

CHAPTER 166

SELF-LIQUIDATING STUDENT FACILITIES

UNDER BOARD OF REGENTS

H. F. 543

AN ACT authorizing the state board of regents to acquire by purchase, lease or construction and to reconstruct, complete, equip, improve, repair, remodel, operate, control, maintain and manage buildings for use as student residence halls and dormitories, including dining and other incidental facilities therefor, and additions to such buildings, at the state university of Iowa, the Iowa state university of science and technology and the state college of Iowa, to acquire and improve property therefor, to establish and collect rates, fees or rentals for the use of such buildings and facilities and to borrow money and issue bonds or notes payable solely from the net revenues derived from the operation of residence halls, dormitories and facilities and to refund bonds, notes or other obligations payable from such revenues, and preserving rights heretofore acquired and validating obligations incurred for such purposes.

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

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

3 1. "Board" shall mean the state board of regents.

4 2. "Project" shall mean the acquisition by purchase, lease or con-
5 struction of buildings for use as student residence halls and dormi-
6 tories, including dining and other incidental facilities therefor, and
7 additions to such buildings, the reconstruction, completion, equipment,
8 improvement, repair or remodeling of residence halls, dormitories, or
9 additions thereto or facilities therefor, and the acquisition of property
10 therefor of every kind and description, whether real, personal or mixed,
11 by gift, purchase, lease, condemnation or otherwise and the improve-
12 ment of the same.

13 3. "Institution" or "institutions" shall mean the state university of
14 Iowa, the Iowa state university of science and technology and the state
15 college of Iowa.

16 4. "Bonds or notes" shall mean revenue bonds or revenue notes
17 which are payable solely and only from net rents, profits and income
18 derived from the operation of residence halls, dormitories, facilities
19 therefor and additions thereto.

1 SEC. 2. Subject to and in accordance with the provisions of this
2 Act the state board of regents is hereby authorized to undertake and
3 carry out any project as hereinbefore defined at the state university
4 of Iowa, the Iowa state university of science and technology and the
5 state college of Iowa and to operate, control, maintain and manage
6 student residence halls and dormitories, including dining and other
7 incidental facilities, and additions to such buildings at each of said
8 institutions. All contracts for the construction, reconstruction, com-
9 pletion, equipment, improvement, repair or remodeling of any build-
10 ings, additions or facilities shall be let in accordance with the provi-
11 sions of section two hundred sixty-two point thirty-four (262.34), of
12 the Code. The title to all real estate acquired under the provisions of
13 this Act and the improvements erected thereon shall be taken and held
14 in the name of the state of Iowa. The board is authorized to rent the

15 rooms in such residence halls and dormitories to the students, officers,
16 guests and employees of said institutions at such rates, fees or rent-
17 als as will provide a reasonable return upon the investment, but which
18 will in any event produce net rents, profits and income sufficient to
19 insure the payment of the principal of and interest on all bonds or
20 notes issued to pay any part of the cost of any project and refunding
21 bonds or notes issued pursuant to the provisions of this Act.

