATIFICATION OF STRATEGIC DEVELOPMENT PLAN.

34 1. Before the committee submits the plan  
35 recommended for ratification, the committee shall hold  
36 at least one public hearing on the proposed  
37 recommended strategic development plan. The county  
38 auditor shall publish notice of the time, place, and  
39 purpose of the public hearing in a newspaper of  
40 general circulation in the county. The notice must be  
41 published at least ten days but no more than twenty  
42 days before the hearing.

43 2. Not later than January 1, 2004, the committee  
44 shall submit the recommended strategic development  
45 plan to the county board of supervisors and the city  
46 council of each city in the county.

47 a. Not later than sixty days after receiving the  
48 recommended strategic development plan, the county  
49 board of supervisors and each city council shall by  
50 resolution either ratify or reject the recommended

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1 strategic development plan. A city or county that  
2 fails to timely act on the resolution shall be deemed  
3 to have ratified the recommended strategic development  
4 plan on the last day of the sixty-day period. If the  
5 strategic development plan is ratified, the committee  
6 shall submit the plan to the land management planning  
7 board for approval.

8 b. If the county board of supervisors or a city  
9 council rejects the recommended strategic development  
10 plan submitted by the committee, the county or city  
11 shall submit its objections to the plan along with the  
12 notice of rejection. After receiving objections to  
13 the plan, the committee may recommend a revised  
14 strategic development plan no later than sixty days  
15 after the recommended plan is rejected or may resubmit  
16 the original plan. Before the committee submits the  
17 revised plan recommended for ratification, the  
18 committee shall hold at least one public hearing on  
19 the revised plan in the manner provided in subsection  
20 1. The committee shall submit any revised strategic  
21 development plan, or resubmit the original plan, to  
22 the county board of supervisors and the city council  
23 of each city in the county for ratification.

24 Not later than sixty days after receiving a revised  
25 strategic development plan or resubmitted original  
26 plan, the county board of supervisors and each city  
27 council shall either ratify or reject the plan in the  
28 same manner as provided in paragraph "a". A city or  
29 county that fails to timely act on a resolution shall  
30 be deemed to have ratified the plan on the last day of  
31 the sixty-day period.

32 Sec. \_\_\_\_ . NEW SECTION. 366.6 DISPUTE RESOLUTION.

33 1. If a recommended strategic development plan and  
34 a revised strategic development plan are rejected  
35 pursuant to section 366.5, subsection 2, paragraph  
36 "b", the committee shall submit each of the rejected  
37 plans to the board for resolution of the matter within  
38 ten days of rejection of the revised plan. The board  
39 shall review the strategic development plans submitted  
40 by the committee and may adopt such amendments to a  
41 plan necessary for its approval by the board.

42 2. Not later than October 1, 2004, the board shall  
43 have approved strategic development plans submitted to  
44 the board for dispute resolution. Such approval is  
45 deemed to satisfy the approval requirement of section  
46 366.7.

47 Sec. \_\_\_\_ . NEW SECTION. 366.7 PLAN SUBMITTED TO  
48 BOARD FOR FINAL APPROVAL.

49 A strategic development plan ratified pursuant to  
50 section 366.5 shall be submitted to the board for

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1 approval within ten days of ratification of the plan.  
2 If the board determines that a plan conforms with the  
3 requirements of this chapter, the board shall approve  
4 the plan. If the board determines that a plan does  
5 not so conform, the board shall adopt such amendments  
6 to the plan necessary for its approval by the board.  
7 The board shall have approved all plans by January 1,  
8 2005.

9 Sec. \_\_\_\_ . NEW SECTION. 366.8 RECORDING OF  
10 STRATEGIC DEVELOPMENT PLAN.

11 After the board has approved a strategic  
12 development plan, the board shall retain a copy of the  
13 plan on file and shall forward a copy to the county  
14 auditor who shall record the plan in the office of  
15 county recorder no later than five days after  
16 receiving the plan from the board.

17 Sec. \_\_\_\_ . NEW SECTION. 366.9 DURATION OF PLANS  
18 -- REVIEW AND AMENDMENT.

19 After a strategic development plan has been  
20 recorded with the county recorder, the plan shall  
21 remain in effect for not less than five years absent a  
22 showing of extraordinary circumstances necessitating a  
23 change in the plan. After expiration of the five-year  
24 period, the county or a city in the county may propose  
25 an amendment to the strategic development plan or may  
26 propose a review of the plan by filing notice with the  
27 county board of supervisors for the county and the  
28 city council of each city in the county. Upon receipt  
29 of such notice by the county and each city, the county  
30 board of supervisors shall promptly reconvene the  
31 local strategic planning committee. The burden of  
32 proving the reasonableness of a proposed amendment to  
33 the plan shall be upon the party proposing the  
34 amendment. The procedures for amending the strategic  
35 development plan shall be the same as the procedures  
36 set forth in this chapter for creating the original  
37 strategic development plan.

