

House File 538 - Introduced

HOUSE FILE 538
BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO HSB 163)

A BILL FOR

1 An Act relating to the powers and governance of benefited
2 recreational lake districts, water quality districts, and
3 combined recreational lake and water quality districts.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 357E.1, subsection 3, Code 2011, is
2 amended to read as follows:

3 3. "*District*" means a benefited recreational lake district
4 or a water quality district or a combined district incorporated
5 as a public entity and organized pursuant to this chapter.

6 Sec. 2. Section 357E.9, Code 2011, is amended to read as
7 follows:

8 **357E.9 Trustees — term and qualification.**

9 1. a. At the election, the names of at least ~~three~~ seven
10 candidates for trustee shall be written in by the voters on
11 blank ballots without formal nomination and the board of
12 supervisors shall appoint ~~three~~ seven from among the ~~five~~ nine
13 receiving the highest number of votes as trustees for the
14 district. ~~One trustee~~ Three trustees shall be appointed to
15 serve for one year, ~~one~~ two for two years, and ~~one~~ two for three
16 years. The trustees shall give bond in the amount required by
17 the board, the premium of which shall be paid by the district.
18 The trustees must be residents of the district or be property
19 owners within the district. Vacancies shall be filled by
20 election, but if there are no candidates for a trustee office,
21 the vacancy may be filled by appointment by the board. The
22 terms of the succeeding trustees are for three years.

23 b. For districts in existence on July 1, 2011, the number
24 of trustees, other than those appointed under subsection 2,
25 shall be increased from three trustees to seven trustees. For
26 the initial seven-member board under this paragraph, the board
27 of supervisors shall appoint four trustees. One trustee shall
28 be appointed to serve for one year, one for two years, and two
29 for three years. The term of each trustee appointed under this
30 paragraph shall expire on the same date as the term of the
31 current trustee whose term expires during the same year.

32 2. If the state owns at least four hundred acres of land
33 contiguous to a lake within the district, the natural resource
34 commission shall appoint two members of the board of trustees
35 in addition to the ~~three~~ seven members provided in this

1 section. The additional two members must be citizens of the
2 state, not less than eighteen years of age, and property owners
3 within the district. The two additional members have voting
4 and other authority equal to the other members of the board and
5 hold office at the pleasure of the natural resource commission.

6 Sec. 3. Section 357E.11, Code 2011, is amended by striking
7 the section and inserting in lieu thereof the following:

8 **357E.11 Bonds and indebtedness.**

9 1. A district may borrow money for its corporate purposes,
10 but shall not become indebted in any manner or for any purpose
11 to an amount in the aggregate exceeding five percent on the
12 value of the taxable property within the district, to be
13 ascertained by the last state and county tax lists previous to
14 the incurring of the indebtedness. Indebtedness within this
15 limit shall not include the indebtedness of any other municipal
16 corporation located wholly or partly within the boundaries of
17 the district.

18 2. A district shall have the same powers to issue bonds,
19 including both general obligation and revenue bonds, that
20 cities have under the laws of this state, including but not
21 limited to chapter 76, section 384.4, and sections 384.23
22 through 384.94. The bonds shall be made payable at the place
23 and be of the form as the board of trustees shall by resolution
24 designate. In the application of the laws to this chapter, the
25 words used in the laws referring to municipal corporations or
26 to cities shall be held to include districts organized under
27 this chapter; the words "council" or "city council" shall be
28 held to include the board of trustees of a district; the words
29 "mayor" and "clerk" shall be held to include the president and
30 clerk of a board of trustees; and like construction shall be
31 given to any other words in the laws where required to permit
32 the exercise of the powers by districts under this section.

33 3. An indebtedness shall not be incurred under this section
34 until authorized by an election. The election shall be held
35 and notice given in the same manner as provided in section

1 357E.8, except that a proposition to authorize indebtedness is
2 approved if sixty percent of those voting on the proposition
3 vote in favor of the proposition. A proposition for the
4 authorization of indebtedness may be submitted to the voters at
5 the same election as the election under section 357E.8.

6 EXPLANATION

7 This bill makes changes to Code chapter 357E relating to
8 benefited recreational lake districts, water quality districts,
9 and combined recreational lake and water quality districts.

10 The bill specifies that districts under Code chapter 357E
11 are incorporated as public entities.

12 The bill increases from three to seven the number of trustees
13 on the board governing a benefited recreational lake district,
14 water quality district, or combined recreational lake and
15 water quality district, other than the two trustees who may
16 be appointed by the natural resource commission if the state
17 owns a certain amount of land contiguous to a lake within the
18 district. The bill makes corresponding changes to the trustee
19 selection procedure for newly established districts.

20 The bill also provides that for districts in existence on
21 July 1, 2011, the board of supervisors is required to appoint
22 four additional trustees. One trustee shall be appointed to
23 serve for one year, one for two years, and two for three years.
24 Following expiration of those initial appointments, vacancies
25 are filled by election.

26 Current law requires trustees to be residents of the
27 district. The bill would also allow property owners within the
28 district to serve as trustees.

29 The bill strikes and replaces Code section 357E.11, relating
30 to a district's authority to issue bonds in anticipation of
31 revenue. New Code section 357E.11 authorizes a district to
32 issue bonds, including both general obligation and revenue
33 bonds, in the same manner as cities. The bill provides that
34 the bonds must be payable at the place and be of the form
35 designated by the board of trustees. The bill provides,

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1 however, that a district may not incur an indebtedness until
2 authorized by an election where 60 percent of those voting on
3 the proposition vote in favor of the proposition.