

Senate File 2058 - Introduced

SENATE FILE 2058

BY McCOY, DVORSKY, DOTZLER,
PETERSEN, HORN, DEARDEN,
GRONSTAL, JOCHUM, and
QUIIRMBACH

A BILL FOR

1 An Act relating to municipal park improvements by authorizing
2 the establishment of municipal park improvement districts,
3 the issuance of bonds, and the imposition of specified
4 taxes.

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

1 Section 1. NEW SECTION. 386A.1 Definitions.

2 As used in this chapter, unless the context requires
3 otherwise:

4 1. "Book", "list", "record", or "schedule" kept by a county
5 auditor, assessor, treasurer, recorder, sheriff, or other
6 county officer means the county system as defined in section
7 445.1.

8 2. "Cost" of any improvement includes construction contracts
9 and the cost of engineering services, architectural services,
10 technical services, legal services, preliminary reports,
11 property valuations, estimates, plans, specifications, notices,
12 acquisition of real and personal property, consequential
13 damages or costs, easements, rights-of-way, supervision,
14 inspection, testing, publications, printing and sale of
15 bonds, interest during construction and for not more than six
16 months after construction is completed, and provisions for
17 contingencies.

18 3. "Improvement" means the acquisition, construction,
19 reconstruction, enlargement, improvement, and equipping of
20 recreation grounds, recreation buildings, juvenile playgrounds,
21 swimming pools, recreation centers, and parks, and the
22 acquisition of real estate for such improvements.

23 4. "Property" means real property as defined in section 4.1,
24 subsection 13, and in section 427A.1, subsection 1, paragraph
25 "h".

26 5. "Property owner" or "owner" means the owner of property,
27 as shown by the transfer books in the office of the county
28 auditor of the county in which the property is located.

29 6. All definitions in section 362.2 are incorporated by
30 reference as a part of this chapter, except as provided in
31 subsection 4 of this section.

32 Sec. 2. NEW SECTION. 386A.2 Authorization.

33 A city that proposes to establish a municipal park
34 improvement district, to provide for its existence and
35 operation, to provide for improvements for the district, to

1 authorize and issue bonds for the purposes of the district,
2 and to levy the taxes authorized by this chapter must do so in
3 accordance with the provisions of this chapter.

4 Sec. 3. NEW SECTION. 386A.3 Establishment of district.

5 1. A municipal park improvement district may be established
6 by action of the city council in accordance with the provisions
7 of this chapter. A district shall:

8 a. Be comprised of contiguous property wholly within the
9 boundaries of the city. A district shall be comprised only
10 of property that is zoned for residential, commercial, or
11 industrial uses.

12 b. Be given a descriptive name containing the words
13 "municipal park improvement district".

14 c. Be comprised of property related in some manner,
15 including but not limited to present or potential use, physical
16 location, condition, or relationship to an area, so as to be
17 benefited in any manner, including but not limited to a benefit
18 from present or potential use or enjoyment of the property,
19 by the operation of the district or of any improvement of the
20 district.

21 2. The council shall initiate proceedings for establishing
22 a district upon the filing with the city clerk of a petition
23 containing the following:

24 a. The signatures of at least twenty-five percent of
25 all owners of property within the proposed district. These
26 signatures must together represent ownership of property
27 with an assessed value of twenty-five percent or more of the
28 assessed value of all of the property in the proposed district.

29 b. A description of the boundaries of the proposed district
30 or a description of the property within the proposed district.

31 c. The name of the proposed district.

32 d. A statement of the maximum rate of tax that may be
33 imposed upon property within the district. The maximum rate
34 of tax may be stated in terms of separate maximum rates for the
35 debt service tax, the park improvement capital fund tax, and

1 the operation tax.

2 *e.* The purpose of the establishment of the district, which
3 may be stated generally or in terms of the relationship of the
4 property within the district or the interests of the owners of
5 property within the district or in terms of the improvements
6 proposed to be undertaken for the purposes of the district.

