

7 preceding the year for which payment is contemplated or for such
 8 lesser period of time as the company has been in operation.
 9 2. The municipal corporation shall, in any given year, be authorized
 10 to pay over only such sums as will yield not to exceed two percent
 11 (2%) of the public transportation company's investment as the same
 12 is valued in its tax depreciation schedule, provided that corporate
 13 profits and losses for the five preceding years or for such lesser period
 14 of time as the company has been in operation shall not average in
 15 excess of a two percent (2%) net return. Nothing herein shall be
 16 construed to permit the payment of funds to subsidize any losses in-
 17 curred prior to the adoption of this Act.

Approved May 17, 1955.

CHAPTER 196

MUNICIPAL TRANSIT SYSTEMS

H. F. 422

AN ACT authorizing municipal corporations to establish, purchase, acquire, enlarge, extend, improve, maintain and operate transit systems; to issue bonds and equipment trust certificates in connection therewith; providing for a board of transit trustees to operate such system, and authorizing the use of municipal funds and the levy of municipal taxes to meet any deficiency in available revenues to pay operating, maintenance, depreciation and reserve expenses of such transit systems.

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

1 SECTION 1. **Definitions.** The following words or terms, as used
 2 in this Act, shall have the respective meanings as stated:

3 1. "Municipal corporation" shall mean any city of more than twelve
 4 thousand (12,000) population or any city or town lying adjacent to a
 5 city of more than twelve thousand (12,000) population, regardless of
 6 form of government or manner of incorporation.

7 2. "Transit system" shall mean all plants, equipment, property and
 8 rights useful for transportation of passengers for hire except taxi-
 9 cabs and includes, without limiting the generality of the foregoing,
 10 street railways, motor vehicles, trolley buses, motor buses, and any
 11 combination thereof.

12 3. "Board" or "transit board" shall mean the board of transit
 13 trustees who shall not be under the provisions of chapter 365, Code
 14 1954.

15 4. "Council" shall mean the city or town council constituting the
 16 governing body of the municipal corporation.

1 SEC. 2. Any municipal corporation shall have the power to es-
 2 tablish or to acquire by purchase, construction, gift, condemnation
 3 and to equip, enlarge, extend, improve, maintain and operate a transit
 4 system operating or to be operated either within or without the cor-
 5 porate limits of such municipal corporation and either within or with-
 6 out the territorial limits of this state, including all or any part of the
 7 plant, equipment, vehicles, property, contracts and agreements of
 8 every kind and nature, reserve funds, employees' pension or retire-
 9 ment funds, special funds, franchises, licenses, patents, permits and

10 papers, documents and records, rights in property, land, easements
11 and rights of way of such a system. All property of every kind and
12 nature acquired under authority contained in this Act shall be the
13 property of the municipal corporation so acquiring the same and title
14 thereto shall be taken in the name of such municipal corporation.

15 Any municipal corporation shall have the right of eminent domain
16 to acquire private property necessary in connection with the estab-
17 lishment or acquisition, enlargement, extension, improvement, opera-
18 tion and maintenance of a transit system. In the event of the exercise
19 of eminent domain to acquire an existing transit system, the provisions
20 of section 397.20 to 397.25, inclusive, 1954 Code, shall govern so far
21 as applicable.

1 SEC. 3. No such transit system shall be acquired by any municipal
2 corporation unless the proposition of acquiring such system by any
3 one or more of the means specified in section two (2) of this Act is
4 submitted to the voters of the municipal corporation at an election
5 as hereinafter provided and the vote in favor of such proposition at
6 such election is equal to at least sixty per cent (60%) of the legal
7 electors voting on such proposition at such election; provided before
8 any municipal corporation shall enter into any such contract for the
9 purchase of a transit system, or for the extension or improvement of
10 an existing transit system, to cost twenty thousand dollars or more,
11 the governing body proposing to make such contract shall give thirty
12 days notice of its intention to adopt proposed plans and specifications
13 and the proposed form of contract therefor, by publication once each
14 week for two consecutive weeks in some newspaper of general cir-
15 culation in the municipality and also in some newspaper of general
16 circulation in the state of Iowa, the first publication of which shall
17 be at least thirty days prior to the time of hearing fixed in said notice.
18 Such notice shall state as nearly as practicable the extent of the con-
19 tract or of the proposed improvement. Pursuant to said notice and
20 at such time and place as is fixed therein, the governing body shall
21 consider the form of contract, the said plans and specifications, and
22 offers and propositions submitted therewith, together with any objec-
23 tions thereto by any interested party, and at such hearing or any
24 adjournment thereof, shall have the power to adopt such offer or
25 offers, propositions or bids, and enter into such contracts as they shall
26 deem to be to the best interest of the municipality.

