

CHAPTER 214

PUBLIC UTILITY PLANTS

S. F. 143

AN ACT relating to management of public utility plants.

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

1 SECTION 1. Chapter three hundred ninety-seven (397), Code 1958,
 2 is amended by adding the following:
 3 "The council of any city or town, which has placed or may hereaf-
 4 ter place the management and control of its waterworks, sewage dis-
 5 posal plant, heating plant, gasworks, or electric light or electric power
 6 plant in one or more board of trustees, may, and upon the petition of
 7 ten percent of the qualified electors of said city or town shall, at any
 8 general election, or at a special election called for that purpose, sub-
 9 mit the question as to whether the management and control of such
 10 waterworks, sewage disposal plant, heating plant, gasworks, or elec-
 11 tric light or electric power plant shall be consolidated in one board of
 12 trustees."

Approved April 18, 1961.

CHAPTER 215

LOW-RENT HOUSING LAW

H. F. 187

AN ACT relating to low-rent housing.

WHEREAS, it is hereby declared: (a) that there exist in municipalities in the state, insanitary, unsafe and overcrowded dwelling accommodations; that in such municipalities within the state there is a shortage of safe or sanitary dwelling accommodations available at rents or prices which persons of low income can afford and that such shortage forces such persons to occupy insanitary, unsafe and overcrowded dwelling accommodations; (b) that the aforesaid conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state; that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities; (c) that these slum areas cannot be cleared, nor can the shortage of safe and sanitary dwellings for persons of low income be relieved through the operation of private enterprise, and that the construction of housing projects for persons of low income (as herein defined) would therefore not be competitive with private enterprise; (d) that the construction of such projects would make housing available for persons of low income who are displaced in the rehabilitation, clearance and redevelopment of slums and blighted areas or as the result of other governmental action, and for veterans of low income who are unable to provide themselves with decent housing on the basis of the benefits heretofore made available to them through certain government guarantees of loans to veterans for the purchase of residential property; (e) that the clearance, replanning and preparation for rebuild-

ing of these areas and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern; (f) that residential construction activity is closely correlated with general economic activity and that the undertakings authorized by this chapter to aid the production of better housing and more desirable neighborhood and community development at lower costs will make possible a more stable and larger volume of residential construction which will assist materially in maintaining full employment; and that the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination; Now Therefore

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

1 SECTION 1. Short title. This chapter shall be known and may
2 be cited as the Low-Rent Housing Law.

1 SEC. 2. Definitions. The following terms, wherever used or referred to in this chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

2 1. "Municipality" shall mean any city, town or county in the state.

3 2. "State public body" means any city, county, township, municipal corporation, commission, district or other subdivision or public body
4 of the state.

5 3. "Local governing body" shall mean the council or other legislative
6 body charged with governing the municipality.

7 4. "Mayor" means the mayor of the municipality or the officer
8 thereof charged with the duties customarily imposed on the mayor
9 or executive head of a municipality.

10 5. "Clerk" means the clerk of the municipality or the officer charged
11 with the duties customarily imposed on such clerk.

12 6. "Area of operation" includes (a) all of a municipality and
13 (b) any area adjacent to and within one mile of such municipality,
14 provided that the governing body of such adjacent area approves
15 and consents.

16 7. "Federal government" includes the United States of America,
17 the Public Housing Administration, or any other agency or instrumentality,
18 corporate or otherwise of the United States of America.

19 8. "Slum" means any area where dwellings predominate which by
20 reason of dilapidation, overcrowding, faulty arrangement or design,
21 lack of ventilation, light or sanitary facilities, or any combination of
22 these factors, are detrimental to safety, health and morals.

23 9. "Housing project" or "project" means any work or undertaking:
24 (a) to demolish, clear or remove buildings from any slum areas; or
25 (b) to provide decent, safe and sanitary urban or rural dwellings,
26 apartments or other living accommodations for persons of low income;
27 or (c) to accomplish a combination of the foregoing. Such
28 work or undertaking may include buildings, land, equipment, facilities
29 and other real or personal property for necessary, convenient or desirable
30 appurtenances, streets, sewers, water service, utilities, parks,
31 site preparation, landscaping, administrative, community, health recreational,
32 welfare or other purposes. The term "housing project" or "project" also
33 may be applied to the planning of the buildings and improvements, the
34 acquisition of property, the demolition of existing
35
36
37

38 structures, the construction, reconstruction, alteration or repair of
39 the improvements and all other work in connection therewith, and the
40 term shall include all other real and personal property and all tangible
41 or intangible assets held or used in connection with the housing
42 project.

43 10. (a) "Persons of low income" means persons or families whose
44 combined gross income does not exceed thirty-six hundred (3,600)
45 dollars per annum, except that in case of families with one or more
46 dependents said annual income shall not exceed an additional one
47 hundred (100) dollars for each such dependent. When the annual
48 income of the person or family exceeds thirty-six hundred (3,600)
49 dollars plus one hundred (100) dollars for each such dependent by
50 the sum of six hundred (600) dollars he shall be required to vacate
51 within six (6) months.

