

MAR 7 2001

LOCAL GOVERNMENT

HOUSE FILE 536
BY FALLON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act removing economic development as a purpose for approval of
2 an urban renewal plan and an urban renewal project for an
3 urban renewal area.

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

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1 Section 1. Section 403.2, subsection 3, Code 2001, is
2 amended by striking the subsection.

3 Sec. 2. Section 403.4, subsections 1 and 2, Code 2001, are
4 amended to read as follows:

5 1. One or more slum, or blighted ~~or-economic-development~~
6 areas exist in the municipality.

7 2. The rehabilitation, conservation, redevelopment,
8 ~~development,~~ or a combination thereof, of the area is
9 necessary in the interest of the public health, safety, or
10 welfare of the residents of the municipality.

11 Sec. 3. Section 403.5, subsection 1, Code 2001, is amended
12 to read as follows:

13 1. A municipality shall not approve an urban renewal
14 project for an urban renewal area unless the governing body
15 has, by resolution, determined the area to be a slum area, or
16 blighted area, ~~economic-development-area~~ or a combination of
17 those areas, and designated the area as appropriate for an
18 urban renewal project. The local governing body shall not
19 approve an urban renewal plan until a general plan for the
20 municipality has been prepared. For this purpose and other
21 municipal purposes, authority is vested in every municipality
22 to prepare, to adopt and to revise from time to time, a
23 general plan for the physical development of the municipality
24 as a whole, giving due regard to the environs and metropolitan
25 surroundings. A municipality shall not acquire real property
26 for an urban renewal project unless the local governing body
27 has approved the urban renewal project in accordance with
28 subsection 4.

29 Sec. 4. Section 403.5, subsection 4, paragraph b,
30 subparagraph (1), subparagraph subdivision (c), Code 2001, is
31 amended by striking the subparagraph subdivision.

32 Sec. 5. Section 403.5, subsection 4, paragraph b,
33 subparagraph (2), unnumbered paragraph 2, Code 2001, is
34 amended to read as follows:

35 A municipality shall not condemn agricultural land included

1 within an economic-development urban renewal area unless the
2 owner of the agricultural land consents to condemnation or
3 unless the agricultural land is to be acquired for industry as
4 that term is defined in section 260E.2. This paragraph shall
5 not apply to land necessary or useful for the operation of a
6 city utility as defined in section 362.2, for the operation of
7 a city franchise conferred the authority to condemn private
8 property under section 364.2, or a combined utility system as
9 defined in section 384.80.

10 Sec. 6. Section 403.7, Code 2001, is amended to read as
11 follows:

12 403.7 CONDEMNATION OF PROPERTY.

13 A municipality shall have the right to acquire by
14 condemnation any interest in real property, including a fee
15 simple title thereto, which it may deem necessary for or in
16 connection with an urban renewal project under this chapter.
17 However, a municipality shall not condemn agricultural land
18 included within an economic-development urban renewal area
19 unless the owner of the agricultural land consents to
20 condemnation or unless the agricultural land is to be acquired
21 for industry as that term is defined in section 260E.2. A
22 municipality may exercise the power of eminent domain in the
23 manner provided in chapter 6B, and Acts amendatory to that
24 chapter or supplementary to that chapter, or it may exercise
25 the power of eminent domain in the manner now or which may be
26 hereafter provided by any other statutory provisions for the
27 exercise of the power of eminent domain. Property already
28 devoted to a public use may be acquired in like manner.
29 However, real property belonging to the state, or any
30 political subdivision of this state, shall not be acquired
31 without its consent, and real property or any right or
32 interest in the property owned by any public utility company,
33 pipeline company, railway or transportation company vested
34 with the right of eminent domain under the laws of this state,
35 shall not be acquired without the consent of the company, or

1 without first securing, after due notice to the company and
2 after hearing, a certificate authorizing condemnation of the
3 property from the board, commission or body having the
4 authority to grant a certificate authorizing condemnation. In
5 a condemnation proceeding, if a municipality proposes to take
6 a part of a lot or parcel of real property, the municipality
7 shall also take the remaining part of the lot or parcel if
8 requested by the owner.