1 SEC. 4. The council of any municipal corporation may order the
2 proposition of acquiring a transit system by any one or more of the
3 means specified in section two (2) of this Act submitted at a regular
4 municipal election, or may call a special election for the purpose of
5 voting on such proposition, and specify the approximate amount of
6 bonds to be issued, or the council shall order said proposition sub-
7 mitted at an election upon the petition of twenty-five (25) property
8 owners of each voting precinct in said municipal corporation.

1 SEC. 5. Notice of any such election shall be given by publication
2 once each week for four (4) consecutive weeks in some newspaper
3 published in the county and having a general circulation in said
4 municipal corporation. The election shall be held on a day not less than
5 five (5) nor more than twenty (20) days after the last publication
6 of said notice.

1 SEC. 6. Except as hereinafter otherwise provided, the adminis-
2 tration and management of any transit system acquired under au-
3 thority contained in this Act shall be vested in a board of transit
4 trustees consisting of three (3) members appointed by the mayor from
5 among the resident voters of the municipal corporation with reference
6 to their fitness for such office, which appointments shall be approved
7 by at least a majority vote of the council. The first appointees shall
8 hold office, one (1) for two (2) years, one (1) for three (3) years,
9 one (1) for four (4) years. All subsequent appointments shall be for
10 a term of six (6) years. Vacancies shall be filled as original appoint-
11 ments are made and for the unexpired term. Members of the board
12 shall receive compensation of not to exceed three hundred dollars per
13 year to each member of said board. Within fifteen (15) days after
14 approval of his appointment and before entering upon the duties of
15 his office, each member of the board shall take and subscribe an oath
16 of office in the form prescribed by section sixty-three point ten (63.10)
17 of the 1954 Code and file it in the office of the clerk of the municipal
18 corporation. Each member of the board shall execute and furnish a
19 bond in an amount to be fixed by the council, to be approved by the
20 mayor and filed with the clerk of the municipal corporation. The cost
21 of such bonds shall be paid from transit system funds. As soon as
22 possible after the appointment of the initial members, the board shall
23 organize for the transaction of business, elect from its own number
24 a chairman and a secretary who shall serve for such terms as the board
25 shall determine not exceeding their terms of office as members of
26 the board, and adopt by-laws, rules and regulations to govern the
27 proceedings of the board. Members of the board shall hold office until
28 their respective successors have been appointed and have qualified.
29 Any member may resign from his office, to take effect when his suc-
30 cessor has been appointed and has qualified. In case of failure to
31 qualify within the time required, or of abandonment of his office, or
32 of change of residence to another community, or in case of death, his
33 office shall become vacant.

34 Two members of the board shall constitute a quorum for the trans-
35 action of business. All action of the board shall be by resolution and
36 the affirmative vote of at least two members shall be necessary for
37 the adoption of any resolution. All resolutions of the board and all
38 documents and records in its possession shall be public records and
39 open to public inspection except such documents and records as shall
40 be kept or prepared by the board for use in negotiations, action or
41 proceedings to which the board is a party.