52 (b) "Gross income" shall mean the adjusted gross income as de-
53 fined by the Federal Internal Revenue Code increased by the amount
54 of government or private retirement or disability pensions and pay-
55 ments received, and excluding the first five hundred (500) dollars
56 of earnings of students who attended a regular public or private
57 school for a period of at least five (5) months of the previous calendar
58 year.

59 (c) "Dependent" means members of the household, other than the
60 spouse or head of the household, who qualify as dependents under the
61 Federal Internal Revenue Code.

62 11. "Bonds" means any bonds, notes, interim certificates, debentures
63 or other obligations issued by a municipality pursuant to this chapter.

64 12. "Real property" includes all lands, including improvements and
65 fixtures thereon, and property of any nature appurtenant thereto, or
66 used in connection therewith, and every estate, interest and right,
67 legal or equitable, therein, including terms for years.

68 13. "Obligee" includes any bondholder, agent or trustee for any
69 bondholder, or lessor demising to a municipality, property used in
70 connection with a project, or any assignee or assignees of such lessor's
71 interest or any part thereof, and the federal government when it
72 is a party to any contract with the municipality in respect to a hous-
73 ing project.

74 14. "Persons engaged in national defense activities" means persons
75 in the armed forces of the United States; employees of the Depart-
76 ment of Defense; and workers engaged or to be engaged in activities
77 connected with national defense. The term also includes the families
78 of the persons, employees and workers who reside with them.

79 15. "Major disaster" means any flood, drought, fire, hurricane,
80 earthquake, storm or other catastrophe which, in the determination of
81 the governing body, is of sufficient severity and magnitude to warrant
82 the use of available resources of the federal, state and local govern-
83 ments to alleviate the damage, hardship or suffering caused thereby.

84 16. An "Agreement" of any municipality authorized by this chap-
85 ter with respect to a housing project, means a resolution or resolu-
86 tions of the governing body of such municipality setting forth the
87 action to be taken on the matter determined. Such resolutions shall
88 be deemed to be agreements made for the benefit of the holders of
89 bonds then outstanding or thereafter issued in connection with such
90 project and for the benefit of any person, firm, corporation, state
91 public body or the federal government which has agreed or thereafter

92 agrees to make a grant or annual contribution for or in aid of such
93 project.

1. SEC. 3. Powers. Every municipality in addition to other powers
2 conferred by this or any other chapter, shall have power:

3 1. To prepare, carry out, and operate housing projects and to pro-
4 vide for the construction, reconstruction, improvement, extension, al-
5 teration or repair of any housing project or any part thereof.

6 2. To undertake and carry out studies and analyses of the housing
7 needs and of the meeting of such needs (including data with respect
8 to population and family groups and the distribution thereof accord-
9 ing to income groups, the amount and quality of available housing and
10 its distribution according to rentals and sales prices, employment,
11 wages and other factors affecting the local housing needs and the
12 meeting thereof) and to make the results of such studies and analyses
13 available to the public and the building, housing and supply indus-
14 tries; and to engage in research and disseminate information on hous-
15 ing and slum clearance.

16 3. To arrange or contract for the furnishing by any person or
17 agency, public or private, of services, privileges, works or facilities
18 for, or in connection with, a housing project or the occupants thereof;
19 and (notwithstanding anything to the contrary contained in this
20 Act or in any other provision of law) to agree to any conditions at-
21 tached to federal financial assistance relating to the determination
22 of prevailing salaries or wages or payment of not less than prevailing
23 salaries or wages or compliance with labor standards, in the develop-
24 ment or administration of projects, and to include in any contract
25 let in connection with a project, stipulations requiring that the con-
26 tractor and any subcontractor comply with requirements as to mini-
27 mum salaries or wages and maximum hours of labor, and comply
28 with any conditions which the federal government may have attached
29 to its financial aid of the project.

30 4. To lease or rent any dwellings, accommodations, lands, buildings,
31 structures or facilities embraced in any project and (subject to the
32 limitations contained in this chapter with respect to the rental of
33 dwellings in housing projects) to establish and revise the rents or
34 charges therefor; to own, hold and improve real or personal property;
35 to purchase, lease, obtain options upon, acquire by gift, grant, be-
36 quest, devise or otherwise any real or personal property or any inter-
37 est therein; to acquire by the exercise of the power of eminent do-
38 main any real property; to sell, lease, exchange, transfer, assign,
39 pledge or dispose of any real or personal property or any interest
40 therein; to insure or provide for the insurance, in any stock or mutual
41 company of any real or personal property or operations of the mu-
42 nicipality against any risks or hazards; to procure or agree to the
43 procurement of federal or state government insurance or guarantees
44 of the payment of any bonds or parts thereof issued by a municipality,
45 including the power to pay premiums on any such insurance.