38 Sec. \_\_\_\_ . NEW SECTION. 366.10 JUDICIAL REVIEW.

39 1. The county, a city in the county, a resident of  
40 the county, or an owner of real property located in  
41 the county may seek judicial review of a decision of  
42 the board relating to the strategic development plan  
43 presented to the board for its approval. The judicial  
44 review provisions of this section and chapter 17A  
45 shall be the exclusive means by which a person or  
46 party who is aggrieved or adversely affected by action  
47 of the board may seek judicial review of the action of  
48 the board or of a local government.

49 2. A petition for judicial review must be filed  
50 within sixty days after the strategic development plan

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1 is recorded with the county recorder. In accordance  
2 with the Iowa rules of civil procedure pertaining to  
3 service of process, copies of the petition shall be  
4 served upon the board.

5 3. The court's review is limited to questions  
6 relating to jurisdiction, regularity of proceedings,  
7 and whether the action of the board is, by a  
8 preponderance of the evidence, arbitrary,  
9 unreasonable, or without substantial supporting  
10 evidence. The court may nullify an action of the  
11 board and return the plan with appropriate directions  
12 to the board.

13 4. The filing of a petition for judicial review  
14 does not stay the effectiveness of the strategic  
15 development plan or recognition of strategic  
16 development areas and strategic preservation areas  
17 identified in the plan. However, the court may order  
18 a stay upon appropriate terms if it is shown to the  
19 satisfaction of the court that any party or the public  
20 at large is likely to suffer significant injury if a  
21 stay is not granted. If more than one petition for  
22 judicial review regarding a single board action is  
23 filed, all such petitions shall be consolidated and  
24 tried as a single civil action.

25 5. The following portions of section 17A.19 are  
26 not applicable to this chapter:

27 a. The portion of subsection 2 relating to where  
28 proceedings for judicial review shall be instituted.

29 b. Subsection 5.

30 c. Subsection 8.

31 d. Subsections 10 through 12.

32 Sec. \_\_\_\_ . NEW SECTION. 366.11 LOCAL  
33 IMPLEMENTATION.

34 1. A city or county governed by a strategic  
35 development plan shall not adopt ordinances regulating  
36 land development and management within its territory  
37 that are inconsistent with the strategic development  
38 plan governing the territory.

39 2. A county that has approved a strategic  
40 development plan pursuant to this chapter, and any  
41 city in such county, shall use the strategic  
42 development plan as the basis for the comprehensive  
43 plan required pursuant to section 335.5 or 414.3 if  
44 the county or city has adopted a zoning ordinance.  
45 The county and each city shall amend its comprehensive  
46 plan to conform to the strategic development plan.  
47 After a strategic development plan is approved, all  
48 land use decisions made by the governing body of each  
49 city and county and the city's or county's planning  
50 commission shall be consistent with the strategic

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1 development plan.

2 3. A city or county is under no obligation to  
3 provide municipal services for development that does  
4 not conform to the applicable strategic development  
5 plan.

6 Sec. \_\_\_\_ . NEW SECTION. 414.32 REGULATORY  
7 INCENTIVES.

8 Cities may provide regulatory incentives, including  
9 expedited permitting and waiver of permit fees, for  
10 new development, expansion of existing development,  
11 and redevelopment within all or part of the  
12 incorporated boundaries of the city in areas  
13 containing undeveloped or underdeveloped land or  
14 buildings that are substandard, dilapidated, vacant,  
15 abandoned, or functionally obsolete.

16 DIVISION IV  
17 CITY DEVELOPMENT

18 Sec. \_\_\_\_ . Section 368.1, subsection 3, Code 2001,  
19 is amended to read as follows:

20 3. "Board" means the ~~city development~~ land  
21 management planning board established in section ~~368.9~~  
22 6C.4.

23 Sec. \_\_\_\_ . NEW SECTION. 368.5A ANNEXATION  
24 PROHIBITED -- STRATEGIC PRESERVATION AREAS.

25 Beginning January 1, 2005, for territory located in  
26 a county governed by a strategic development plan,  
27 only territory contained in a strategic development  
28 area may be annexed. The city council or land  
29 management planning board shall not approve any  
30 application or petition that seeks to annex territory  
31 contained in a strategic preservation area. However,  
32 a city may annex territory in a strategic preservation  
33 area if the city intends to retain the area's  
34 designation as a strategic preservation area and if  
35 the annexation is a voluntary annexation applied for  
36 pursuant to section 368.7.

