

CHAPTER 344

SPECIAL ASSESSMENTS IN CERTAIN CITIES

S. F. 320

AN ACT relating to the special assessment of public improvements in cities having a population of one hundred twenty-five thousand or more and to amend chapter four hundred seventeen (417), Code 1962, relating thereto.

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

1 SECTION 1. Chapter four hundred seventeen (417), Code 1962, is
2 amended by adding thereto the following new section:

3 "The provisions of this chapter shall be construed as conferring
4 additional power upon cities to which applicable but the procedure
5 prescribed herein shall not be exclusive of any other method prescribed
6 by law for the special assessment of public improvements in cities."

1 SEC. 2. Section four hundred seventeen point eight (417.8), Code
2 1962, is amended by striking the period (.) at the end of said section
3 and inserting in lieu thereof the following:

4 "and shall include but not be limited to the principal structures,
5 works, component parts and accessories of any of the following:

6 "1. Sanitary, storm and combined sewers.

7 "2. Drainage conduits, channels, and levees.

8 "3. Street grading, paving, graveling, macadamizing, curbing, gut-
9 tering and surfacing with oil, oil and gravel, and chloride.

10 "4. Street lighting fixtures, connections, and facilities.

11 "5. Sewage pumping stations and disposal and treatment plants.

12 "6. Underground gas, water, heating, sewer and electrical connec-
13 tions located in streets for private property.

14 "7. Sidewalks and pedestrian underpasses and overpasses.

15 "8. Waterworks, water mains, and extensions."

Approved July 1, 1965.

CHAPTER 345

MUNICIPAL DEVELOPMENT OF INDUSTRIAL PROJECTS

S. F. 552

AN ACT relating to the acquisition and development of industrial projects by municipal-
ities and the issuance of revenue bonds by cities and towns to finance the same.

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

1 SECTION 1. Subsection two (2) of section one (1) of chapter two
2 hundred forty-seven (247), Laws of the Sixtieth General Assembly, is
3 hereby amended to read as follows:

4 " 'Project' means any land, buildings or improvements, whether or
5 not in existence at the time of issuance of the bonds issued under
6 authority of this Act, which shall be suitable for the use of any indus-
7 try or industries for the manufacturing, processing or assembling of
8 any agricultural or manufactured products, even though such proc-
9 essed products may require further treatment before delivery to the

10 ultimate consumer. 'Improve', 'improving' and 'improvements' shall
11 embrace any real property, personal property or mixed property of
12 any and every kind that can be used or that will be useful in an indus-
13 trial enterprise including, without limiting the generality of the fore-
14 going, rights of way, roads, streets, sidings, foundations, tanks, struc-
15 tures, pipes, pipelines, reservoirs, utilities, materials, equipment,
16 fixtures, machinery, furniture, furnishings, improvements, instru-
17 mentalities and other real, personal or mixed property of every kind,
18 whether above or below ground level."

1 SEC. 2. Section one (1) of chapter two hundred forty-seven (247),
2 Laws of the Sixtieth General Assembly, is hereby amended by adding
3 thereto the following new paragraphs:

4 " 'Equip' means to install or place on or in any building or improve-
5 ments or the site thereof equipment of any and every kind, including,
6 without limiting the generality of the foregoing, machinery, utility
7 service connections, building service equipment, fixtures, heating
8 equipment, and air conditioning equipment.

9 " 'Lessee' includes a single person, firm or corporation or any two
10 or more persons, firms or corporations which shall lease the project
11 as tenants-in-common of the entire project and each of which such
12 tenants-in-common shall severally undertake rental payment and other
13 monetary obligations under the lease of the project sufficient, together
14 with the like undertakings of the other such tenant-in-common, to
15 satisfy the rental and other monetary obligations required by this Act
16 to be undertaken by the lessee of a project."

1 SEC. 3. Subsection one (1) of section two (2) of chapter two
2 hundred forty-seven (247), Laws of the Sixtieth General Assembly,
3 is hereby amended to read as follows:

4 "To acquire, whether by construction, purchase, gift or lease, and
5 to improve and equip, one or more projects. Such projects shall be
6 located within this state, may be located within or near the municipi-
7 tality, but shall not be located more than eight miles outside the cor-
8 porate limits of the municipality, provided that ancillary improve-
9 ments necessary or useful in connection with the main project may be
10 located more than eight miles outside the corporate limits of the
11 municipality."