46 5. To invest any funds held in connection with a housing project
47 in reserve or sinking funds, or any fund not required for immediate
48 disbursement, in property or securities which banks designated as
49 state depositories may use to secure the deposit of state funds; to
50 redeem its bonds at the redemption price established therein or to
51 purchase its bonds at less than such redemption price, all bonds so

52 redeemed or purchased to be cancelled.

53 6. To determine where slum areas exist or where there is unsafe, in-
54 sanitary or overcrowded housing; to make studies and recommenda-
55 tions relating to the problem of clearing, replanning and reconstruct-
56 ing of slum areas and the problem of eliminating unsafe, insanitary or
57 overcrowded housing and providing dwelling accommodations for
58 persons of low income; and to co-operate with any state public body
59 in action taken in connection with these problems.

60 7. To conduct examinations and investigations and to hear testi-
61 mony and take proof under oath at public or private hearings on any
62 matter material for its information; to administer oaths, issue sub-
63 poenas requiring the attendance of witnesses or the production of
64 books and papers and to issue commissions for the examination of
65 witnesses who are outside of the state or unable to attend or excused
66 from attendance; to make available to appropriate agencies (includ-
67 ing those charged with the duty of abating or requiring the correc-
68 tion of nuisances or like conditions or of demolishing unsafe or in-
69 sanitary structures within its area of operation) its findings and
70 recommendations with regard to any building or property where
71 conditions exist which are dangerous to the public health, morals,
72 safety or welfare.

73 8. To, within its area of operation, enter into any building or prop-
74 erty in any municipal housing area in order to make inspections,
75 surveys, appraisals, soundings or test borings, and to obtain an order
76 for this purpose from a court of competent jurisdiction in the event
77 entry is denied or resisted.

78 9. To exercise all or any part or combination of powers herein
79 granted. No provision of law with respect to the acquisition, opera-
80 tion or disposition of property by public bodies shall be applicable to
81 a municipality in its operations pursuant to this chapter unless the
82 legislature shall specifically so state.

1 SEC. 4. Aid from federal government. In addition to the powers
2 conferred upon a municipality by other provisions of this chapter, a
3 municipality is empowered to borrow money or accept contributions,
4 grants or other financial assistance from the federal government for
5 or in aid of any housing project within its area of operation, to take
6 over, lease or manage any project or undertaking constructed or
7 owned by the federal government, and to these ends, to comply with
8 such conditions and enter into such contracts, covenants, mortgages,
9 trust indentures, leases or agreements as may be necessary, conveni-
10 ent or desirable. It is the purpose and intent of this chapter to au-
11 thorize every municipality to do any and all things necessary or de-
12 sirable to secure the financial aid or co-operation of the federal gov-
13 ernment in the undertaking, construction, maintenance or operation
14 of any housing project by such municipality. To accomplish this pur-
15 pose a municipality, notwithstanding the provisions of any other law,
16 may include in any contract for financial assistance with the federal
17 government any provisions, which the federal government may re-
18 quire as conditions to its financial aid of a housing project, not in-
19 consistent with the purposes of this chapter.

1 SEC. 5. Exercise of municipal housing powers. A municipality,
2 acting through its local governing body, may itself exercise all the
3 powers in connection with municipal housing as defined in this chap-

4 ter, or may, in its discretion, exercise such powers through a board or
5 commission or through such officers of the municipality as the local
6 governing body may by resolution determine. In the event a municipi-
7 pality exercises its urban renewal project powers, as provided in
8 chapter 403 of the Code of Iowa, through an urban renewal board or
9 commission, and in its discretion chooses to exercise its municipal
10 housing powers as defined in this chapter through a board or com-
11 mission, only one board or commission shall be appointed which shall
12 act with reference to both urban renewal and municipal housing
13 projects.

14 No municipality shall exercise the authority herein conferred upon
15 municipalities by this chapter until after its local governing body
16 shall have held a public hearing on a housing project under consider-
17 ation; which public hearing shall be only after public notice thereof
18 by publication in a newspaper having a general circulation in the
19 area of operation of the municipality. The notice shall describe the
20 time, date, place and purpose of the hearing, shall generally identify
21 the location for the housing project under consideration and shall
22 outline the general scope of the housing project plan under consider-
23 ation.