1 SEC. 7. Except as hereinafter otherwise provided, such board
2 shall have possession, management, charge and superintendence of
3 the transit system and shall have the power to make and enforce rules
4 and regulations for the control, supervision, maintenance and oper-
5 ation of the transit system, and to buy, to sell and exchange any
6 property, vehicles, equipment or rights for the benefit and efficient
7 operation of said system. Such board shall also have the power to
8 purchase equipment and may execute agreements, and equipment trust
9 certificates in the form customarily used in such cases appropriate to
10 effect such purchases and may dispose of such equipment trust cer-
11 tificates. All money required to be paid by the municipal corporation
12 under the provisions of such agreements, and equipment trust cer-

13 tificates shall be paid solely from the revenue or income to be derived
14 from the operation of the transit system and from grants and loans
15 provided in this Act. Payment for such equipment, or rentals therefor,
16 may be made in installments, and the deferred installments may be
17 evidenced by equipment trust certificates payable solely from such
18 revenue or income, and title to such equipment shall not vest in the
19 municipal corporation until the equipment trust certificates are paid.

20 The agreement to purchase may direct the vendor to sell and assign
21 the equipment to a bank or trust company duly authorized to transact
22 business in the state of Iowa, as trustee, for the benefit and security
23 of the equipment trust certificates and may direct the trustee to de-
24 liver the equipment to the chairman or secretary of the board of transit
25 trustees and may authorize the trustee simultaneously therewith to
26 execute and deliver a lease of the equipment to the municipal cor-
27 poration.

28 The agreements and leases shall be duly acknowledged before some
29 person authorized by law to take acknowledgments of deeds and in
30 the form required for acknowledgment of deeds and such agreements,
31 leases and equipment trust certificates shall be authorized by resolution
32 of the board of transit trustees and shall contain such covenants, con-
33 ditions and provisions as may be deemed necessary or appropriate
34 to insure the payment of the equipment trust certificates solely from
35 the revenue or income to be derived from the transit system.

36 The covenants, conditions and provisions of the agreements, and
37 equipment trust certificates shall not conflict with any of the pro-
38 visions of any trust agreement securing the payment of bonds of the
39 municipal corporation issued under the terms of this Act.

40 An executed copy of each such agreement and lease shall be filed
41 in the office of the recorder of the county in which such municipal
42 corporation is situated, and such recorder shall be entitled to a fee
43 as provided in section three hundred thirty-five point fourteen (335.14)
44 of the Code for each such copy filed with him, which filing shall con-
45 stitute notice to any subsequent judgment creditors or any subsequent
46 purchaser. Each vehicle so purchased and leased shall have the name
47 of the owner and lessor plainly marked upon both sides thereof, fol-
48 lowed by the words "Owner and Lessor".

1 SEC. 8. Such board of transit trustees shall also have power to
2 employ, fix the compensation of, and remove, subject to the provisions
3 of Chapter 365, 1954 Code, such professional, technical and other
4 employees, but not including executive employees, skilled or unskilled,
5 as it may be deemed necessary for the operation and maintenance of
6 such transit system. Chapter 365, 1954 Code, shall be applicable to
7 all employees under the jurisdiction of the board of transit trustees,
8 and its provisions shall govern their employment. The board may
9 from time to time fix and establish routes and schedules and change
10 the same whenever it is deemed advisable and shall have the power
11 and it shall be its duty to fix, maintain, regulate and collect rates,
12 fares or charges for the transportation of passengers and any inci-
13 dental services and the rates or charges to be made for advertising
14 in buses or any other facilities under the control of the board, so that
15 the revenues of the system will be at all times sufficient in the aggre-
16 gate to provide for the payment of the interest on and principal of
17 all bonds and equipment trust certificates that may be issued and

18 outstanding under the provisions of this Act and for the payment of
19 the operation, maintenance, depreciation and other expenses of the
20 transit system, and for the creation of a reserve fund for the purchase
21 of such new equipment as may reasonably be necessary for the oper-
22 ation of said transit system. All funds derived from taxation or other-
23 wise for transit system purposes shall be deposited with the treasurer
24 of the municipal corporation to the credit of said transit system and
25 shall be withdrawn or paid out only by check or draft upon the bank
26 signed by the chairman of the board and countersigned by the secre-
27 tary thereof.