1 SEC. 4. Subsection three (3) of section two (2) of chapter two
2 hundred forty-seven (247), Laws of the Sixtieth General Assembly,
3 is hereby amended to read as follows:

4 "To issue revenue bonds for the purpose of defraying the cost of
5 acquiring, improving and equipping any project and to secure pay-
6 ment of such bonds as provided in this Act."

1 SEC. 5. Subsection two (2) of section three (3) of chapter two
2 hundred forty-seven (247), Laws of the Sixtieth General Assembly,
3 is hereby amended to read as follows:

4 "The bonds referred to in subsection one (1) of this section may be
5 executed and delivered at any time and from time to time; be in such
6 form and denominations; without limitation as to the denomination
7 of any bond, any other law to the contrary notwithstanding; be of
8 such tenor; be fully registered, registrable as to principal or in bearer

9 form; be transferable; be payable in such installments and at such
 10 time or times, not exceeding thirty years from their date; be payable
 11 at such place or places in or out of the state of Iowa; bear interest at
 12 such rate or rates, payable at such place or places in or out of the state
 13 of Iowa; be evidenced in such manner and may contain other provi-
 14 sions not inconsistent herewith; all as shall be provided in respect of
 15 the foregoing or other matters in the proceedings of the governing
 16 body whereunder the bonds are authorized to be issued. The govern-
 17 ing body may provide for the exchange of coupon bonds for fully
 18 registered bonds and of fully registered bonds for coupon bonds and
 19 for the exchange of any such bonds after issuance for bonds of larger
 20 or smaller denominations, all in such manner as may be provided in
 21 the proceedings authorizing their issuance, provided the bonds in
 22 changed form or denominations shall be exchanged for the surrendered
 23 bonds in the same aggregate principal amounts and in such manner
 24 that no overlapping interest is paid, and such bonds in changed form
 25 or denominations shall bear interest at the same rate or rates and
 26 shall mature on the same date or dates as the bonds for which they
 27 are exchanged. Where any exchange is made under this section, the
 28 bonds surrendered by the holders at the time of the exchange shall be
 29 cancelled. The exchange shall be made only at the request of the
 30 holders of the bonds to be surrendered, and the governing body may
 31 require all expenses incurred in connection with the exchange to be
 32 paid by the holders. In case any of the officers whose signatures
 33 appear on the bonds or coupons shall cease to be officers before the
 34 delivery of such bonds, such signatures shall, nevertheless, be valid
 35 and sufficient for all purposes, the same as if they had remained in
 36 office until delivery."

1 SEC. 6. Subsection three (3) of section three (3) of chapter two
 2 hundred forty-seven (247), Laws of the Sixtieth General Assembly,
 3 is hereby amended to read as follows:

4 "Unless otherwise provided in the proceedings of the governing
 5 body whereunder the bonds are authorized to be issued, bonds issued
 6 under the provisions of this Act shall be subject to the general pro-
 7 visions of law, presently existing or that may hereafter be enacted,
 8 respecting the execution and delivery of the bonds of a municipality
 9 and respecting the retaining of options of redemption in proceedings
 10 authorizing the issuance of municipal securities."

1 SEC. 7. Subsection two (2) of section four (4) of chapter two
 2 hundred forty-seven (247), Laws of the Sixtieth General Assembly,
 3 is hereby amended to read as follows:

4 "The proceedings under which the bonds are authorized to be issued
 5 under the provisions of this Act, and any mortgage given to secure the
 6 same, may contain any agreements and provisions customarily con-
 7 tained in instruments securing bonds, including, but not limited to:

8 a. Provisions respecting custody of the proceeds from the sale of
 9 the bonds including their investment and reinvestment until used to
 10 defray the cost of the project.

11 b. Provisions respecting the fixing and collection of rents for any
 12 project covered by such proceedings or mortgage.

13 c. The terms to be incorporated in the lease of such project.

14 d. The maintenance and insurance of such project.

15 e. The creation, maintenance, custody, investment and reinvestment
16 and use of special funds from the revenues of such project, and

17 f. The rights and remedies available in case of a default to the bond
18 holders or to any trustee under the lease or a mortgage.