1 **SEC. 6. Operation of housing not for profit.** It is hereby declared
2 to be the policy of this state that each municipality shall manage and
3 operate its housing projects in an efficient manner so as to enable it
4 to fix the rentals or payments for dwelling accommodations at low
5 rates consistent with its providing decent, safe and sanitary dwelling
6 accommodations for persons of low income, and that no municipality
7 shall construct or operate any housing project for profit, or as a source
8 of revenue to the municipality. To this end the municipality shall fix
9 the rentals or payments for dwellings in its projects at no higher rates
10 than it shall find to be necessary in order to produce revenues which
11 (together with all other available moneys, revenues, income and re-
12 cepts in connection with or for such projects from whatever sources
13 derived, including federal financial assistance) will be sufficient (1)
14 to pay, as the same become due, the principal and interest on the bonds
15 issued pursuant to this chapter; (2) to create and maintain such re-
16 serves as may be required to assure the payment of principal and
17 interest as it becomes due on such bonds; (3) to meet the cost of,
18 and to provide for, maintaining and operating the projects (including
19 necessary reserves therefor and the cost of any insurance, and of ad-
20 ministrative expenses); and (4) to make such payments in lieu of taxes
21 and, after payment in full of all obligations for which federal annual
22 contributions are pledged, to make such repayments of federal and
23 local contributions as it determines are consistent with the main-
24 tenance of the low-rent character of projects. Rentals or payments
25 for dwellings shall be established and the projects administered, in so
26 far as possible, so as to assure that any federal financial assistance
27 required shall be strictly limited to amounts and periods necessary
28 to maintain the low-rent character of the projects.

1 **SEC. 7. Housing rentals and tenant admissions.** A municipality
2 shall (1) rent or lease the dwelling accommodations in a housing
3 project only to persons or families of low income and at rentals within
4 their financial reach; (2) rent or lease to a tenant such dwelling

5 accommodations consisting of the number of rooms which it deems
6 necessary to provide safe and sanitary accommodations to the pro-
7 posed occupants thereof, without overcrowding; and (3) fix income
8 limits for occupancy and rents after taking into consideration (a)
9 the family size, composition, age, physical handicaps, and other fac-
10 tors which might affect the rent-paying ability of the person or fam-
11 ily, and (b) the economic factors which affect the financial stability
12 and solvency of the project. Provided, however, such determination
13 of eligibility shall be within the limits of the income limits herein-
14 before set out.

15 Nothing contained in this or the preceding section shall be con-
16 strued on limiting the power of a municipality with respect to a
17 housing project, to vest in an obligee the right, in the event of a
18 default by the municipality, to take possession or cause the appoint-
19 ment of a receiver thereof, free from all the restrictions imposed by
20 this or the preceding section.

1 **SEC. 8. Dwellings for disaster victims and defense workers.** Not-
2 withstanding the provisions of this or any other Act relating to rent-
3 als of, preferences or eligibility for admission to, or occupancy of
4 dwellings in housing projects, during the period when a municipality
5 determines that there is an acute need in its area of operation for
6 housing to assure the availability of dwellings for persons engaged
7 in national defense activities or for victims of a major disaster, a
8 municipality may undertake the development and administration of
9 housing projects for the federal government, and dwellings in any
10 housing project under the jurisdiction of the municipality may be
11 made available to persons engaged in national defense activities or to
12 victims of a major disaster, as the case may be. A municipality is
13 authorized to contract with the federal government or the state or a
14 state public body for advance payment or reimbursement for the
15 furnishing of housing to victims of a major disaster, including the
16 furnishing of the housing free of charge to needy disaster victims
17 during any period covered by a determination of acute need by the
18 municipality as herein provided.

1 **SEC. 9. Co-operation between municipalities.** Any two or more
2 municipalities may join or co-operate with one another in the exercise
3 of any or all of the powers conferred hereby for the purpose of fi-
4 nancing, planning, undertaking, constructing or operating a housing
5 project or projects.

1 **SEC. 10. Tax exemption and payments in lieu of taxes.** The
2 property acquired or held pursuant to this Act is declared to be public
3 property used exclusively for essential city, or municipal public and
4 governmental purposes and such property is hereby declared to be
5 exempt from all taxes and special assessments of the state or of any
6 state public body. In lieu of taxes on such property a municipality
7 may agree to make payments to the state or a state public body (in-
8 cluding itself) as it finds consistent with the maintenance of the low-
9 rent character of housing projects and the achievement of the pur-
10 poses of this chapter.

1 **SEC. 11. Planning, zoning and building laws.** All housing proj-
2 ects of a municipality shall be subject to the planning, zoning, sanitary

3 and building laws, ordinances and regulations applicable to the locality
4 in which the project is situated.

1 SEC. 12. Bonds. A municipality shall have power to issue bonds
2 from time to time in its discretion, for any of the purposes of this
3 chapter. A municipality shall also have power to issue refunding
4 bonds for the purpose of paying or retiring bonds previously issued
5 by it. A municipality may issue such types of bonds as it may deter-
6 mine, including (without limiting the generality of the foregoing)
7 bonds on which the principal and interest are payable (1) exclusively
8 from the income and revenues of the project financed with the pro-
9 ceeds of such bonds, or (2) exclusively from the income and revenues
10 of certain designated housing projects whether or not they are fi-
11 nanced in whole or in part with the proceeds of such bonds. Any such
12 bonds may be additionally secured by a pledge of any loan, grant or
13 contribution or parts thereof from the federal government or other
14 source, or a pledge of any income or revenues connected with a hous-
15 ing project or a mortgage of any housing project or projects.