1 SEC. 3. To pay all or any part of the cost of carrying out any
2 project at any institution the board is authorized to borrow money and
3 to issue and sell negotiable bonds or notes and to refund and refinance
4 bonds or notes heretofore issued or as may be hereafter issued for any
5 project or for refunding purposes at a lower rate, the same rate or a
6 higher rate or rates of interest and from time to time as often as the
7 board shall find it to be advisable and necessary so to do. Such bonds
8 or notes may be sold by said board at public sale in the manner pre-
9 scribed by chapter seventy-five (75) of the Code, but if the board shall
10 find it to be advantageous and in the public interest to do so, such
11 bonds or notes may be sold by the board at private sale without pub-
12 lished notice of any kind and without regard to the requirements of
13 chapter seventy-five (75) of the Code in such manner and upon such
14 terms as may be prescribed by the resolution authorizing the same,
15 but such bonds or notes shall in any event be sold upon terms of not
16 less than par plus accrued interest. Bonds or notes issued to refund
17 other bonds or notes heretofore or hereafter issued by the board for
18 residence hall or dormitory purposes at any institution, including din-
19 ing or other facilities and additions, or heretofore or hereafter issued
20 for refunding purposes, may either be sold in the manner hereinbefore
21 specified and the proceeds thereof applied to the payment of the obli-
22 gations being refunded, or the refunding bonds or notes may be ex-
23 changed for and in payment and discharge of the obligations being
24 refunded, and a finding by the board in the resolution authorizing the
25 issuance of such refunding bonds or notes that the bonds or notes
26 being refunded were issued for a purpose specified in this Act and
27 constitute binding obligations of the board shall be conclusive and may
28 be relied upon by any holder of any refunding bond or note issued
29 under the provisions of this Act. The refunding bonds or notes may
30 be sold or exchanged in installments at different times or an entire
31 issue or series may be sold or exchanged at one time. Any issue or
32 series of refunding bonds or notes may be exchanged in part or sold
33 in parts in installments at different times or at one time. The refund-
34 ing bonds or notes may be sold or exchanged at any time on, before,
35 or after the maturity of any of the outstanding notes, bonds or other
36 obligations to be refinanced thereby and may be issued for the purpose
37 of refunding a like or greater principal amount of bonds or notes,
38 except that the principal amount of the refunding bonds or notes may
39 exceed the principal amount of the bonds or notes to be refunded to
40 the extent necessary to pay any premium due on the call of the bonds
41 or notes to be refunded or to fund interest in arrears or about to be-
42 come due.

43 All bonds or notes issued under the provision of this Act shall be
44 payable solely and only from and shall be secured by an irrevocable
45 pledge of a sufficient portion of (1) the net rents, profits and income

46 derived from the operation of residence halls, dormitories, dining or
47 other incidental facilities and additions, including necessary real and
48 personal property, acquired or improved in whole or in part with the
49 proceeds of such bonds or notes, regardless of the manner of such
50 acquisition or improvement, and (2) the net rents, profits and income
51 not pledged for other purposes derived from the operation of any other
52 residence halls or dormitories, including dining or other incidental
53 facilities and additions, at the particular institution. All bonds or
54 notes issued under the provisions of this Act shall have all the qualities
55 of negotiable instruments under the laws of this state.

1 SEC. 4. Such bonds or notes may bear such date or dates, may bear
2 interest at such rate or rates, payable semiannually, may mature at
3 such time or times, may be in such form, carry such registration priv-
4 ileges, may be payable at such place or places, may be subject to such
5 terms of redemption prior to maturity with or without premium, if so
6 stated on the face thereof, and may contain such terms and covenants
7 all as may be provided by the resolution of the board authorizing the
8 issuance of the bonds or notes. In addition to the estimated cost of con-
9 struction, the cost of the project shall be deemed to include interest
10 upon the bonds or notes during construction and for six months after
11 the estimated completion date, the compensation of a fiscal agent or
12 adviser, and engineering, administrative and legal expenses. Such
13 bonds or notes shall be executed by the president of the state board
14 of regents and attested by the secretary thereof and the coupons
15 thereto attached shall be executed with the original or facsimile sig-
16 natures of said president and secretary. Any bonds or notes bearing
17 the signatures of officers in office on the date of the signing thereof
18 shall be valid and binding for all purposes, notwithstanding that before
19 delivery thereof any or all such persons whose signatures appear
20 thereon shall have ceased to be such officers. Each such bond or note
21 shall state upon its face the name of the institution on behalf of which
22 it is issued, that it is payable solely and only from the net rents, profits
23 and income derived from the operation of residence halls or dormi-
24 tories, including dining and other incidental facilities, at such insti-
25 tution as hereinbefore provided, and that it does not constitute a
26 charge against the state of Iowa within the meaning or application of
27 any constitutional or statutory limitation or provision. The issuance
28 of such bonds or notes shall be recorded in the office of the treasurer
29 of the institution on behalf of which the same are issued, and a cer-
30 tificate by such treasurer to this effect shall be printed on the back of
31 each such bond or note.