7 *f.* A statement that taxes levied for the municipal park
8 improvement district operation fund shall be used for the
9 purpose of paying maintenance expenses of improvements for a
10 specified length of time, along with any options to renew, if
11 the taxes are to be used for this maintenance purpose.

12 3. *a.* The council shall notify the city planning commission
13 upon receipt of a petition. It shall be the duty of the city
14 planning commission to make recommendations to the council in
15 regard to the proposed district. The city planning commission
16 shall, with due diligence, prepare an evaluative report for
17 the council on the merit and feasibility of the project. The
18 council shall not hold its public hearings or take further
19 action on the establishment of the district until it has
20 received the report of the city planning commission. In
21 addition to its report, the commission may, from time to time,
22 recommend to the council amendments and changes relating to the
23 project.

24 *b.* If no city planning commission exists, the council
25 shall notify the metropolitan or regional planning commission
26 upon receipt of a petition, and such metropolitan or regional
27 planning commission shall have the same duties set forth
28 in this subsection as the city planning commission. If no
29 metropolitan or regional planning commission exists, the
30 council shall notify the zoning commission upon receipt of
31 a petition, and the zoning commission shall have the same
32 duties set forth in this subsection as the city planning
33 commission. If no planning or zoning commission exists, the
34 council shall set a time and place for holding a public hearing
35 on establishment of a district upon receipt of a petition and

1 shall publish notice of the hearing as provided in section
2 362.3.

3 4. Upon receipt of the commission's final report, or after
4 the public hearing if applicable, the council shall set a time
5 and place for a meeting at which the council proposes to take
6 action for the establishment of the district and shall publish
7 notice of the meeting as provided in section 362.3. The clerk
8 shall send a copy of the notice by certified mail not less
9 than fifteen days before the meeting to each owner of property
10 within the proposed district at the owner's address as shown by
11 the records of the county auditor. If a property is shown to be
12 in the name of more than one owner at the same mailing address,
13 a single notice may be mailed addressed to all owners at that
14 address. Failure to receive a mailed notice is not grounds for
15 objection to the council taking any action authorized in this
16 chapter.

17 5. In addition to the time and place of the meeting for
18 hearing on the petition, the notice must state the following:

- 19 a. That a petition has been filed with the council asking
20 that a district be established.
- 21 b. The name of the district.
- 22 c. The purpose of the district.
- 23 d. The property proposed to be included in the district.
- 24 e. The maximum rates of tax which may be imposed upon the
25 property in the district.

26 6. At the time and place set in the notice the council
27 shall hear all owners of property in the proposed district or
28 residents of the city desiring to express their views. The
29 council must wait at least thirty days after the meeting has
30 been held before it may adopt an ordinance establishing a
31 district meeting the requirements of section 386A.3, subsection
32 1. Property included in the petition proposing the district
33 need not be included in the established district. However, the
34 council may not include property in the district that was not
35 included in the petition until the council has held another

1 meeting after it has published notice and mailed notice to
2 owners of the additional property, as required in subsection 4,
3 and containing the information required in subsection 5.

4 7. Adoption of the ordinance establishing a district
5 requires the affirmative vote of three-fourths of all of the
6 members of the council, or, in cities having but three members
7 of the council, the affirmative vote of two members. However,
8 if a remonstrance has been filed with the clerk signed by at
9 least twenty-five percent of all owners of property within the
10 proposed district representing ownership of property with an
11 assessed value of twenty-five percent or more of the assessed
12 value of all of the property in the proposed district, the
13 adoption of the ordinance requires a unanimous vote of the
14 council.

15 8. The city clerk shall cause a copy of the ordinance to be
16 filed in the office of the county recorder of each county in
17 which any property within the district is located.

18 9. At any time prior to adoption of an ordinance
19 establishing a district, the entire matter of establishing such
20 district shall be withdrawn from council consideration if a
21 petition objecting to establishing such district is filed with
22 the city clerk containing the signatures of at least forty
23 percent of all owners of property within the proposed district
24 or signatures which together represent ownership of property
25 with an assessed value of forty percent or more of the assessed
26 value of all property within the proposed district.

