

House File 575 - Introduced

HOUSE FILE 575

BY DEYOE

A BILL FOR

1 An Act relating to the annexation of lands by a drainage or
2 levee district, by providing for the payment of costs, and
3 including effective date and applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
DRAINAGE AND LEVEE DISTRICTS
TERMINATION OF ANNEXATION AND COSTS

Section 1. Section 468.119, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. If the district is under the jurisdiction of a county board of supervisors in the case of a petition proposing that lands be annexed, the board may require that a bond be filed by the petitioners in the same manner as provided in section 468.9 conditioned for the payment of all costs of the proposed annexation, including but not limited to engineering costs, costs of any report, and any planned repair or improvement costs. If the board of supervisors terminates the proposed annexation, the costs of the proposed annexation shall be payable only from the bond filed by the petitioners.

DIVISION II
DRAINAGE AND LEVEE DISTRICTS
TERMINATION OF ANNEXATION AND COSTS
SPECIAL CIRCUMSTANCES

Sec. 2. DRAINAGE AND LEVEE DISTRICTS — TERMINATION OF ANNEXATION. If a county board of supervisors acting as the governing body of a drainage or levee district under chapter 468 considered the proposed annexation of lands at a meeting held on October 29, 2019, and the board did not approve the proposed annexation of certain of those lands then or on August 24, 2020, when the board approved the proposed annexation of other lands, all of the following shall apply:

1. The proposed annexation of the unapproved lands is terminated.
2. a. All unpaid costs, and any interest generated from those costs, of the proposed annexation of the unapproved lands together with any planned improvements or repairs to the unapproved lands assessed against the drainage or levee district or the district's landowners, including but not limited to engineering costs and the costs of any report or

1 plans, shall instead be paid from the general fund of the
2 county in which the district is located.

3 b. Any costs charged to the drainage or levee district, or
4 any special assessment charged to a landowner of the district
5 arising from the proposed annexation of the unapproved lands
6 together with any planned improvements or repairs to the
7 unapproved lands, and any interest generated from those costs,
8 charged to the district or a landowner of the district, is
9 void.

10 c. Any payment made by the drainage or levee district, or
11 any special assessment paid by a landowner of the district
12 for costs of the proposed annexation of the unapproved lands
13 together with any planned improvements or repairs, and any
14 interest generated from those costs, shall be refunded to the
15 district or landowner from moneys in the county's general fund.

16 Sec. 3. EFFECTIVE DATE. This division of this Act, being
17 deemed of immediate importance, takes effect upon enactment.

18 Sec. 4. RETROACTIVE APPLICABILITY. This division of this
19 Act applies retroactively to August 24, 2020.

20 EXPLANATION

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

23 BACKGROUND. Under Code chapter 468, a drainage or levee
24 district is established by landowners to provide facilities
25 for draining excess water in a watershed area to improve
26 the land for a number of purposes, including farming (Code
27 section 468.1). The district is governed by a county board
28 of supervisors, joint boards of supervisors in the case of an
29 intercounty district, or a board of trustees in the case of the
30 landowners' election of that form of management (Code section
31 468.3(3)). If a board determines that lands outside a district
32 are benefiting from improvements completed inside the district,
33 the board may voluntarily or involuntarily annex those lands
34 and assess landowners joining the district an amount necessary
35 to maintain the district. Generally, annexation is initiated

1 by landowner petition to the board or the board acting on its
2 own (Code sections 468.119 through 468.121).

3 GENERAL PAYMENT OF COSTS FOR A TERMINATED ANNEXATION. This
4 bill provides that if the district is governed by a board of
5 supervisors, the board may require the petitioners to file a
6 bond for a sum adequate to cover the costs of the proposed
7 annexation in the same manner as if they were petitioning for
8 the establishment of a district (Code section 468.9). The
9 costs of the proposed annexation include engineering costs,
10 costs of any report, and any planned repair or improvement
11 costs.

12 SPECIAL CIRCUMSTANCE. The bill also provides for a special
13 circumstance in which the board of supervisors acting as the
14 governing body of a district considered a proposed annexation
15 of lands on October 29, 2019, and August 24, 2020, but did
16 not act to annex those lands. The bill provides that the
17 annexation of the unapproved lands is terminated, and any
18 costs and interest generated from those costs arising from the
19 proposed annexation together with any planned improvements or
20 repairs to the unapproved lands are obligations of the county
21 rather than either the district or the district's landowners.
22 This provision of the bill takes effect upon enactment and
23 applies retroactively to August 24, 2020.