

conveniently provide needed services and facilities of the commercial enterprises to municipalities and the residents of the municipalities. Therefore, the powers granted in this chapter constitute the performance of essential public purposes for this state and its municipalities.

Sec. 2. Section 403.17, subsection 20, Code 1991, 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 or housing and residential development for low and moderate income families, including single or multifamily housing. Such designated area shall not include land which is part of a century farm.

Sec. 3. Section 403.17, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 20A. "Low or moderate income families" means low or moderate income families as defined in section 220.1.

Sec. 4. Section 403.17, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 21. "Housing and residential development" means single or multifamily dwellings to be constructed in an area with respect to which the local governing body of the municipality determines that there is an inadequate supply of affordable, decent, safe, and sanitary housing and that providing such housing is important to meeting any or all of the following objectives: retaining existing industrial or commercial enterprises; attracting and encouraging the location of new industrial or commercial enterprises; meeting the needs of special elements of the population, such as the elderly or handicapped; and providing housing for various income levels of the population which may not be adequately served.

Sec. 5. Section 404.3, subsection 6, Code 1991, is amended to read as follows:

6. The tax exemption schedule specified in subsection 1, 2, 3 or 4 shall apply to every revitalization area within a city unless a different schedule is adopted in the city plan as provided in section 404.2. However, a city shall not adopt a different schedule unless every revitalization area within the city has the same schedule applied to it and the, except in areas of the city which have been designated as both urban renewal and urban revitalization areas. In an area designated for both urban renewal and urban revitalization, a city may adopt a different schedule than has been adopted for revitalization areas which have not been designated as urban renewal areas. The different schedule adopted does shall not provide for a larger tax exemption in a particular year than is provided for that year in the schedule specified in the corresponding subsection of this section.

Sec. 6. This Act shall not apply to such projects where a governing body has adopted a resolution designating an economic development area prior to July 1, 1991.

Approved May 21, 1991

CHAPTER 187

ANNEXATION

H.F. 182

AN ACT relating to the annexation of land surrounded by one or more cities.

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

Section 1. Section 368.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 9A. "Island" means land which is not part of a city and which is completely surrounded by the corporate boundaries of one or more cities. However, a part of the boundary of an "island" may be contiguous with a boundary of the state.

Sec. 2. Section 368.7, unnumbered paragraph 2, Code 1991, is 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 secretary of state shall not accept and acknowledge a copy of a map and resolution of annexation which would create an island. The annexation is completed upon acknowledgment by the secretary of state that the secretary of state has received the map and resolution.

Sec. 3. Section 368.7, unnumbered paragraph 3, Code 1991, is amended to read as follows:

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. The board shall not approve an application which creates an island. 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. 4. Section 368.17, Code 1991, is amended by adding the following new subsection:
NEW SUBSECTION. 7. An annexation which creates an island.

Sec. 5. ANNEXATION OF EXISTING ISLANDS.

1. On or before January 15, 1992, the board of supervisors of each county shall notify the city development board of the existence of any islands within the county that have not become a part of a city by annexation or incorporation as of the date of notification. The notification shall include a legal description of the island and a map showing its location in relationship to the city or cities surrounding the island. The city development board shall verify each county's identification of an island, giving notice and opportunity to contest the identification to each city within whose boundaries the identified island is located as part of the verification process. The city development board shall also give notice and the opportunity to protest the pending annexation to the landowners of the island.

2. If the island is within the boundaries of only one city, the board shall certify the verification to the city and declare the island annexed to the city as of the date of certification.

3. If the island is described by the boundaries of more than one city, the board shall conduct a public hearing for the purpose of determining to which city the island should be annexed. The board may determine that the island's territory shall be divided among the cities in a manner the board finds appropriate. The board's declaration of annexation to each city shall describe how the island is divided among the cities.

4. However, if a majority of the landowners of the island protest the annexation, the board shall discontinue the annexation proceedings unless the board finds that the residents of the island do not have adequate fire protection, police protection, emergency medical services, and road construction and maintenance services.

5. All applicable provisions of section 368.20 shall be followed with regard to annexations pursuant to this section.

Approved May 21, 1991