28 The board shall have the power to sell or otherwise dispose of any
29 personal property which in the opinion of the board is obsolete or is
30 no longer necessary to the operation and maintenance of the transit
31 system. Notice of such sale or disposition of such personal property
32 of a value of more than one thousand dollars (\$1,000.00) shall be
33 given by publication once in one newspaper published in said municipal
34 corporation, at least ten (10) days before such sale or disposition.
35 The board shall establish reasonable rules and regulations governing
36 the sale or disposition of such property. Any revenue derived from
37 the sale of such property shall be deposited with the treasurer of the
38 municipal corporation to the credit of the transit system.

1 SEC. 9. All contracts for the sale of property of the value of more
2 than one thousand dollars (\$1,000.00) or for any concession in or
3 lease of property for a term of more than one (1) year shall be award-
4 ed to the highest responsible bidder, after advertising for bids. All
5 construction contracts, and contracts for supplies, materials, equip-
6 ment and services, when the expense thereof will exceed one thousand
7 dollars (\$1,000.00), shall be let to the lowest responsible bidder, after
8 advertising for bids.

9 All contracts involving less than one thousand dollars (\$1,000.00)
10 shall be let by competitive bidding whenever possible, and in any
11 event in a manner calculated to insure the best interests of the public.

12 In determining the responsibility of any bidder the board may take
13 into account past record of dealing with the bidder, experience, ade-
14 quacy of equipment, ability to complete performance within the time
15 set, and other factors besides financial responsibility, but in no case
16 shall any such contract be awarded to any other than the highest bidder
17 (in case of sale, concession or lease) or the lowest bidder (in case of
18 purchase or expenditure) unless authorized or approved by a vote
19 of at least two (2) members of the board, and unless such action is
20 accompanied by a statement in writing setting forth the reasons for
21 not awarding the contract to the highest or lowest bidder, as the case
22 may be, which statement shall be kept on file in the office of the board
23 and open to public inspection.

24 Contracts shall not be split into parts involving expenditure of less
25 than one thousand dollars (\$1,000.00) for the purpose of avoiding the
26 provisions of this section, and all such split contracts shall be void.
27 If any collusion occurs among bidders or prospective bidders in re-
28 straint of freedom of competition, by agreement to bid a fixed amount
29 or to refrain from bidding, or otherwise, the bids of such bidders shall
30 be void. Each bidder shall accompany his bid with a sworn statement
31 that he has not been a party to any such agreement.

32 Members of the board and officers and employees thereof, and their

33 relatives within the fourth degree by the terms of the civil law, are
34 forbidden to be interested directly or indirectly in any contract for
35 construction or maintenance work or for the delivery of materials,
36 supplies or equipment.

37 The board shall have the right to reject all bids and to readvertise
38 for bids.

39 Advertisements for bids shall be published at least twice in a news-
40 paper having a general circulation in the municipal corporation, the
41 last publication to be at least ten (10) calendar days before the time
42 for receiving bids. Such advertisements shall state the time and place
43 for receiving and opening bids, and by reference to plans and speci-
44 fications on file at the time of the first publication, or in the adver-
45 tisement itself, shall describe the character of the proposed contract
46 in sufficient detail to fully advise prospective bidders of their obli-
47 gations and to insure free and open competitive bidding.

48 All bids in response to advertisement shall be sealed and shall be
49 publicly opened by the board, and all bidders shall be entitled to be
50 present in person or by representatives. Cash or a certified or satis-
51 factory cashier's check, as a deposit of good faith, in a reasonable
52 amount to be fixed by the board before advertising for bids, shall
53 be required with the proposal of each bidder. Bond for faithful per-
54 formance of the contract with surety or sureties satisfactory to the
55 board and adequate insurance may be required in reasonable amounts
56 to be fixed by the board before advertising for bids.

57 The contract shall be awarded as promptly as possible after the
58 opening of bids. The bid of the successful bidder, as well as the bids
59 of the unsuccessful bidders, shall be placed on file and be open to
60 public inspection. All bids shall be void if any disclosure of the terms
61 of any bid in response to an advertisement is made or permitted to
62 be made by the board before the time fixed for opening bids.