1 SEC. 5. Upon the determination by the state board of regents to
2 undertake and carry out any project or to refund outstanding bonds or
3 notes, said board shall adopt a resolution describing generally the con-
4 templated project and setting forth the estimated cost thereof, or
5 describing the obligations to be refunded, fixing the amount of bonds
6 or notes to be issued, the maturity or maturities, the interest rate or
7 rates and all details in respect thereof. Such resolutions shall contain
8 such covenants as may be determined by the board as to the issuance
9 of additional bonds or notes that may thereafter be issued payable
10 from the net rents, profits and income of the residence halls or dormi-

11 tories, the amendment or modification of the resolution authorizing
12 the issuance of any bonds or notes, the manner, terms and conditions
13 and the amount or percentage of assenting bonds or notes necessary
14 to effectuate such amendment or modification, and such other cove-
15 nants as may be deemed necessary or desirable. In the discretion of
16 the board any bonds or notes issued under the terms of this Act may
17 be secured by a trust indenture by and between the board and a cor-
18 porate trustee, which may be any trust company or bank having the
19 powers of a trust company within or without the boundaries of the
20 state of Iowa, but no such trust indenture shall convey or mortgage
21 the buildings or facilities or any part thereof. The provisions of this
22 Act and of any resolution or other proceedings authorizing the issu-
23 ance of bonds or notes and providing for the establishment and mainte-
24 nance of adequate rates, fees or rentals and the application of the
25 proceeds thereof shall constitute a contract with the holders of such
26 bonds or notes.

1 SEC. 6. Whenever bonds or notes are issued by the state board of
2 regents, it shall be the duty of said board to establish, impose and col-
3 lect rates, fees or rentals for the use of and services provided by the
4 residence halls and dormitories, including dining and other incidental
5 facilities therefor, at the institution on behalf of which such bonds or
6 notes are issued, and to adjust such rates, fees or rentals from time to
7 time, in order to always provide net amounts sufficient to pay the prin-
8 cipal of and interest on such bonds or notes as the same become due
9 and to maintain a reserve therefor, and said board is authorized to
10 pledge a sufficient amount of the net rents, profits and income derived
11 from the operation of residence halls and dormitories, including dining
12 and other facilities therefor, at such institution for this purpose.
13 Rates, fees or rentals collected at one institution shall not be used to
14 discharge bonds or notes issued for or on account of another institu-
15 tion. All bonds or notes issued under the terms of this Act shall be
16 exempt from taxation by the state of Iowa and the interest thereon
17 shall be exempt from the state income tax.

1 SEC. 7. A certified copy of each resolution providing for the issu-
2 ance of bonds or notes under this Act shall be filed with the treasurer
3 of the institution on behalf of which the bonds or notes are issued and
4 it shall be the duty of said treasurer to keep and maintain separate
5 accounts for each issue of bonds or notes in accordance with the cove-
6 nants and directions set out in the resolution providing for the issu-
7 ance thereof. All rates, fees or rentals collected for the use of and
8 services provided by the residence halls and dormitories, including
9 dining and other incidental facilities therefor, at each institution shall
10 be held in trust by the treasurer thereof, separate and apart from all
11 other funds, to be used solely and only for the purposes specified in this
12 Act and as may be required and provided for by the proceedings of the
13 board authorizing the issuance of bonds or notes. It shall be the duty
14 of the treasurer of each institution to disburse funds from the proper
15 account for the payment of the principal of and interest on the bonds
16 or notes in accordance with the directions and covenants of the reso-
17 lution authorizing the issuance thereof.

1 SEC. 8. Under no circumstances shall any bonds or notes issued
2 under the terms of this Act be or become or be construed to constitute
3 a charge against the state of Iowa within the purview of any constitu-
4 tional or statutory limitation or provision. No taxes, appropriations
5 or other funds of the state of Iowa may be pledged for or used to pay
6 such bonds or notes or the interest thereon but any such bonds or notes
7 shall be payable solely and only as to both principal and interest from
8 the net rents, profits and income derived from the operation of resi-
9 dence halls and dormitories, including dining and other incidental facil-
10 ities therefor, at the institutions of higher learning under the control
11 of the state board of regents as hereinbefore provided, and the sole
12 remedy for any breach or default of the terms of any such bonds or
13 notes or proceedings for their issuance shall be a proceeding either in
14 law or in equity by suit, action or mandamus to enforce and compel
15 performance of the duties required by this Act and the terms of the
16 resolution under which such bonds or notes are issued.

