

## **Rural Improvement Zones**

Iowa Code allows private lake developments in unincorporated areas of counties with under 20,000 (currently 64 counties under 20,000) in population to create a Rural Improvement Zone (RIZ). There are currently five RIZ in the state.

To create a rural improvement zone, at least 25% of the landowners in the proposed area who hold as least 25% of the assessed value of the area petition the Board of Supervisors to hold a public hearing on the proposed RIZ. The petition shall include relevant information on the need for the RIZ which includes; size of the lake, current land uses, estimated historical and projected silt accumulation, current water quality of the lake, and current preventive practices and the impact of those practices on the lake.

If the petition is approved the RIZ is created and trustees are elected to oversee the affairs, property, and facilities of the RIZ. This includes the incremental property taxes of the zone whereas a limited portion of the valuation inside the zone is kept there for development and maintenance like Tax Increment Financing (TIF) For example if the RIZ for Sundown Lake in Appanoose County would choose to use it's levying authorities under the code it could generate up to \$150,000 a year. So far, the RIZ has generated revenue from other sources and not levied property taxes.

The RIZ can be dissolved in a few different scenarios. The trustees can vote to dissolve the RIZ if all the needed improvements have been completed and all debt has been paid. If the RIZ has been in force for twenty years, it shall be reviewed by the Board of Supervisors of the county. A review of the progress of the lake infrastructure will be conducted by engineers and a report shall be filed with the supervisors. The final decision on the renewal of the RIZ falls with the Board of Supervisors. They may decide to continue the RIZ or dissolve it. If the RIZ is dissolved the assets will be transferred to a non-profit corporation whose members are property owners of the improvement area. If no action is taken the RIZ will be deemed to continue for another 20-year period. No public vote is required for by the members of the RIZ or the entire population of the affected county.

### *Discussion Question:*

1. Should there be any changes to the process to allow public input into the approval or removal of Rural Improvement Zones in the state?