1 SEC. 10. For the purpose of acquiring, purchasing, constructing,
2 equipping, enlarging, extending, or improving a transit system, or
3 any part thereof, the council of the municipal corporation may by
4 resolution, from time to time, issue and dispose of the negotiable
5 interest-bearing bonds and may also from time to time issue and dis-
6 pose of negotiable interest-bearing bonds to refund any bonds at
7 maturity or pursuant to redemption provisions or at any time before
8 maturity with the consent of the holders thereof. All such bonds
9 shall be payable solely as to both principal and interest from the reve-
10 nues or income to be derived from the operation of such transit
11 system. All such bonds shall be substantially in the form prescribed
12 by section 397.12, 1954 Code, and may bear such date or dates, may
13 mature at such time or times not exceeding thirty (30) years from
14 their respective dates, may bear interest at such rate or rates not
15 exceeding five per cent (5%) per annum, payable semi-annually, may
16 be in such form, may carry such registration privileges, may be
17 executed in such manner, may be payable at such place or places,
18 may be made subject to redemption in such manner and upon such
19 terms, with or without premium, as is stated on the face thereof, may
20 be authenticated in such manner and may contain such terms and
21 covenants, all as may be provided in such resolution. Notwithstand-
22 ing the form or tenor thereof, and in the absence of an express re-
23 cital on the face thereof that it is nonnegotiable, all such bonds shall

24 be negotiable instruments. Pending the preparation and execution
25 of any such bonds temporary bonds may be issued with or without
26 interest coupons as may be provided by resolution. To secure the
27 payment of any or all of such bonds and for the purpose of setting
28 forth the covenants and undertakings of the municipal corporation
29 in connection with the issuance thereof and the issuance of any
30 additional bonds payable from such revenue or income as well as
31 the use and application of the revenue or income to be derived from
32 the transit system, the municipal corporation may execute and deliver
33 a trust agreement or agreements; provided, that no lien upon any
34 physical property of the municipal corporation shall be created
35 thereby. A remedy for any breach or default of the terms of any
36 such trust agreement by the municipal corporation may be by man-
37 damus proceedings in any court of competent jurisdiction to compel
38 performance and compliance therewith, but the trust agreement may
39 prescribe by whom or on whose behalf such action may be instituted.
40 Under no circumstances shall any bonds or equipment trust certifi-
41 cates issued by any municipal corporation or any other obligation
42 incurred by any municipal corporation under the provisions of this
43 Act be or become an indebtedness of the municipal corporation within
44 the purview of any constitutional or statutory limitation or provision,
45 and it shall be plainly stated on the face of each bond and certificate
46 that it does not constitute such an indebtedness or obligation but is
47 payable solely from the revenues or income as aforesaid.

48 After a resolution authorizing the issuance of such bonds has been
49 adopted, the clerk of the municipal corporation shall publish notice
50 of such adoption in at least one (1) newspaper of general circulation
51 in the municipal corporation at least once each week for two (2)
52 consecutive weeks. Such notice shall identify the resolution by the
53 date of its adoption and shall specify the amount of bonds proposed
54 to be issued, and if within twenty (20) days following the date of the
55 first publication of such notice a petition is filed with the clerk of the
56 municipal corporation signed by qualified voters of said municipal cor-
57 poration in number equal to or exceeding two (2) per cent of the total
58 number of those voting at the last preceding regular municipal elec-
59 tion in said municipal corporation as shown by the election registers
60 or polls lists asking that the question of issuing such bonds be sub-
61 mitted to the legal voters of the municipal corporation, then the bonds
62 authorized by such resolution shall not be issued unless and until the
63 proposition to issue same shall have been submitted at an election held
64 in the municipal corporation and approved by not less than sixty per
65 cent (60%) of the votes cast for and against the proposition. When
66 any such petition is filed, it shall be referred to the council of the
67 municipal corporation at its next meeting and thereupon the council
68 may either repeal the bond resolution or order the election which shall
69 be called and conducted in the manner provided by sections four hun-
70 dred eight A point three (408A.3) and four hundred eight A point
71 four (408A.4) of the Code. Provided, however, if the bonds referred
72 to shall exceed by ten per cent (10%) the amount of the bonds set
73 forth under the provisions of Section four (4) of this Act, it shall
74 then be mandatory that the authorization for the issuance of the
75 bonds be submitted to an election as provided under the terms of this
76 section. If there be no petition filed within the time hereinbefore pro-

77 vided or if there be a petition filed and the proposition of issuing such
78 bonds is approved at such election, then the council of the municipal
79 corporation may proceed with the issuance of the bonds all as in this
80 Act permitted and provided.

