

FEB 18 2005  
LOCAL GOVERNMENT

HOUSE FILE 341

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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing procedures for a rural water district to  
2 transfer to a city utility its right to provide water service  
3 and for dissolution of the district.

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

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HF 341

1 Section 1. NEW SECTION. 357A.25 SALE, CONVEYANCE, OR  
2 DISPOSAL OF ASSETS AND RIGHTS.

3 1. AUTHORITY. In addition to all other powers granted to  
4 the board, the board may sell, convey, or otherwise dispose of  
5 all or any portion of the real property or personal property  
6 of the district and all or any portion of the district's  
7 rights, including the relinquishment of the district's right  
8 to provide water service to any area within the boundaries of  
9 the district in order to transfer the district's duties and  
10 obligations to a city utility.

11 2. PREREQUISITES. Prior to a sale, conveyance, or  
12 disposition of any real property, personal property, or rights  
13 of a district, that includes a relinquishment to a city  
14 utility of the district's right to provide water service, the  
15 following shall occur:

16 a. The board shall provide for the discharge of all of the  
17 district's indebtedness and obligations.

18 b. The city utility shall agree to provide water service  
19 to the participating members of the district immediately  
20 following such sale, conveyance, or disposition.

21 c. The requirements of subsection 3 are satisfied.

22 3. PETITION. The board shall file a petition with the  
23 auditor requesting relinquishment to a city utility of the  
24 district's right to provide water service. The petition shall  
25 do all of the following:

26 a. Describe by section, or fraction thereof, and by  
27 township and range, the real property in the area which is to  
28 be detached from the district.

29 b. Identify the city utility who will initially provide  
30 water service to the area immediately following the sale,  
31 conveyance, or disposition.

32 c. Assert that the area described in paragraph "a" can be  
33 adequately and economically served by the city utility.

34 4. HEARING -- NOTICE. Upon the filing of the petition,  
35 the auditor shall prepare for a hearing on the petition as

1 required by section 357A.3. The notice of the hearing shall  
2 include all of the following:

3 a. The location of the area as described or shown by the  
4 petition.

5 b. The time and place of the hearing fixed by the  
6 supervisors for the hearing on the petition.

7 c. A statement that all owners or tenants of real property  
8 within the area described may appear and be heard.

9 5. FINDINGS -- ORDER. After the hearing, the supervisors  
10 shall approve the relinquishment to a city utility of the  
11 district's right to provide water service to the area and  
12 order that the area be detached from the district, if the  
13 supervisors find the following:

14 a. The petition meets all of the requirements of  
15 subsection 3.

16 b. It appears from the information available to the  
17 supervisors that the information included in the petition is  
18 accurate.

19 c. Notice of hearing has been given.

20 d. The relinquishment to a city utility of the district's  
21 right to provide water service to the area is in the best  
22 interests of the residents of the area.

23 The supervisor's order of detachment is effective as of the  
24 date the district files a notice with the auditor stating that  
25 such sale, conveyance, or other disposition has occurred. The  
26 order shall be published in the same newspaper which published  
27 the notice of the hearing. This section shall not preclude  
28 any procedure for detaching an area from a district pursuant  
29 to section 357A.16 or as otherwise provided by law.

30 6. EXEMPTION. The requirements of this section shall not  
31 apply to a relinquishment to a city of the district's right to  
32 provide water service within the corporate limits of a city or  
33 within two miles of the corporate limits of a city if the city  
34 agrees to supply water service for residents of the area no  
35 longer served by the district. A relinquishment under this

1 subsection shall render the area to be served by the city  
2 utility detached from the district as of the date the district  
3 files a notice with the auditor describing the area to be  
4 detached.

5 Sec. 2. NEW SECTION. 357A.26 DISSOLUTION.

6 1. After a district relinquishes its right to provide  
7 water service to any area within the boundaries of the  
8 district in order to transfer the district's duties and  
9 obligations to a city utility pursuant to section 357A.25, and  
10 a supervisor's order for detachment is effective, the board  
11 may file a petition for dissolution of the district with the  
12 auditor. The petition shall state all of the following:

13 a. That the district owns no property and that the  
14 district has relinquished all of the district's right to  
15 provide water service in the district's boundaries in  
16 accordance with section 357A.25.

17 b. That all of the district's obligations and indebtedness  
18 have been discharged or provision for the discharge of such  
19 obligations and indebtedness has been made.

20 2. Upon receipt of a petition for dissolution, the auditor  
21 shall inform the supervisors who shall fix a time for  
22 consideration of the petition. The supervisors may, but shall  
23 not be required to, hold a hearing on the petition. After  
24 consideration of the petition, and after the hearing if one is  
25 held, the supervisors shall ascertain the following:

26 a. Whether the petition meets all of the requirements of  
27 this section.

28 b. Whether each allegation included in the petition is  
29 factual from all information available to the supervisors.

30 If the supervisors' finding on each of the points in  
31 paragraphs "a" and "b" is positive, the supervisors shall  
32 declare the district dissolved. The supervisors shall notify  
33 the secretary of the district of its action, and the secretary  
34 shall within thirty days deliver to the auditor all records,  
35 maps, plans, and files of the dissolved district.

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EXPLANATION

This bill provides a rural water district with the authority to transfer the district's real and personal property and all rights, including the right to provide water service for any area within the district's boundaries, to a city utility for the purpose of having the city utility assume the district's duties and obligations. Following notice and hearing on a petition to accomplish the transfer of water service from the rural water district to a city utility, the board of supervisors of the county may make certain findings and issue an order detaching the area from the district. The bill provides that after the detachment, the district's board may file a petition for dissolution. The bill provides procedures to dissolve a district.