

SPECIAL DISTRICTS

SPECIAL DISTRICTS are a form of local government that delivers public services such as water, fire protection, police protection and flood control within defined geographical boundaries. They are usually empowered to enter into contracts, employ workers, acquire property, levy assessments and charge fees for services. Special districts are an efficient and equitable method of supplementing local public services. One of their many benefits is that they increase accountability in public spending.

Five states statutorily allow the establishment of Special Districts to provide for infrastructure finance and development. The Iowa Special Districts statute provides for the variety of special districts that other states allow and also includes legislative acknowledgement that the state has a shortage of opportunities and means for developing local housing. The legislature addressed that situation by providing for the establishment of real estate improvement districts to help meet its need for affordable housing development.

Iowa Special Districts

IOWA CODE ANN. TITLE IX, SUBTITLE 2 (2005)

Iowa's Special Districts statute provides for a variety of special districts including water, street lighting, law enforcement, recreational, emergency medical, library, and sanitary improvement facilities. Additionally, the legislature, recognizing that it is in the best interest of the state and its citizens to provide for infrastructure development to lower the costs of developing housing, included a real estate improvement district provision in the Special Districts statute. This section provides for development of water, sewer, roads and other infrastructure. It also specifically recognizes the inter-relationship between the economic health and development of Iowa communities and the state's need to assist developers and communities in increasing the availability of housing in Iowa communities.

In order to form a real estate improvement district, the owners of the property to be designated as such must file a petition with the Board of Supervisors of the area where the property is located requesting that the issue be put before the area's voters.

A district may acquire, construct, reconstruct, install, maintain, and repair public improvements, defined as the principal structures, works, component parts and accessories of the following:

- ▶ Underground utilities —gas, water, heating, sewer, telecommunications, and electrical connections located in streets for private property;
- ▶ Sanitary, storm, and combined sewers;
- ▶ Waterworks, water mains, and extensions;
- ▶ Emergency warning systems;
- ▶ Pedestrian underpasses or overpasses;
- ▶ Drainage conduits, dikes, and levees for flood protection;
- ▶ Public waterways, docks, and wharfs;
- ▶ Public parks, playgrounds, and recreational facilities;
- ▶ Clearing, stripping, grubbing, earthwork, erosion control, lot grading, street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil and gravel;
- ▶ Street lighting fixtures, connections, and facilities;
- ▶ Sewage pumping stations;
- ▶ Traffic control devices, fixtures, connections, and facilities; and
- ▶ Public roads, streets, and alleys.



A real estate improvement district, through its governing boards of trustees, is authorized to:

- ▶ Acquire real or personal property, rights-of-way and easements by purchase, gift, condemnation, and eminent domain;
- ▶ Levy certain types of taxes;
- ▶ Establish equitable rates, charges, or rentals for the utilities and services furnished by the district to be paid to the district by every person, firm, or corporation whose premises are directly or indirectly served by a connection to the utilities and services;
- ▶ Borrow money for its corporate purposes so long as its debt does not exceed its constitutionally established debt limit;
- ▶ Issue bonds, including both general obligation and revenue bonds, and enter into short-term loans and issue warrants, again as long as the entity does not exceed the constitutionally established debt limit; and
- ▶ Levy special assessments on property located within the district.

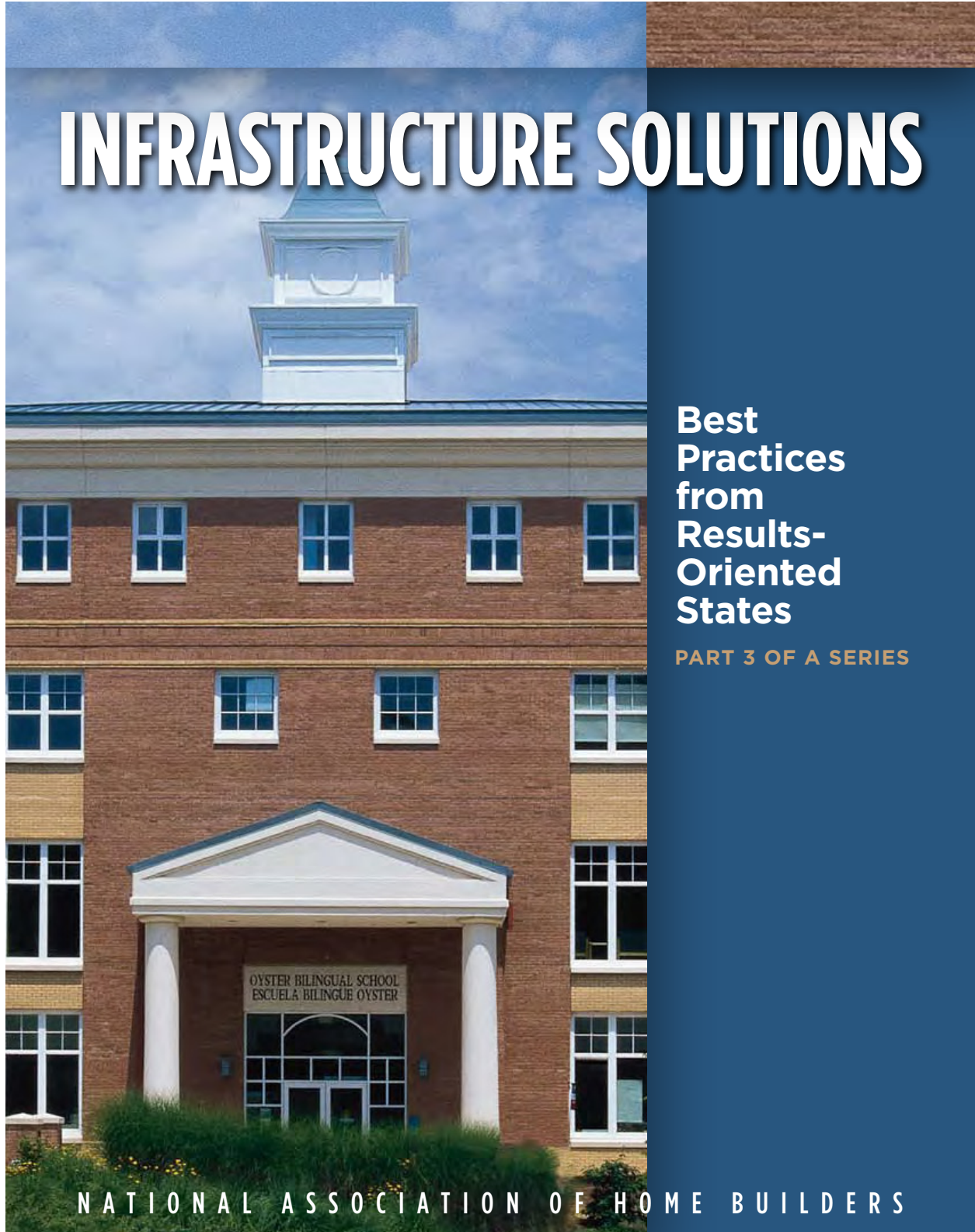
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Infrastructure Solutions: Best Practices from Results-Oriented States.

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INFRASTRUCTURE SOLUTIONS

**Best
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