81 The resolution authorizing the issuance of such bonds may contain
82 such covenants as are determined by the council of the municipal
83 corporation to be desirable in connection with the use and application
84 of the bond proceeds, the operation of the transit system and the
85 custody and application of the revenues from such operation. A remedy
86 for any breach or default of the terms of any such bonds or proceed-
87 ings authorizing their issuance shall be by mandamus in a court of
88 competent jurisdiction to compel performance and compliance there-
89 with.

1 SEC. 11. Any bonds as may be authorized and issued under the
2 provisions of this Act shall be sold at public sale following publication
3 of notice for two (2) or more successive weeks in at least one (1)
4 newspaper published in the county, such notice to specify the time
5 and place of sale of said bonds, the amount to be offered for sale and
6 any other information which may be deemed pertinent; provided, how-
7 ever, that if no satisfactory bid is received pursuant to such notice,
8 the council of such municipal corporation may reject all bids received
9 and thereafter readvertise such bonds for public sale; provided, fur-
10 ther, that the proceedings authorizing the issuance of said bonds may
11 provide for the delivery of such bonds to the person, firm or corpo-
12 ration selling to the municipal corporation such transit system, plant,
13 equipment, vehicles, property, rights in property, land, easements or
14 rights of way, in exchange for such transportation facilities, and the
15 terms of such exchange, but in no event shall any payment be made
16 for good will or going concern value of insolvent transportation fa-
17 cilities so exchanged and in such case the bonds shall be offered at
18 public sale in the manner hereinbefore provided and if the best bid
19 received at such sale is not better than the terms specified for the ex-
20 change of the bonds for such facilities, then such bid or bids shall be
21 rejected and the bonds shall be issued in exchange for such facilities.
22 No bonds shall be sold or exchanged upon terms of less than par plus
23 accrued interest nor upon terms that will result in an interest cost
24 computed to the maturity of the bonds according to standard tables
25 of bond values of more than five per cent (5%) per annum.

1 SEC. 12. If in any year it appears to the board that after providing
2 for the payment of the accruing interest on and principal due of any
3 bonds or certificates issued hereunder from the revenues derived from
4 the operation of such transit system, there will be a balance of such
5 revenues in such year insufficient to pay the expenses of operation and
6 maintenance of the transit system and the creation of the reserve fund
7 as provided in section eight (8) of this Act, the board of transit
8 trustees shall certify the fact of such anticipated deficit as soon as
9 ascertained to the council of the municipal corporation and thereupon
10 it shall be the duty of such council to make the amount of such de-
11 ficiency for paying the expenses of operation and maintenance and
12 the creation of said reserve fund available from the municipal enter-
13 prises fund in an amount not exceeding a sum that may be equivalent
14 to a two (2) mill levy, it being conditioned that no general municipal

15 funds or the proceeds of any taxes shall ever be used or applied to the
16 payment of the interest on or principal of any bonds issued under the
17 provisions of this Act, but that such general municipal funds or pro-
18 ceeds of taxes may only be used and applied to pay such expenses of
19 operation and maintenance and for the creation of the reserve fund
20 as provided in section eight (8) of this Act as cannot be paid from
21 available revenue derived from such operation.

1 SEC. 13. The board of transit trustees shall have power to apply
2 for and accept grants and loans from the federal government or any
3 agency or instrumentality thereof to be used for any of the purposes
4 of the transit system and to enter into any agreement with the federal
5 government in relation to such grants or loans; provided such agree-
6 ment does not conflict with any of the provisions of any trust agree-
7 ment securing the payment of bonds or certificates issued under the
8 provisions of this Act.