27 10. The adoption of an ordinance establishing a district
28 is a legislative determination that the property within the
29 district has the relationship required and includes all of the
30 property within the area that has that relationship in the
31 district.

32 11. Any resident or property owner of the city may appeal
33 the action and the decisions of the council, including the
34 establishment of the district and the levying of the proposed
35 taxes for the district, to the district court of the county

1 in which any part of the district is located within thirty
2 days after the date upon which the ordinance establishing the
3 district becomes effective, but the action and decision of
4 the council are final and conclusive unless the court finds
5 that the council exceeded its authority. An action may not
6 be brought questioning the regularity of the proceedings
7 pertaining to the establishment of a district or to the
8 validity of the district or to the propriety of the inclusion
9 or exclusion of any property within or from the district or to
10 the ability of the city to levy taxes in accordance with the
11 ordinance establishing the district after thirty days from the
12 date on which the ordinance establishing the district becomes
13 effective.

14 12. The procedural steps for the petitioning and
15 establishment of the district may be combined with the
16 procedural steps for the authorization of any improvement or
17 the procedural steps for the authorization of any tax or any
18 combination thereof.

19 13. The rate of debt service tax referred to in the petition
20 and the ordinance establishing the district shall only restrict
21 the amount of bonds which may be issued and shall not limit the
22 ability of the city to levy as necessary in subsequent years
23 to pay interest and amortize the principal of that amount of
24 bonds.

25 14. The ordinance establishing the district may provide
26 for the division of all of the property within the district
27 into two or more zones based upon a reasonable difference
28 in the relationship of the property or the interest of its
29 owners, whether the difference is qualitative or quantitative.
30 The ordinance establishing the district and establishing the
31 different zones may establish a different maximum rate of tax
32 for each zone or may provide that the rate of tax for a zone
33 shall be a certain set percentage of the maximum rate of tax
34 specified in the ordinance for levy in the district.

35 Sec. 4. NEW SECTION. 386A.4 Amendments to district.

1 1. The ordinance establishing the municipal park
2 improvement district may be amended and property may be added
3 to the district and the maximum rate of taxes specified in the
4 ordinance may be increased at any time in the same manner and
5 by the same procedure as for the establishment of a district.
6 Property added to a district shall be subject to all taxes
7 currently and subsequently levied, including debt service
8 levies for bonds previously or subsequently issued.

9 2. Action by the city council amending the ordinance
10 establishing the district, including adding eligible property
11 to the district or severing property from the district or
12 changing any maximum rate of taxes, shall be by ordinance
13 adopted by an affirmative vote of three-fourths of all of the
14 members of the council, or, in cities having but three members
15 of the council, the affirmative vote of two members. However,
16 if a remonstrance has been filed with the clerk signed by at
17 least twenty-five percent of all owners of property within the
18 district and all property proposed to be included representing
19 ownership of property with an assessed value of twenty-five
20 percent or more of the assessed value of all the property in
21 the district and all property proposed to be included, the
22 amending ordinance must be adopted by unanimous vote of the
23 council.

24 3. The clerk shall cause a copy of the amending ordinance to
25 be filed in the office of the county recorder of each county in
26 which any property within the district, as amended, is located.

27 4. At any time prior to council amendment of the ordinance
28 establishing the district, the entire matter of amending such
29 ordinance shall be withdrawn from council consideration if a
30 petition objecting to amending such ordinance is filed with the
31 city clerk containing either the signatures of at least forty
32 percent of all owners of property within the district and all
33 property proposed to be included or signatures which together
34 represent ownership of property with an assessed value of forty
35 percent or more of the assessed value of all property within

1 the district and all property proposed to be included.

2 5. Any resident or property owner of the city may appeal
3 the action or decisions of the council amending the ordinance
4 establishing the district to the district court of the county
5 in which any part of the district, as amended, is located,
6 within fifteen days after the date upon which the amending
7 ordinance becomes effective, but the action and decision of
8 the council are final and conclusive unless the court finds
9 that the council exceeded its authority. An action may not
10 be brought questioning the regularity of the proceedings
11 pertaining to the adoption of the amending ordinance or the
12 validity of the district, as amended, or the propriety of the
13 inclusion or exclusion of any property within or from the
14 amended district or the ability of the city to levy taxes
15 in accordance with the ordinance establishing the district,
16 as amended, after thirty days from the date upon which the
17 amending ordinance becomes effective.