37 Sec. \_\_\_\_ . Section 368.7A, subsection 1, Code 2001,  
38 is amended to read as follows:

39 1. The board of supervisors of each affected  
40 county shall notify the ~~city development~~ land  
41 management planning board of the existence of that  
42 portion of any secondary road which extends to the  
43 center line but has not become part of the city by  
44 annexation and has a common boundary with a city. The  
45 notification shall include a legal description and a  
46 map identifying the location of the secondary road.  
47 The ~~city development~~ land management planning board  
48 shall provide notice and an opportunity to be heard to  
49 each city in or next to which the secondary road is  
50 located. The ~~city development~~ land management

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1 planning board shall certify that the notification is  
2 correct and declare the road, or portion of the road  
3 extending to the center line, annexed to the city as  
4 of the date of certification. This section is not  
5 intended to interfere with or modify existing chapter  
6 28E agreements on jurisdictional transfer of roads, or  
7 continuing negotiations between jurisdictions.

8 Sec. \_\_\_\_\_. Section 368.11, Code Supplement 2001, is  
9 amended by adding the following new unnumbered  
10 paragraph before unnumbered paragraph 3:

11 NEW UNNUMBERED PARAGRAPH. Plans required by this  
12 section to be filed with a petition shall include  
13 specific information pertaining to estimated costs of  
14 implementing the plan, the time frame involved in  
15 implementing the plan, and any other specific  
16 information related to implementing the plan.

17 Sec. \_\_\_\_\_. Section 368.11, Code Supplement 2001, is  
18 amended by adding the following new subsection:

19 NEW SUBSECTION. 14. A statement describing how  
20 the boundary adjustment will conform to the strategic  
21 development plan governing the territory, if  
22 applicable.

23 Sec. \_\_\_\_\_. Sections 368.9 and 368.10, Code 2001,  
24 are repealed.

## DIVISION V

## CORRESPONDING AMENDMENTS

25  
26  
27 Sec. \_\_\_\_\_. Section 15.108, subsection 3, paragraph  
28 a, subparagraph (2), Code Supplement 2001, is amended  
29 to read as follows:

30 (2) Provide office space and staff assistance to  
31 the ~~city development~~ land management planning board as  
32 provided in section ~~368.9~~ 6C.4.

33 Sec. \_\_\_\_\_. Section 331.304, subsection 7, Code  
34 2001, is amended to read as follows:

35 7. The board may file a petition with the ~~city~~  
36 ~~development~~ land management planning board as provided  
37 in section 368.11.

38 Sec. \_\_\_\_\_. Section 331.321, subsection 1, paragraph  
39 t, Code Supplement 2001, is amended to read as  
40 follows:

41 t. Local representatives to serve with the ~~city~~  
42 ~~development~~ land management planning board as provided  
43 in section 368.14.

44 Sec. \_\_\_\_\_. Section 384.38, subsection 2, Code 2001,  
45 is amended to read as follows:

46 2. Upon petition as provided in section 384.41,  
47 subsection 1, a city may assess to private property  
48 affected by public improvements within three miles of  
49 the city's boundaries the cost of construction and  
50 repair of public improvements within that area. The

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1 right-of-way of a railway company shall not be  
2 assessed unless the company joins as a petitioner for  
3 ~~said~~ such improvements. In the petition the property  
4 owners shall waive the limitation provided in section  
5 384.62 that an assessment may not exceed twenty-five  
6 percent of the value of the lot. The petition shall  
7 contain a statement that the owners agree to pay the  
8 city an amount equal to five percent of the cost of  
9 the improvements, to cover administrative expenses  
10 incurred by the city. This amount may be added to the  
11 cost of the improvements. Before the council may  
12 adopt the resolution of necessity, the preliminary  
13 resolution, preliminary plans and specifications,  
14 plat, schedule, and estimate of cost must be submitted  
15 to, and receive written approval from, the board of  
16 supervisors of any county which contains part of the  
17 property, and the ~~city development~~ land management  
18 planning board established in section ~~368.9~~ 6C.4.

19 Sec. \_\_\_\_ . LAND MANAGEMENT PLANNING BOARD  
20 TRANSITION. Terms of current city development board  
21 members shall continue until their expiration.

22 Sec. \_\_\_\_ . IMPLEMENTATION OF ACT. Section 25B.2,  
23 subsection 3, shall not apply to this Act.

24 Sec. \_\_\_\_ . EFFECTIVE DATES.

25 1. The sections of this Act enacting Code section  
26 368.5A and amending Code section 368.11 take effect  
27 January 1, 2005.

28 2. The remainder of this Act, being deemed of  
29 immediate importance, takes effect upon enactment."

30 4. Title page, line 1, by inserting after the  
31 word "to" the following: "state and local land  
32 management and planning and to".

33 5. Title page, line 4, by striking the words "an  
34 effective date" and inserting the following:  
35 "effective dates".

36 6. By renumbering as necessary.

By FALLON of Polk

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W/D

3/18/02

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