16 Neither the governing body of a municipality nor any person exe-
17 cuting the bonds shall be liable personally on the bonds by reason of
18 the issuance thereof hereunder. The bonds and other obligations
19 issued under the provisions of this Act (and such bonds and obliga-
20 tions shall so state on their face) shall be payable solely from the
21 sources provided in this section and shall not constitute an indebted-
22 ness within the meaning of any constitutional or statutory debt limi-
23 tation or restriction. Bonds issued pursuant to this chapter are de-
24 clared to be issued for an essential public and governmental purpose
25 and to be public instrumentalities and, together with interest thereon
26 and income therefrom, shall be exempt from taxes. The tax exemp-
27 tion provisions of this Act shall be considered part of the security for
28 the repayment of bonds and shall constitute, by virtue of this act
29 and without the necessity of the same being restated in said bonds,
30 a contract between the bondholders and each and every one thereof,
31 including all transferees of said bonds from time to time on the one
32 hand and the respective municipalities issuing said bonds and the
33 state on the other.

1 SEC. 13. Form and sale of bonds. Bonds of a municipality shall
2 be authorized by its resolution and may be issued in one or more
3 series and shall bear such date or dates, mature at such time or times,
4 bear interest at such rate or rates, not exceeding six per centum (6%)
5 per annum, be in such denomination or denominations, be in such
6 form either coupon or registered, carry such conversion or registra-
7 tion privileges, have such rank or priority, be executed in such man-
8 ner, be payable in such medium of payment, at such place or places,
9 and be subject to such terms of redemption (with or without premi-
10 um) as such resolution, its trust indenture or mortgage may provide.

11 The bonds may be sold at public or private sale at not less than par.

12 If the officers of the municipality whose signatures appear on any
13 bonds or coupons shall cease to be such officers before the delivery of
14 the bonds, their signatures shall, nevertheless, be valid and sufficient
15 for all purposes, the same as if the officers had remained in office until
16 such delivery. Any provision of any law to the contrary notwith-
17 standing, any bonds issued pursuant to this chapter shall be fully
18 negotiable.

19 In any suit, action or proceedings involving the validity or enforce-
20 ment of any bond issued pursuant to this chapter or the security
21 therefor, any such bond reciting in substance that it has been issued
22 by the municipality pursuant to this chapter shall be conclusively
23 deemed to have been issued for such purpose and the housing project
24 in respect to which such bond was issued shall be conclusively deemed
25 to have been planned, located and carried out in accordance with the
26 purposes and provisions of this chapter.

1 **SEC. 14. Provisions of bonds, trust indentures and mortgages.**

2 In connection with the issuance of bonds pursuant to this chapter
3 or the incurring of obligations under leases made pursuant to this
4 chapter and in order to secure the payment of the bonds or obligations,
5 a municipality, in addition to its other powers, shall have power to:

6 1. Pledge all or any part of the gross or net rents, fees or revenues
7 of a housing project, financed with the proceeds of such bonds, to
8 which its rights then exist or may thereafter come into existence.

9 2. Mortgage all or any part of its real or personal property, then
10 owned or thereafter acquired or held pursuant to this chapter.

11 3. Covenant against pledging all or any part of the rents, fees and
12 revenues or against mortgaging all or any part of its real or personal
13 property, acquired or held pursuant to this chapter, to which its right
14 or title then exists or may thereafter come into existence or against
15 permitting or suffering any lien on such revenues or property;
16 covenant with respect to limitations on the right to sell, lease or other-
17 wise dispose of any housing project or any part thereof; and covenant
18 as to what other, or additional debts or obligations may be incurred
19 by it.

20 4. Covenant as to the bonds to be issued and as to the issuance of
21 such bonds in escrow or otherwise, and as to the use and disposition
22 of the proceeds thereof; provide for the replacement of lost, destroyed
23 or mutilated bonds; covenant against extending the time for the pay-
24 ment of its bonds or interest thereon; and covenant for the redemp-
25 tion of the bonds and to provide the terms and conditions thereof.

26 5. Covenant subject to the limitations contained in this chapter as
27 to the rents and fees to be charged in the operation of a housing project
28 or projects, the amount to be raised each year or other period of
29 time by rents, fees and other revenues, and the use and disposition
30 to be made thereof; create or authorize the creation of special funds
31 for moneys held for construction or operating costs, debt service,
32 reserves, or other purposes, and covenant as to the use and disposi-
33 tion of the moneys held in such funds.

34 6. Prescribe the procedure, if any, by which the terms of any con-
35 tract with bond holders may be amended or abrogated, the proportion
36 of outstanding bonds the holders of which must consent to such ac-
37 tion, and the manner in which such consent may be given.