18 6. All other provisions in section 386A.3 shall apply to
19 an amended district and to an ordinance amending the ordinance
20 establishing the district with the same effect as they apply
21 to the original district and the ordinance establishing the
22 original district.

23 Sec. 5. NEW SECTION. 386A.5 Dissolution.

24 1. A municipal park improvement district may be dissolved
25 and terminated by action of the city council repealing the
26 ordinance establishing the district, and any subsequent
27 ordinances amending the district, by an affirmative vote of
28 three-fourths of all members of the council, or, in cities
29 having but three members of the council, the affirmative vote
30 of two members. However, if a remonstrance has been filed
31 with the clerk signed by at least twenty-five percent of all
32 owners of property within the district representing ownership
33 of property with an assessed value of twenty-five percent or
34 more of the assessed value of all the property in the district,
35 the repeal of the ordinance establishing the district, and

1 any subsequent ordinances amending the district, requires a
2 unanimous vote of the council.

3 2. At any time prior to action of the council repealing
4 the ordinance establishing the district, and any subsequent
5 ordinances amending the district, the entire matter of
6 dissolving a district shall be withdrawn from council
7 consideration if a petition is filed with the city clerk
8 containing the signatures of at least forty percent of all
9 owners of property within the district or signatures which
10 together represent ownership of property with an assessed value
11 of forty percent or more of the assessed value of all property
12 within the district.

13 Sec. 6. NEW SECTION. 386A.6 Improvements.

14 A city proposing to construct an improvement the cost of
15 which is to be paid or financed under the provisions of this
16 chapter must do so in accordance with the provisions of this
17 section, as follows:

18 1. The city council shall initiate proceedings for a
19 proposed improvement upon receipt of a petition signed by at
20 least twenty-five percent of all owners of property within the
21 district representing ownership of property with an assessed
22 value of twenty-five percent or more of the assessed value of
23 all the property in the district.

24 2. Upon receipt of such a petition, the council shall notify
25 the city planning commission, if one exists, the metropolitan
26 or regional planning commission, if one exists, or the zoning
27 commission, if one exists, in the order set forth in section
28 386A.3, subsection 3. Upon notification by the council, the
29 commission shall prepare an evaluative report for the council
30 on the merit and feasibility of the improvement and carry out
31 all other duties as set forth in section 386A.3, subsection
32 3. If no planning or zoning commission exists, the council
33 shall set a time and place for a public hearing on a proposed
34 improvement upon receipt of a petition.

35 3. Upon receipt of the commission's report, or after the

1 public hearing if applicable, the council shall set a time
2 and place for a meeting at which the council proposes to take
3 action on the proposed improvement and shall publish and mail
4 notice as provided in section 386A.3, subsection 4.

5 4. The notice must include a statement that an improvement
6 has been proposed, the nature of the improvement, the source of
7 payment of the cost of the improvement, and the time and place
8 of the meeting.

9 5. At the time and place set in the notice, the council
10 shall hear all owners of property in the district or residents
11 of the city desiring to express their views. The council must
12 wait at least thirty days after the meeting has been held
13 before it may adopt a resolution ordering construction of the
14 improvement. The provisions of section 386A.3, subsections 7
15 and 9, relating to the adoption of the ordinance establishing a
16 district, the requisite vote for adoption, the remonstrance to
17 adoption, and the withdrawal of the entire matter from council
18 consideration, apply to the adoption of the resolution ordering
19 the construction of the improvement.

20 6. If the council orders the construction of the
21 improvement, it shall proceed to let contracts for construction
22 of the improvement in accordance with chapter 26.