19 A municipality shall have the power to provide that proceeds from
20 the sale of bonds and special funds from the revenues of the project
21 shall be invested and reinvested in such securities and other invest-
22 ments as shall be provided in the proceedings under which the bonds
23 are authorized to be issued including:

24 (1) obligations issued or guaranteed by the United States;

25 (2) obligations issued or guaranteed by any person controlled or
26 supervised by and acting as an instrumentality of the United States
27 pursuant to authority granted by the congress of the United States;

28 (3) obligations issued or guaranteed by any state of the United
29 States, or the District of Columbia, or any political subdivision of any
30 such state or District;

31 (4) prime commercial paper;

32 (5) prime finance company paper;

33 (6) bankers acceptances drawn on and accepted by commercial
34 banks;

35 (7) repurchase agreements fully secured by obligations issued or
36 guaranteed by the United States or by any person controlled or super-
37 vised by and acting as an instrumentality of the United States pur-
38 suant to authority granted by the congress of the United States; and

39 (8) certificates of deposit issued by commercial banks; whether or
40 not such investment or reinvestment is authorized under any other
41 law of this state. The municipality shall also have the power to pro-
42 vide that such proceeds or funds or investments and the rents payable
43 under the lease shall be received, held and disbursed by one or more
44 banks or trust companies located in or out of the state of Iowa. A
45 municipality shall also have the power to provide that the project and
46 improvements shall be constructed by the municipality, lessee, or the
47 lessee's designee, or anyone or more of them on real estate owned by
48 the municipality, the lessee, or the lessee's designee, as the case may
49 be, that the bond proceeds shall be disbursed by the trustee bank or
50 banks, trust company or trust companies, during construction upon
51 the estimate, order or certificate of the lessee or the lessee's designee,
52 and that the project, if and to the extent constructed on real estate not
53 owned by the municipality, shall be conveyed to the municipality not
54 later than its completion.

55 In making such agreements or provisions, a municipality shall not
56 have the power to obligate itself, except with respect to the project
57 and the application of the revenues therefrom, and shall not have the
58 power to incur a pecuniary liability or a charge upon its general credit
59 or against its taxing powers."

1 SEC. 8. Subsection two (2) of section five (5) of chapter two
2 hundred forty-seven (247), Laws of the Sixtieth General Assembly is
3 hereby amended by striking the period (.) in line fourteen (14)
4 thereof and inserting in lieu thereof the following:

5 " ; provided, however, that the foregoing amounts need not be ex-
6 pressed in dollars and cents in the lease and proceedings under which

7 the bonds are authorized to be issued, but may be set forth in the form
8 of a formula or formulas."

1 SEC. 9. Section eleven (11) of chapter two hundred forty-seven
2 (247) of the Laws of the Sixtieth General Assembly is hereby amended
3 by adding at the end thereof the following two sentences:

4 "If and to the extent the proceedings under which the bonds author-
5 ized to be issued under the provisions of this Act so provide, the munic-
6 ipality may agree to cooperate with the lessee of a project in connec-
7 tion with any administrative or judicial proceedings for determining
8 the validity or amount of any such payments and may agree to ap-
9 point or designate and reserve the right in and for such lessee to take
10 all action which the municipality may lawfully take in respect of such
11 payments and all matters relating thereto, provided, however, that
12 such lessee shall bear and pay all costs and expenses of the municipal-
13 ity thereby incurred at the request of such lessee or by reason of any
14 such action taken by such lessee in behalf of the municipality. Any
15 lessee of a project which has paid, as rentals additional to those re-
16 quired to be paid pursuant to section five (5) of this Act, the amounts
17 required by the first sentence of this section eleven (11) to be paid by
18 the municipality shall not be required to pay any such taxes to the
19 state or to any such county, city, town, school district or other political
20 subdivision, any other statute to the contrary notwithstanding."

1 SEC. 10. Section fifteen (15) of chapter two hundred forty-seven
2 (247), Laws of the Sixtieth General Assembly, is hereby amended by
3 renumbering Sec. 15 thereof as Sec. 16 and adding a new Sec. 15
4 thereof reading as follows:

5 "15. No action shall be brought questioning the legality of any con-
6 tract, lease, mortgage, proceedings or bonds executed in connection
7 with any project or improvements authorized by this chapter from
8 and after three (3) months from the time the bonds are ordered is-
9 sued by the proper authority."

1 SEC. 11. This Act being deemed of immediate importance shall
2 take effect and be in force from and after its passage and publication
3 in *The Telegraph-Herald*, a newspaper published in Dubuque, Iowa,
4 and in the *New Hampton Tribune*, a newspaper published in New
5 Hampton, Iowa.

Approved May 27, 1965.

I hereby certify that the foregoing Act, Senate File 552, was published in *The Tele-
graph-Herald*, Dubuque, Iowa, June 3, 1965, and in the *New Hampton Tribune*, New
Hampton, Iowa, June 3, 1965.

GARY L. CAMERON, *Secretary of State*.