

**CHAPTER 299**  
**CITY DEVELOPMENT**  
*H.F. 313*

**AN ACT** relating to voluntary annexation by authorizing a city to provide for a transition for imposition of city taxes within an annexed area and by reducing the common boundary of an adjoining property and certain designated municipal property, and providing an effective date.

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

Section 1. Section 368.1, subsection 11, Code 1989, is amended to read as follows:

11. "Adjoining" means having a common boundary for not less than ~~two hundred~~ two hundred fifty feet. Land areas may be adjoining although separated by a roadway or waterway.

Sec. 2. Section 368.7, unnumbered paragraphs 2 and 3, Code 1989, are amended to read as follows:

An application for annexation of territory not within the urbanized area of a city other than the city to which the annexation is directed must be approved by resolution of the council which receives the application. In the discretion of a city council, the resolution may include a provision for a transition for the imposition of taxes as provided in section 368.11, subsection 13. Upon receiving approval of the council, the city clerk shall file a copy of the resolution, map, and legal description of the territory involved with the state department of transportation. The city clerk shall also file a copy of the map and resolution with the county recorder and secretary of state. The annexation is completed upon acknowledgment by the secretary of state that the secretary of state has received the map and resolution.

An application for annexation of territory within the urbanized area of a city other than the city to which the annexation is directed must be approved both by resolution of the council which receives the application and by the board. In the discretion of a city council, the resolution may include a provision for a transition for the imposition of taxes as provided in section 368.11, subsection 13. The annexation is completed when the board has filed copies of applicable portions of the proceedings as required by section 368.20, subsection 2.

Sec. 3. Section 368.11, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 13. In the discretion of a city council, a provision for a transition for the imposition of city taxes against property within an annexation area. The provision shall not allow a greater exemption from taxation than the tax exemption formula schedule provided under section 427B.3, paragraphs "a" through "e", and shall be applied in the levy and collection of taxes. The provision may also allow for the partial provision of city services during the time in which the exemption from taxation is in effect.

Sec. 4. Section 403.17, subsection 20, Code 1989, is amended to read as follows:

20. "Economic development area" means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises. Such designated area shall not include land which is part of a century farm.

Sec. 5. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved June 5, 1989