23 7. The adoption of a resolution ordering the construction of
24 an improvement is a legislative determination that the proposed
25 improvement is in furtherance of the purposes of the district
26 and that all property in the district will be affected by the
27 construction of the improvement, or that all owners of property
28 in the district have an interest in the construction of the
29 improvement.

30 8. Any resident or property owner of the city may appeal the
31 action or decisions of the council ordering the construction
32 of the improvement to the district court of the county in
33 which any part of the district is located within thirty days
34 after the adoption of the resolution ordering construction of
35 the improvement, but the action and decisions of the council

1 are final and conclusive unless the court finds that the
2 council exceeded its authority. An action may not be brought
3 questioning the regularity of the proceedings pertaining to the
4 ordering of the construction of an improvement or to the right
5 of the city to apply moneys in the park improvement capital
6 fund referred to in this chapter to the payment of the costs
7 of the improvement or to the right of the city to issue bonds
8 referred to in this chapter for the payment of the costs of the
9 improvement or to the right of the city to levy taxes which
10 with any other taxes authorized by this chapter do not exceed
11 the maximum rate of tax that may be imposed upon property
12 within the district for the payment of principal of and
13 interest on bonds issued to pay the costs of the improvement
14 after thirty days from the date of adoption of the resolution
15 ordering construction of the improvement.

16 9. The procedural steps contained in this section may be
17 combined with the procedural steps for the petitioning and
18 establishment of the district or the procedural steps for the
19 authorization of any tax or any combination thereof.

20 Sec. 7. NEW SECTION. 386A.7 Operation tax — municipal park
21 improvement district operation fund.

22 A city may establish a municipal park improvement district
23 operation fund and may certify taxes not to exceed the rate
24 limitation specified in the ordinance establishing the
25 district, or any amendment to the ordinance, each year to
26 be levied for the fund against all of the property in the
27 district for the purpose of paying the administrative expenses
28 of the district, which may include but are not limited to
29 administrative personnel salaries, a separate administrative
30 office, planning costs, including consultation fees,
31 engineering fees, architectural fees, and legal fees, and all
32 other expenses reasonably associated with the administration
33 of the district and the fulfilling of the purposes of the
34 district. The taxes levied for this fund may also be used for
35 the purpose of paying maintenance expenses of improvements

1 for a specified length of time with one or more options to
2 renew if such is clearly stated in the petition requesting the
3 council to authorize construction of the improvement, whether
4 or not such petition is combined with the petition requesting
5 establishment of a district. A tax levied under this section
6 is not subject to the levy limitation in section 384.1.

7 **Sec. 8. NEW SECTION. 386A.8 Municipal park improvement**
8 **capital tax — fund.**

9 A city may establish a municipal park improvement capital
10 fund for a district and may certify taxes not to exceed the
11 rate specified in the ordinance establishing the district, or
12 any subsequent amendment thereto, each year to be levied for
13 the fund against all of the property in the district for the
14 purpose of accumulating moneys for the financing or payment of
15 a part or all of the costs of any improvement. A tax levied
16 under this section is not subject to the levy limitations in
17 section 384.1 or 384.7.

18 **Sec. 9. NEW SECTION. 386A.9 Debt service tax — fund.**

19 A city shall establish a municipal park improvement district
20 debt service fund whenever any municipal park improvement
21 district bonds are issued and outstanding, other than revenue
22 bonds, and shall certify taxes to be levied against all of the
23 property in the district for the district debt service fund in
24 the amount necessary to pay interest as it becomes due and the
25 amount necessary to pay, or to create a sinking fund to pay,
26 the principal at maturity of all municipal park improvement
27 district bonds as authorized in section 386A.10, issued by the
28 city.

29 **Sec. 10. NEW SECTION. 386A.10 Municipal park improvement**
30 **district bonds.**

31 1. A city may issue and sell municipal park improvement
32 district bonds at public or private sale payable from taxes
33 which must be levied in accordance with chapter 76. The
34 bonds are payable from the levy of unlimited ad valorem taxes
35 on all the taxable property within the district through the

1 district debt service fund authorized by section 386A.9. When
2 municipal park improvement district bonds are issued and taxes
3 are levied, the taxes shall continue to be levied until the
4 bonds and interest thereon are paid in full, against all of
5 the taxable property that was included in the district at the
6 time of the issuance of the bonds, regardless of any subsequent
7 severance of property from the district or the dissolution of
8 the district. In addition, all property added to a district
9 shall be subject to such taxes pursuant to section 386A.4,
10 subsection 1.