1 SEC. 14. The board of transit trustees shall have the power to
2 procure and enter into contracts for any type of insurance and in-
3 demnity against loss or damage to property from any cause, includ-
4 ing loss of use and occupancy, against death or injury of any person,
5 against employers' liability, against any act of any employee, official,
6 or member of the board or transit system in the performance of the
7 duties of his office or employment, or any other insurable risk.

1 SEC. 15. If a municipal corporation acquires a transit system then
2 being operated by a person, firm or corporation, all of the employees
3 in the operating and maintenance divisions of the system and all
4 other employees except executive and administrative officers shall be
5 transferred to and appointed as employees of said municipal transit
6 system, subject to the rights and benefits of this Act and of Chapters
7 97B and 97C and 365, 1954 Code of Iowa and these employees shall be
8 given seniority credits in accordance with the records of the said pre-
9 vious owner, and if there is existing at the time said municipal corpo-
10 ration acquires the transit system a bargaining agreement covering
11 the employees of the privately-owned system, said municipal corpora-
12 tion shall observe the terms of said bargaining agreement until said
13 contract has expired.

1 SEC. 16. No civil action shall be commenced in any court against
2 the board of transit trustees or the municipal corporation by any
3 person for any injury to his person or property unless it is commenced
4 within two (2) years from the date that the injury or damage was
5 received or the cause of action accrued.

1 SEC. 17. The board of transit trustees shall immediately after the
2 close of each municipal fiscal year file with the clerk or recorder of
3 the municipal corporation a detailed and audited written report of all
4 money received and disbursed by said board during said fiscal year,
5 and shall publish a summary thereof in a newspaper having a general
6 circulation within said city or town.

1 SEC. 18. If any provision of this Act is held invalid, such pro-
2 vision shall be deemed to be excised from this Act and the invalidity
3 thereof shall not affect any of the other provisions of this Act. If
4 the application of any provision of this Act to any person or circum-

5 stance is held invalid, it shall not affect the application of such pro-
6 vision to persons or circumstances other than those as to which it is
7 invalid.

1 SEC. 19. The council of any municipal corporation owning and
2 operating a transit system under this Act may order the proposition
3 of disposing or selling the system submitted to a regular municipal
4 election or may call a special election for the purpose of voting on such
5 proposition, or the council shall order such proposition submitted at
6 an election upon the petition of twenty-five (25) property owners of
7 each voting precinct in said municipal corporation. Provided, how-
8 ever, that before such proposition shall be submitted to such election
9 that all bonds and other obligations of the transit system shall have
10 been paid or suitable provision for payment of same has been made
11 with the bond holders or other creditors.

12 The form of the question submitted to the electors shall be as fol-
13 lows: "Shall the city or town of.....sell and dispose of its
14 transit system for.....dollars and abolish its board
15 of transit trustees?"

16 Notice of such election shall be given as provided for in section
17 five (5) hereof.

1 SEC. 20. Amend section four hundred four point ten (404.10),
2 Code 1954, by adding a new subsection thereto as follows:

3 "14. To operate and maintain a transit system and to create a
4 reserve fund therefor."

Approved May 9, 1955.

CHAPTER 197

MUNICIPAL SPECIAL ASSESSMENTS

S. F. 121

AN ACT to amend section three hundred ninety-one A point eighteen (391A.18), Code 1954, relating to optional court confirmation in connection with special assessment of public improvements in cities and towns.

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

1 SECTION 1. Section three hundred ninety-one A point eighteen
2 (391A.18), Code 1954, is amended by striking all of subsection three
3 (3) and inserting in lieu thereof the following:

4 "Notice of the filing of such petition shall be given in the same form
5 and manner as is provided for service of original notice by publication
6 by the rules of civil procedure, except as follows:

7 a. No affidavit of inability to effect personal service within the state
8 of Iowa as a condition precedent to the service of original notice shall
9 be required.

10 b. The original notice shall name as defendants those property own-
11 ers, shown by the records of the county auditor as of the date of the
12 filing of the petition, as having an interest in the real property to be
13 assessed as a part of this said public improvement, and said original
14 notice shall state that a plat and schedule in form and content as speci-