38 7. Covenant as to the use, maintenance and replacement of any or
39 all of its real or personal property acquired pursuant to this chapter,
40 the insurance to be carried thereon and the use and disposition of
41 insurance moneys.

42 8. Covenant as to the rights, liabilities, powers and duties arising
43 upon the breach by it of any covenant, condition, or obligation; and
44 covenant and prescribe as to events of default and terms and condi-
45 tions upon which any or all of its bonds or obligations shall become

46 or may be declared due before maturity, and as to the terms and con-
47 ditions upon which such declaration and its consequences may be
48 waived.

49 9. Vest in any obligees or any specified proportion of them the right
50 to enforce the payment of the bonds or any covenants securing or re-
51 lating to the bonds; vest in an obligee or obligees the right, in the
52 event of a default by the municipality to take possession of and use,
53 operate and manage any housing project or any part thereof or any
54 funds connected therewith, and to collect the rents and revenues
55 arising therefrom and to dispose of such moneys in accordance with
56 the agreement between the municipality and such obligees; provide
57 for the powers and duties of such obligees and limit the liabilities
58 thereof; and provide the terms and conditions upon which such
59 obligees may enforce any covenant or rights securing or relating to
60 the bonds.

61 10. Exercise all or any part or combination of the powers herein
62 granted; make such covenants (other than and in addition to the
63 covenants herein expressly authorized) and do any and all such acts
64 and things as may be necessary or convenient or desirable in order
65 to secure its bonds, or, in the absolute discretion of said municipality,
66 as will tend to make the bonds more marketable notwithstanding that
67 such covenants, acts or things may not be enumerated herein.

68 This chapter without reference to other statutes of the state, shall
69 constitute full authority for the authorization and issuance of bonds
70 hereunder. No other act or law with regard to the authorization or
71 issuance of obligations that requires a bond election or in any way
72 impedes or restricts the carrying out of the acts herein authorized
73 to be done shall be construed as applying to any proceedings taken
74 hereunder or acts done pursuant hereto.

1 SEC. 15. Remedies of an obligee. An obligee of a municipality
2 shall have the right in addition to all other rights which may be con-
3 ferred on such obligee, subject only to any contractual restrictions
4 binding upon such obligee.

5 1. By mandamus, suit, action or proceeding at law or in equity to
6 compel said municipality to perform each and every term, provision
7 and covenant contained in any contract of said municipality with or
8 for the benefit of such obligee, and to require the carrying out of any
9 or all such covenants and agreements of said municipality and the
10 fulfillment of all duties imposed by this chapter.

11 2. By suit, action or proceeding in equity, to enjoin any acts or
12 things which may be unlawful, or the violation of any of the rights
13 of such obligee of said municipality.

1 SEC. 16. Additional remedies conferrable by a municipality. A
2 municipality shall have power by its resolution, trust indenture, mort-
3 gage, lease or other contract to confer upon any obligee the right (in
4 addition to all rights that may otherwise be conferred), upon the
5 happening of an event of default as defined in such resolution or
6 instrument, by suit, action or proceeding in any court of competent
7 jurisdiction to:

8 1. Cause possession of any housing project or any part thereof to
9 be surrendered to any such obligee.

10 2. Obtain the appointment of a receiver of any housing project of
11 said municipality or any part thereof and of the rents and profits

12 therefrom, and provide that, if a receiver be appointed, he may enter
13 and take possession of such housing project or any part thereof and
14 operate and maintain same, and collect and receive all fees, rents,
15 revenues, or other charges thereafter arising therefrom, and keep
16 such moneys in a separate account or accounts and apply the same in
17 accordance with the obligations of the municipality as the court shall
18 direct.

19 3. Require said municipality and the officers, agents and employees
20 thereof to account as if it and they were the trustees of an express
21 trust.

1 SEC. 17. **Exemption of property from execution sale.** All prop-
2 erty (including funds) owned or held by a municipality for the pur-
3 poses of this chapter shall be exempt from levy and sale by virtue of
4 an execution, and no execution or other judicial process shall issue
5 against the same nor shall any judgment against the municipality be
6 a charge or lien upon such property; Provided, however, that the
7 provisions of this section shall not apply to or limit the right of obli-
8 gees to foreclose or otherwise enforce any mortgage or other security
9 executed or issued pursuant to this chapter or the right of obligees
10 to pursue any remedies for the enforcement of any pledge or lien on
11 rents, fees or revenues or the right of the federal government to pur-
12 sue any remedies conferred upon it pursuant to the provisions of this
13 chapter.