11 2. The proceeds of the sale of the bonds may be used to pay
12 any or all of the costs of an improvement or may be used to pay
13 any legal indebtedness incurred for the cost of an improvement,
14 including bonds or warrants previously issued to pay the costs
15 of an improvement, or the bonds may be exchanged for the
16 evidences of such legal indebtedness.

17 3. Before the city council may institute proceedings for
18 the issuance of bonds, it shall proceed in the same manner
19 as is required for instituting proceedings for the issuance
20 of bonds for an essential corporate purpose as provided in
21 section 384.25, subsection 2, and all of the provisions of that
22 subsection apply to bonds issued pursuant to this section.

23 4. A city may issue bonds authorized by this section
24 pursuant to a resolution adopted at a regular or special
25 meeting of the city council by an affirmative vote of a
26 majority of the total members to which the council is entitled.
27 The proceeds of a single bond issue may be used for more than
28 one improvement.

29 5. The provisions of sections 384.29, 384.30, and 384.31
30 apply to bonds issued pursuant to this section, except that the
31 bonds shall be designated "municipal park improvement district
32 bonds".

33 6. An action may not be brought questioning the legality of
34 bonds issued pursuant to this section or the power of a city
35 to issue the bonds or the effectiveness of any proceedings

1 relating to the authorization and issuance of the bonds after
2 thirty days from the time the bonds are ordered issued by the
3 city.

4 Sec. 11. NEW SECTION. 386A.11 **Payment for improvements.**

5 The costs of improvements may be paid from any of the
6 following sources or a combination of the following sources:

- 7 1. The municipal park improvement capital fund referred to
8 in section 386A.8.
- 9 2. The proceeds of bonds referred to in section 386A.10.
- 10 3. Any other funds of the city which are legally available
11 to pay all or a portion of the cost of an improvement. The
12 fact that an improvement is initiated under the provisions of
13 this chapter, or that any of the costs of an improvement or
14 any part of an improvement are being paid under the provisions
15 of this chapter, shall not preclude the city from paying any
16 costs of an improvement from any fund from which the city might
17 otherwise have been able to pay such costs. In addition,
18 and not in limitation of the foregoing, an improvement that
19 constitutes an essential corporate purpose or a general
20 corporate purpose, as defined in section 384.24, subsections 3
21 and 4, may be financed in whole or in part with the proceeds of
22 the issuance of general obligation bonds of the city pursuant
23 to the provisions of chapter 384, division III.
- 24 4. Payment for the costs of an improvement may also be
25 made in warrants drawn on any fund from which payment for the
26 improvement is authorized by this chapter. If such funds are
27 depleted, anticipatory warrants may be issued bearing a rate
28 of interest not exceeding that permitted by chapter 74A, which
29 do not constitute a violation of section 384.10, even if the
30 collection of taxes or income received from the sale of bonds
31 applicable to the improvement is after the end of the fiscal
32 year in which the warrants are issued. If the city arranges
33 for the private sale of anticipatory warrants, the warrants
34 may be sold and the proceeds used to pay the costs of the
35 improvement.

1 Sec. 12. NEW SECTION. **386A.12 Low-income tax abatement —**
2 **petition.**

3 1. If a residential property owner within the district has
4 annual household income that is less than one hundred percent
5 of the federal poverty level based on the number of people in
6 the owner's household, as defined by the most recently revised
7 poverty income guidelines published by the United States
8 department of health and human services, the owner may file a
9 petition, duly sworn to, with the city council stating that
10 fact and giving a statement of parcels, as defined in section
11 445.1, owned or possessed by the petitioner and used by the
12 owner as a primary residence, and other information as the city
13 council may require. The petition shall be filed with the city
14 clerk by March 1 of the current tax year.

