

the city utility, combined utility system, city enterprise, or combined city enterprise involved in the project. The cost of a project includes the construction contracts, interest upon the revenue bonds and pledge orders during the period or estimated period of construction and for twelve months thereafter, or for twelve months after the acquisition date, such reserve funds as the governing body may deem advisable in connection with the project and the issuance of revenue bonds and pledge orders, and the costs of engineering, architectural, technical, and legal services, preliminary reports, surveys, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights of way, supervision, inspection, testing, publications, printing and sale of bonds and provisions for contingencies. A city may sell revenue bonds or pledge orders at public or private sale in the manner prescribed by chapter 75 and may deliver revenue bonds and pledge orders to the contractors, sellers, and other persons furnishing materials and services constituting a part of the cost of the project in payment therefor.

Sec. 5. Section three hundred eighty-four point ninety-six (384.96), Code 1979, is amended to read as follows:

384.96 SEALED BIDS. When the estimated total cost of a public improvement exceeds the sum of ten thousand dollars, the governing body shall advertise for sealed bids for the proposed improvement by publishing a notice to bidders as provided in section 362.3, except that the notice to bidders may be published more than twenty days but not more than forty-five days before the date for filing bids.

Sec. 6. This Act is effective January first following its enactment.

Approved May 3, 1979

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## CHAPTER 86

### MUNICIPAL IMPROVEMENT DISTRICTS

S. F. 252

AN ACT relating to municipal improvement districts.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section three hundred eighty-six point three (386.3), subsection one (1), paragraph a, Code 1979, is amended to read as follows:

a. Be comprised of contiguous property wholly within the boundaries of the city. A self-supported municipal improvement district shall ~~not~~ be comprised only of any property in districts which are zoned for ~~any-use-other than~~ commercial or industrial uses.

Sec. 2. Section three hundred eighty-six point three (386.3), subsection nine (9), Code 1979, is amended to read as follows:

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

Sec. 3. Section three hundred eighty-six point four (386.4), subsection four (4), Code 1979, is amended to read as follows:

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

Sec. 4. Section three hundred eighty-six point ten (386.10), Code 1979, is amended to read as follows:

386.10 DEBT SERVICE FUND. A city shall establish a self-supported municipal improvement district debt service fund whenever any self-supported municipal improvement district bonds are issued and outstanding, other than revenue bonds, and shall certify taxes to be levied against all of the property in the district for the debt service fund in the amount necessary to pay interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all self-supported municipal improvement district bonds as authorized in section 386.11, issued by the city. However, parcels of property which are assessed as residential property for property tax purposes at the time of the issuance of the bonds are exempt from the tax levied under this section until such time as the parcels are no longer assessed as residential property.

Sec. 5. This Act is effective January first following its enactment.

Approved May 7, 1979