

**Senate Study Bill 3187 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON WILHELM)

**A BILL FOR**

1 An Act relating to the disposal of property by cities and  
2 including applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 174.15, subsection 2, Code 2014, is  
2 amended to read as follows:

3 2. Notwithstanding section 364.7, subsection ~~3~~ 1, paragraph  
4 "c", a city may dispose of real property by gift to a fair.

5 Sec. 2. Section 364.7, Code 2014, is amended to read as  
6 follows:

7 **364.7 Disposal of property.**

8 1. A city may not dispose of an interest in real property  
9 with a market value in excess of ten thousand dollars by sale,  
10 lease for a term of more than three years, or gift, except in  
11 accordance with the following procedure:

12 ~~1.~~ a. The council shall set forth its proposal in a  
13 resolution and shall publish notice as provided in section  
14 362.3, of the resolution and of a date, time and place of a  
15 public hearing on the proposal.

16 ~~2.~~ b. After the public hearing, the council may make a  
17 final determination on the proposal by resolution.

18 ~~3.~~ c. A city may not dispose of real property by gift  
19 except to a governmental body for a public purpose or to a  
20 nonprofit entity that is exempt from federal income taxation  
21 pursuant to section 501(c)(3) of the Internal Revenue Code for  
22 use by the nonprofit entity in providing affordable housing.

23 2. For purposes of this section, unless the type of interest  
24 in the real property is not required to be assessed or have a  
25 value ascribed to it by the assessor, "market value" means the  
26 most recent actual value as determined by the assessor under  
27 section 441.21.

28 Sec. 3. Section 364.12A, Code 2014, is amended to read as  
29 follows:

30 **364.12A Condemnation of residential buildings — public**  
31 **purpose.**

32 For the purposes of section 6A.4, subsection 6, a city may  
33 condemn a residential building found to be a public nuisance  
34 and take title to the property for the public purpose of  
35 disposing of the property under section 364.7 by conveying the

1 property to a private individual or a nonprofit entity for  
2 rehabilitation or for demolition and construction of housing.

3 Sec. 4. APPLICABILITY. This Act applies to interests in  
4 real property disposed of by a city on or after July 1, 2014.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with  
7 the explanation's substance by the members of the general assembly.

8 Current Code section 364.7 provides that a city may not  
9 dispose of an interest in real property by sale, lease for a  
10 term of more than three years, or gift, except in accordance  
11 with a procedure that includes publication of the proposal to  
12 sell, lease, or gift the property and after a public hearing on  
13 the proposal.

14 This bill provides that the procedure of publication and  
15 public hearing shall only apply to the city's disposition of  
16 an interest in real property with a market value in excess  
17 of \$10,000. The bill also provides that unless the type of  
18 interest in the real property is not required to be assessed  
19 or have a value ascribed to it by the assessor, "market  
20 value" means the most recent actual value as determined by the  
21 assessor for purposes of property taxation.

22 Current Code section 364.7 also provides that a city may not  
23 dispose of real property by gift except to a governmental body  
24 for a public purpose. The bill authorizes a city to dispose  
25 of real property by gift to a nonprofit entity for use in  
26 providing affordable housing.

27 The bill also amends Code section 364.12A relating to the  
28 disposal of property found to be a nuisance and acquired by  
29 condemnation to provide for the disposal of such property  
30 to a nonprofit entity for rehabilitation or for demolition  
31 and construction of housing. Code section 364.12A currently  
32 provides for the disposal of such property acquired by  
33 condemnation to a private individual for such purposes.

34 The bill applies to interests in real property disposed of by  
35 a city on or after July 1, 2014.