1 SEC. 9. All banks, trust companies, bankers, savings banks and
2 institutions, building and loan associations, savings and loan associ-
3 ations, investment companies and other persons carrying on a banking
4 or investment business, all insurance companies, insurance associations
5 and other persons carrying on an insurance business and all executors,
6 administrators, guardians, trustees and other fiduciaries may legally
7 invest any sinking funds, moneys or other funds belonging to them or
8 within their control in any bonds or notes issued pursuant to this Act;
9 provided, however, that nothing contained in this section may be con-
10 strued as relieving any persons from any duty of exercising reasonable
11 care in selecting securities for purchase or investment.

1 SEC. 10. The state board of regents is authorized to apply for and
2 accept federal aid or non-federal gifts or grants of funds and to use
3 the same to pay all or any part of the cost of carrying out any project
4 at any institution under the terms of this Act or to pay any bonds and
5 interest thereon issued for any of the purposes specified in this Act.

1 SEC. 11. This Act shall be construed as providing an alternative
2 and independent method for carrying out any project at any institution
3 of higher learning under the control of the state board of regents, for
4 the issuance and sale or exchange of bonds or notes in connection
5 therewith and for refunding bonds or notes pertinent thereto, without
6 reference to any other statute, and shall not be construed as an amend-
7 ment of or subject to the provisions of any other law, and no publica-
8 tion of any notice, whether under section twenty-three point twelve
9 (23.12) of the Code or otherwise, and no other or further proceeding
10 in respect to the issuance or sale or exchange of bonds or notes under
11 this Act shall be required except such as are prescribed by this Act,
12 any provisions of other statutes of the state to the contrary notwith-
13 standing.

1 SEC. 12. All rights heretofore acquired in connection with the
2 financing of any project at any institution are hereby preserved and
3 all acts and proceedings taken by the board preliminary to and in con-

4 nection with the authorization and issuance of any previously issued
 5 and outstanding notes or other obligations for any project are hereby
 6 legalized, validated and confirmed and said notes or obligations are
 7 hereby declared to be legal and to constitute valid and binding obliga-
 8 tions of the board according to their terms and payable solely and only
 9 from the sources referred to therein.

1 SEC. 13. If any provisions of this Act or the application thereof to
 2 any person or circumstances is held to be invalid, such invalidity shall
 3 not affect other provisions or applications of the Act which can be
 4 given effect without the invalid provisions or application, and to this
 5 end the provisions of this Act are declared to be severable.

1 SEC. 14. This Act being deemed of immediate importance shall be
 2 in full force and effect from and after its passage and publication in
 3 the Grinnell Herald-Register, a newspaper published at Grinnell, Iowa,
 4 and in the Oelwein Daily Register, a newspaper published at Oelwein,
 5 Iowa.

Approved April 23, 1963.

I hereby certify that the foregoing Act, House File 543, was published in the Grinnell Herald-Register, Grinnell, Iowa, April 29, 1963, and in the Oelwein Daily Register, Oelwein, Iowa, April 29, 1963.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 167

IOWA INSTITUTE OF CHILD BEHAVIOR AND DEVELOPMENT

H. F. 152

AN ACT to change the name of the Iowa child welfare research station at the state university of Iowa.

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

1 SECTION 1. Section two hundred sixty-three point five (263.5),
 2 Code 1962, is hereby amended by striking from line four (4) the words
 3 "Iowa child welfare research station" and inserting in lieu thereof the
 4 words "institute of child behavior and development".

1 SEC. 2. Section two hundred sixty-three point six (263.6), Code
 2 1962, is amended by striking the word "station" in line two (2) and
 3 inserting in lieu thereof the word "institute".

Approved March 13, 1963.