1 SEC. 18. **Transfer of possession or title to federal government.**
2 In any contract with the federal government for annual contributions
3 to a municipality, the municipality may obligate itself (which obliga-
4 tion shall be specifically enforceable and shall not constitute a mort-
5 gage, notwithstanding any other law) to convey to the federal govern-
6 ment possession of or title to the housing project to which such con-
7 tract relates, upon the occurrence of a substantial default (as defined
8 in such contract) with respect to the covenant or conditions to which
9 the municipality is subject; and such contract may further provide
10 that in case of such conveyance, the federal government may complete,
11 operate, manage, lease, convey or otherwise deal with the housing
12 project and funds in accordance with the terms of such contract:
13 Provided, that the contract requires that, as soon as practicable after
14 the federal government is satisfied that all defaults with respect to
15 the housing project have been cured and that the housing project
16 will thereafter be operated in accordance with the terms of the con-
17 tract, the federal government shall reconvey to the municipality the
18 housing project as then constituted.

1 SEC. 19. **Certificate of state auditor.** The municipality may sub-
2 mit to the state auditor a certified copy of the proceedings for the
3 issuance of any bonds hereunder, including the form of such bonds.
4 Upon the submission of these documents to the state auditor, it shall
5 be the duty of the state auditor to pass upon the validity of such bonds
6 and the regularity of all proceedings in connection therewith. If such
7 proceedings conform to the provisions of this chapter and are other-
8 wise regular in form and if such bonds when delivered and paid for
9 will constitute binding and legal obligations enforceable according to
10 the terms thereof, the state auditor shall so certify in an opinion
11 addressed to the municipality.

1 **SEC. 20. Condemnation of property.** A municipality shall have
2 the right to acquire by condemnation any interest in real property,
3 including a fee simple title thereto, which it may deem necessary for
4 or in connection with a municipal housing project under this chapter.
5 A municipality may exercise the power of eminent domain in the
6 manner provided in chapter 472, and acts amendatory thereof or
7 supplementary thereto, or it may exercise the power of eminent do-
8 main in the manner now or which may be hereafter provided by any
9 other statutory provisions for the exercise of the power of eminent
10 domain. Property already devoted to a public use may be acquired
11 in like manner: Provided, that no real property belonging to the
12 state, or any political subdivision thereof, may be acquired without
13 its consent, provided further that no real property or any right or
14 interest therein owned by any public utility company, pipe-line com-
15 pany, railway or transportation company vested with the right of
16 eminent domain under the laws of this state, shall be acquired with-
17 out the consent of such company, or without first securing, after due
18 notice to such company and after hearing, a certificate authorizing
19 condemnation of such property from the board, commission or body
20 having the authority to grant a certificate authorizing condemnation.

1 **SEC. 21. Co-operation in undertaking housing projects.** For the
2 purpose of aiding and co-operating in the planning, undertaking, con-
3 struction or operation of housing projects located within the area
4 in which it is authorized to act, any state public body may upon such
5 terms, with or without consideration, as it may determine:

6 1. Dedicate, sell, convey or lease any of its interest in any property
7 or grant easements, licenses or any other rights or privileges therein
8 to any municipality, or to the federal government.

9 2. Cause parks, playgrounds, recreational community, educational,
10 water, sewer or drainage facilities or any other works which it is
11 otherwise empowered to undertake, to be furnished adjacent to or in
12 connection with housing projects.

13 3. Furnish, dedicate, close, pave, install, grade, regrade, plan or
14 replan streets, roads, roadways, alleys, sidewalks or other places
15 which it is otherwise empowered to undertake.

16 4. Cause services to be furnished for housing projects of the char-
17 acter which such state public body is otherwise empowered to furnish.

18 5. Enter into agreements with respect to the exercise by such state
19 public body of its powers relating to the repair, elimination or closing
20 of unsafe, insanitary or unfit dwellings.

21 6. Do any and all things necessary or convenient to aid and co-
22 operate in the planning, undertaking, construction or operation of
23 such housing projects.

24 7. Incur the entire expense of any public improvements made by
25 such state public body in exercising the powers granted in this chapter.

26 8. Enter into agreements (which may extend over any period, not-
27 withstanding any provision or rule of law to the contrary) with any
28 municipality respecting action to be taken by such state public body
29 pursuant to any of the powers granted by this chapter. If at any
30 time title to, or possession of, any project is held by any public body
31 or governmental agency authorized by law to engage in the develop-
32 ment or administration of low-rent housing or slum clearance projects,
33 including any agency or instrumentality of the United States of

34 America, the provisions of such agreements shall inure to the benefit
35 of and may be enforced by such public body or governmental agency.

36 9. Any law or statute to the contrary notwithstanding, any sale,
37 conveyance, lease or agreement provided for in this section may be
38 made by a state public body without appraisal, public notice, adver-
39 tisement or public bidding.