15 2. If the owner satisfies the requirements of subsection 1,
16 the city council shall order the county treasurer to suspend
17 the collection of all taxes imposed under this chapter on the
18 petitioner's property used as a primary residence for the
19 current year and each of the two years immediately following
20 the current year.

21 3. An abatement of taxes under this section is rescinded
22 when the property is sold or transferred.

23 4. Following expiration of the three-year abatement period
24 approved under subsection 2, a new petition must be filed by
25 the owner.

26 5. If an abatement petition is denied by the city council,
27 the property owner may appeal the decision of the city council
28 to the district court of the county in which any part of the
29 city is located within fifteen days after the date of the
30 denial, but action of the council is final and conclusive
31 unless the court finds that the council exceeded its authority.

32 Sec. 13. NEW SECTION. **386A.13 Independent provisions.**

33 The provisions of this chapter with respect to notice,
34 hearing, and appeal for the construction of improvements and
35 the issuance and sale of bonds are in lieu of the provisions

1 contained in chapters 73A and 75, or any other law, unless
2 specifically referred to and made applicable by this chapter.

3 EXPLANATION

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

6 This bill relates to municipal park improvements by
7 authorizing the establishment of municipal park improvement
8 districts, the issuance of municipal park improvement district
9 bonds, and the imposition of specified taxes.

10 Under new Code chapter 386A, a municipal park improvement
11 district (district) may be established by action of the
12 city council for the purpose of undertaking improvements
13 within the district. The bill defines "improvement" to be
14 the acquisition, construction, reconstruction, enlargement,
15 improvement, and equipping of recreation grounds, recreation
16 buildings, juvenile playgrounds, swimming pools, recreation
17 centers, and parks, and the acquisition of real estate
18 therefor.

19 A district must be comprised of contiguous property
20 wholly within the boundaries of the city, be comprised only
21 of property that is zoned for residential, commercial, or
22 industrial uses, and be comprised of property related in some
23 manner, including but not limited to present or potential use,
24 physical location, condition, or relationship to an area so
25 as to be benefited in any manner, including but not limited
26 to a benefit from present or potential use or enjoyment of
27 the property, by the operation of the district or of any
28 improvement of the district.

29 The proceedings for establishing a district are initiated
30 upon the filing of a petition containing the signatures of at
31 least 25 percent of all owners of property within the proposed
32 district. These signatures must together represent ownership
33 of property with an assessed value of 25 percent or more of the
34 assessed value of all of the property in the proposed district.
35 The petition must also, in part, include a description of the

1 boundaries of the proposed district or a description of the
2 property within the proposed district, the name of the proposed
3 district, a statement of the maximum rate of tax that may be
4 imposed upon property within the district, and the purpose of
5 the establishment of the district.

6 Following receipt of a petition, the city council must
7 notify the city planning commission. It is the duty of
8 the city planning commission to make recommendations to the
9 council in regard to the proposed district. The bill provides
10 alternative review procedures if the city does not have a city
11 planning commission.

12 Upon receipt of the planning commission's final report, the
13 city council is to set a time and place for a meeting at which
14 the council proposes to take action for the establishment of
15 the district. In addition to the time and place of the meeting
16 for hearing on the petition, the notice of the meeting must
17 state that a petition has been filed with the council asking
18 that a district be established, the name of the district, the
19 purpose of the district, the property proposed to be included
20 in the district, and the maximum rate of tax which may be
21 imposed upon the property in the district.

22 At the meeting, the city council is required to hear all
23 owners of property in the proposed district or residents of
24 the city desiring to express their views. The council must
25 wait at least 30 days after the meeting has been held before
26 it may adopt an ordinance establishing a district. Property
27 included in the proposed district need not be included in the
28 established district. However, property may not be included in
29 the district that was not included in the petition proposing
30 the district until the council has held another meeting for
31 hearing.