9 Sec. 7. Section 403.17, subsection 10, Code 2001, is
10 amended by striking the subsection.

11 Sec. 8. Section 403.17, subsection 23, Code 2001, is
12 amended to read as follows:

13 23. "Urban renewal area" means a slum area, or blighted
14 area, ~~economic-development-area~~, or combination of the areas,
15 which the local governing body designates as appropriate for
16 an urban renewal project.

17 Sec. 9. Section 403.17, subsection 24, paragraph b, Code
18 2001, is amended to read as follows:

19 b. Be sufficiently complete to indicate the real property
20 located in the urban renewal area to be acquired for the
21 proposed ~~development~~, redevelopment, improvement, or
22 rehabilitation, and to indicate any zoning district changes,
23 existing and future land uses, and the local objectives
24 respecting development, redevelopment, improvement, or
25 rehabilitation related to the future land uses plan, and need
26 for improved traffic, public transportation, public utilities,
27 recreational and community facilities, and other public
28 improvements within the urban renewal area.

29 Sec. 10. Section 403.17, subsection 25, unnumbered
30 paragraph 1, Code 2001, is amended to read as follows:

31 "Urban renewal project" may include undertakings and
32 activities of a municipality in an urban renewal area for the
33 elimination and for the prevention of the development or
34 spread of slums and blight, ~~may-include-the-designation-and~~
35 ~~development-of-an-economic-development-area-in-an-urban~~

1 ~~renewal-area~~, and may involve slum clearance and redevelopment
2 in an urban renewal area, or rehabilitation or conservation in
3 an urban renewal area, or any combination or part thereof in
4 accordance with an urban renewal program. The undertakings
5 and activities may include:

6 Sec. 11. Section 403.17, subsection 25, paragraph a, Code
7 2001, is amended to read as follows:

8 a. Acquisition of a slum area, or blighted area, ~~economic~~
9 ~~development-area~~, or portion of the areas;

10 Sec. 12. Section 403.19, subsection 2, Code 2001, is
11 amended to read as follows:

12 2. That portion of the taxes each year in excess of such
13 amount shall be allocated to and when collected be paid into a
14 special fund of the municipality to pay the principal of and
15 interest on loans, moneys advanced to, or indebtedness,
16 whether funded, refunded, assumed, or otherwise, including
17 bonds issued under the authority of section 403.9, subsection
18 1, incurred by the municipality to finance or refinance, in
19 whole or in part, an urban renewal project within the area,
20 ~~and-to-provide-assistance-for-low-and-moderate-income-family~~
21 ~~housing-as-provided-in-section-403-22~~, except that taxes for
22 the regular and voter-approved physical plant and equipment
23 levy of a school district imposed pursuant to section 298.2
24 and taxes for the payment of bonds and interest of each taxing
25 district must be collected against all taxable property within
26 the taxing district without limitation by the provisions of
27 this subsection. However, all or a portion of the taxes for
28 the physical plant and equipment levy shall be paid by the
29 school district to the municipality if the municipality
30 certifies to the school district by July 1 the amount of such
31 levy that is necessary to pay the principal and interest on
32 indebtedness incurred by the municipality to finance an urban
33 renewal project, which indebtedness was incurred before July
34 1, 2000. Such school district shall pay over the amount
35 certified by November 1 following certification to the school

1 district. Unless and until the total assessed valuation of
2 the taxable property in an urban renewal area exceeds the
3 total assessed value of the taxable property in such area as
4 shown by the last equalized assessment roll referred to in
5 subsection 1, all of the taxes levied and collected upon the
6 taxable property in the urban renewal area shall be paid into
7 the funds for the respective taxing districts as taxes by or
8 for the taxing districts in the same manner as all other
9 property taxes. When such loans, advances, indebtedness, and
10 bonds, if any, and interest thereon, have been paid, all
11 moneys thereafter received from taxes upon the taxable
12 property in such urban renewal area shall be paid into the
13 funds for the respective taxing districts in the same manner
14 as taxes on all other property.

15 Sec. 13. Section 403.22, Code 2001, is repealed.

16 EXPLANATION

17 This bill removes economic development as a purpose for
18 approval of an urban renewal plan and an urban renewal project
19 for an urban renewal area.

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