1 SEC. 22. **Personal interest prohibited.** No public official or em-
2 ployee of a municipality or board or commission thereof shall volun-
3 tarily acquire any personal interest direct or indirect, in any municipi-
4 pal housing project, or in any property included or planned to be
5 included in any municipal housing project of such municipality, or in
6 any contract or proposed contract in connection with such municipal
7 housing project. Where such acquisition is not voluntary, the interest
8 acquired shall be immediately disclosed in writing to the local govern-
9 ing body, and such disclosure shall be entered upon the minutes of the
10 governing body. If any such official, commissioner or employee pres-
11 ently owns or controls, or has owned or controlled within the preced-
12 ing two years, any interest direct or indirect, in any property which
13 he knows is included or planned to be included in a municipal housing
14 project, he shall immediately disclose this fact in writing to the local
15 governing body, and such disclosure shall be entered upon the minutes
16 of the governing body; and any such official, commissioner or em-
17 ployee shall not participate in any action by the municipality, or board
18 or commission thereof affecting such property. Any violation of the
19 provisions of this Section shall constitute misconduct in office.

1 SEC. 23. **Eligibility of persons receiving public assistance.** Any
2 statute to the contrary notwithstanding, no person otherwise eligible
3 to be a tenant in a municipal housing project, shall be declared in-
4 eligible therefor or denied occupancy therein merely because he is
5 receiving in some form, public assistance such as old age assistance,
6 aid to dependent children, blind assistance, welfare assistance, un-
7 employment compensation, social security payments, etc.

1 SEC. 24. **Chapter controlling.** The provisions of this chapter
2 shall be controlling, notwithstanding anything to the contrary con-
3 tained in any other law of this state, or local ordinance. Any action
4 of a municipality or the governing body thereof in carrying out the
5 purposes of this chapter, whether by resolution, ordinance or other-
6 wise, shall be deemed administrative in character, and no public
7 notice or publication need be made with respect to such action taken.

1 SEC. 25. No municipality shall erect or operate any low-rent
2 housing authorized under the provisions of this chapter unless the
3 question of entering into such housing activities shall have been au-
4 thorized by a vote of at least sixty percent of the electors of such
5 municipality voting on the proposition at any regular municipal,
6 primary or general election or by special election called by the govern-
7 ing body of the municipality.

8 Notice of the time and place of such election shall be given by publi-
9 cation once each week for three consecutive weeks prior thereto in
10 some newspaper having a general circulation in such municipality.
11 Such election may be called by the governing body of the municipality,
12 and shall be called when a petition asking for such election, signed by

13 at least two percent of the electors of the municipality voting for
 14 governor at the last preceding general election, has been filed with the
 15 clerk of the municipality.

16 The form of the question to be presented for a vote of the electors
 17 shall be in substantially the following form: "Shall the (name of
 18 municipality) engage in low-rent housing activities under the pro-
 19 visions of Chapter (number of this chapter) of the Code?"

1 SEC. 26. Severability. Notwithstanding any other evidence of
 2 legislative intent, it is hereby declared to be the controlling legis-
 3 lative intent that if any provision of this chapter, or the application
 4 thereof to any person or circumstances, is held invalid, the remainder
 5 of the chapter and the application of such provision to persons or
 6 circumstances other than those as to which it is held invalid, shall
 7 not be affected thereby.

1 SEC. 27. Repealing clause. Section four hundred and three point
 2 nineteen (403.19), Code 1958, is hereby repealed.

Approved May 4, 1961.

CHAPTER 216

MUNICIPAL PURCHASING REVOLVING FUND

H. F. 222

AN ACT to authorize a revolving fund for the central purchasing of city and town stores, supplies, motor vehicles and other equipment.

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

1 SECTION 1. Chapter four hundred four (404), Code 1958, is
 2 amended by adding thereto the following new section:

3 "Municipal corporations shall have power to establish and maintain
 4 a revolving fund to be used for the central purchasing of city or
 5 town stores, supplies, motor vehicles, or other equipment and for the
 6 establishment of such fund may, by resolution, make transfers thereto
 7 from any of the functional funds provided in sections four hundred
 8 four point six (404.6) to four hundred four point twelve (404.12) of
 9 the Code or by transfers of surplus in the manner provided in section
 10 three hundred ninety-seven point thirty-nine (397.39) of the Code
 11 or by allocations of any source of municipal income not designated
 12 by law to be placed in or credited to another existing fund.

13 "When such fund has been so established, purchases of fuel, lubri-
 14 cants, tires, batteries, coolants, repairs and other general expenses
 15 incurred in connection with municipally-owned or operated motor
 16 vehicles or equipment; purchases of stores, supplies or equipment
 17 for municipal offices and departments; purchases of motor vehicles
 18 and equipment and replacements therefor; and administrative costs
 19 incurred in the operation of such fund, may be paid therefrom.

20 "Each municipal corporation which establishes and maintains such
 21 fund shall keep a record of the cost of each item so purchased and
 22 may establish depreciation schedules for items having a probable
 23 useful life in excess of one year for the purpose of establishing rates