32 Adoption of the ordinance establishing a district requires
33 the affirmative vote of three-fourths of all of the members of
34 the council, or, in cities having a three-member council, the
35 affirmative vote of two members. However, if a remonstrance

1 has been filed with the city clerk signed by at least 25
2 percent of all owners of property within the proposed district
3 representing ownership of property with an assessed value of 25
4 percent or more of the assessed value of all of the property in
5 the proposed district, the adoption of the ordinance requires a
6 unanimous vote of the council. Additionally under the bill,
7 at any time prior to adoption of an ordinance establishing a
8 district, the entire matter of establishing such district shall
9 be withdrawn from council consideration if a petition objecting
10 to establishing such district is filed with the city clerk
11 containing the signatures of at least 40 percent of all owners
12 of property within the proposed district or signatures which
13 together represent ownership of property with an assessed value
14 of 40 percent or more of the assessed value of all property
15 within the proposed district.

16 The ordinance establishing the district may provide for
17 the division of all of the property within the district into
18 two or more zones based upon a reasonable difference in the
19 relationship of the property or the interest of property
20 owners. The ordinance may establish a different maximum rate
21 of tax for each zone in the district.

22 The bill specifies the procedures for residents of the city
23 and property owners to appeal establishment of a district.

24 The council shall initiate proceedings for a proposed park
25 improvement in a district upon receipt of a petition signed
26 by at least 25 percent of all owners of property within the
27 district representing ownership of property with an assessed
28 value of 25 percent or more of the assessed value of all
29 the property in the district. The notice, meeting, and
30 approval requirements for an improvement in the district are
31 similar to those for establishment of the district. The bill,
32 however, provides for the consolidation of procedural steps
33 for the petitioning and establishment of the district with
34 the procedural steps for the authorization of any improvement
35 or with the procedural steps for the authorization of any

1 tax, or any combination thereof. The bill also specifies
2 the procedures and requirements for amending the ordinance
3 establishing the district and for dissolution of the district.

4 Contracts for improvements within a district must be entered
5 into in accordance with Code chapter 26.

6 The bill authorizes a city to establish a municipal park
7 improvement district operation fund, and the city may certify
8 taxes not to exceed the rate limitation as established in
9 the ordinance establishing the district for the purpose of
10 paying the administrative expenses of the district. The taxes
11 levied for this fund may also be used for the purpose of paying
12 maintenance expenses of improvements for a specified length
13 of time, and may be renewed, if such is clearly stated in the
14 petition requesting the improvement.

15 A city may also establish a municipal park improvement
16 capital fund for a district, and the city may certify taxes
17 not to exceed the rate specified in the ordinance establishing
18 the district for the purpose of accumulating moneys for the
19 financing or payment of a part or all of the costs of any
20 improvement.

21 The bill authorizes a city to issue and sell municipal
22 park improvement district bonds. The proceeds of the sale
23 of the bonds may be used to pay any or all of the costs of
24 an improvement or may be used to pay any legal indebtedness
25 incurred for the cost of an improvement, including bonds or
26 warrants previously issued to pay the costs of an improvement,
27 or the bonds may be exchanged for the evidences of such legal
28 indebtedness.

29 A city shall establish a municipal park improvement district
30 debt service fund whenever any municipal park improvement
31 district bonds are issued and outstanding, other than revenue
32 bonds, and shall certify taxes to be levied against all of
33 the property in the district for the debt service fund in the
34 amount necessary to pay interest as it becomes due.

35 The bill provides that if a residential property owner

1 within the district has annual household income that is less
2 than 100 percent of the federal poverty level, the owner may
3 file a petition with the city clerk for abatement of the taxes
4 imposed under the authority contained in new Code chapter
5 386A. If the owner satisfies the requirements for abatement,
6 the city council shall order the county treasurer to suspend
7 the collection of all municipal park improvement district
8 taxes imposed on the petitioner's property used as a primary
9 residence for the current year and each of the two years
10 immediately following the current year. An approved abatement
11 of taxes is rescinded when the property is sold or transferred.
12 Following expiration of the three-year abatement period, a
13 new petition must be filed by the property owner. The bill
14 provides for appeal of denial of an abatement petition to the
15 district court of the county in which any part of the city is
16 located.