

February 27, 1953.

House File 384

Cities and Towns.

By McFARLANE, MILLER, NELSON of Wood-
bury and SCHWENGEL.

Passed House, Date 4-15-53.....

Vote: Ayes 88..... Nays 6.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act to provide for municipally owned and operated city transit systems.

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

1 Section 1. Cities and towns shall have the power to acquire,
2 establish, lease, equip, maintain and operate by purchase, gift
3 or condemnation, city transit systems, either within or without
4 their corporate limits, and either within or without the terri-
5 torial limits of this state.

1 Sec. 2. No such city transit system shall be acquired, es-
2 tablished, maintained, operated or leased unless a majority of
3 the legal electors voting thereon vote in favor of the same.

1 Sec. 3. The council may order any of the questions provided
2 for above submitted at a municipal election or at one specially
3 called for that purpose, or the mayor shall submit said question
4 to such a vote upon the petition of twenty-five (25) property
5 owners of each voting precinct in said city.

1 Sec. 4. Notice of the election shall be given by publication
2 once each week for four (4) consecutive weeks in some newspaper
3 published in the county and of general circulation in said city

4 or town. The election shall be held on a day not less than five
5 (5) nor more than twenty (20) days after the last publication of
6 notice.

1 Sec. 5. The administration and management of any city transit
2 system acquired, established, leased, equipped, enlarged under
3 this chapter shall be vested in a board of transit trustees con-
4 sisting of five (5) members appointed by the mayor from among the
5 resident voters of the city with reference to their fitness for
6 such office, and not more than two (2) of said trustees shall be
7 residents of the same ward, which appointment shall be approved
8 by the council. The first appointee shall hold office, one (1) for
9 two (2) years, one (1) for three (3) years, one (1) for four (4)
10 years, one (1) for five (5) years and one (1) for six (6) years.
11 All subsequent appointments shall be for a term of six (6) years.
12 Vacancies shall be filled as original appointments are made and
13 for the unexpired term. Members of the transit board shall serve
14 without compensation. Each member of the board shall execute and
15 furnish a bond in an amount to be fixed by the council, to be
16 approved by the mayor and filed with the city clerk. The cost of
17 such bond shall be paid from transit system funds. The board shall
18 elect from their own members a chairman and a secretary who shall
19 serve such term as the board shall determine.

1 Sec. 6. Such board shall have the power to make and enforce
2 rules and regulations for control, supervision, maintenance and
3 operation of the transit system, including the leasing thereof for
4 periods of not to exceed two (2) years, but not contrary to any

5 laws, ordinances or statutes of said city or state of Iowa, to buy,
6 to sell and exchange any property, equipment or rights for the
7 benefit and efficient operation of said system, to purchase
8 equipment and may execute agreements, leases and equipment trust
9 certificates in the form customarily used in such cases appropriate
10 to effect such purchase. All money required to be paid by the trus-
11 tees under the provisions of such agreements, leases or equipment
12 certificates shall be paid solely from revenue or income derived
13 from the transit system and from grants and loans provided in
14 this chapter. Payment for such equipment, or rentals therefor, may
15 be made in installments, and the deferred installments may be ex-
16 tended by equipment trust certificates secured only by such equip-
17 ment so purchased and payable solely from revenue or income, and
18 title to such equipment shall not vest in the trustees or the city
19 until the equipment certificates are paid, to employ, fix the
20 compensation and remove at pleasure professional, technical and
21 other employees, skilled or unskilled, as it may be deemed necessary
22 for the operation and maintenance of such transit system. The
23 board may from time to time fix and establish routes and schedules
24 and determine the fares so to be charged so that the revenue will
25 be at all times sufficient in the aggregate to provide for the pay-
26 ment of the interest on and principal of all bonds that may be
27 issued and outstanding under the provisions of this chapter and for
28 the payment of the operation and maintenance expenses of the transit
29 system, and for the creation of a reserve fund for the purchase of
30 such new equipment as may reasonably be necessary for the operation

31 of said transit system. All funds derived from taxation or otherwise
32 for transit system purposes shall be under the full and absolute
33 control of said board for the purpose prescribed by law, and shall
34 be deposited with the city treasurer to the credit of said city
35 transit system and shall be disbursed only on the written warrants
36 or orders of the said board, including the payment of all indebted-
37 ness arising from the acquisition, establishment, maintenance,
38 operation and extension thereof.

1 Sec. 7. For the purpose of acquiring, establishing, equipping,
2 enlarging or improving such transit system, or any part thereof,
3 the city council may by resolution, from time to time, issue and
4 dispose of its negotiable interest bearing revenue bonds, payable
5 solely as to both principal and interest from the revenues to be
6 derived from the operation of such transit system. All such bonds
7 may bear such date or dates, may mature at such time or times not
8 exceeding thirty (30) years from their respective dates, may bear
9 interest at such rate or rates not exceeding five per cent (5%)
10 per annum, payable semi-annually, may be in such form and payable
11 in such place or places, and may be subject to such redemption
12 privileges as is stated on the face thereof and as may be provided
13 in such resolution. After a resolution authorizing such revenue
14 bonds has been adopted the city clerk shall publish notice of such
15 adoption in at least one newspaper of general circulation in the
16 city at least once each week for two (2) consecutive weeks. Such
17 notice shall identify the resolution by the date of its adoption
18 and shall specify the amount of bonds proposed to be issued, and

19 if within twenty (20) days following the date of the first pub-
20 lication of such notice a petition is filed with the city clerk
21 signed by qualified voters of said city in number equal to or ex-
22 ceeding twenty (20) per cent of the total number of votes cast in
23 such city for mayor at the last preceding election whereat a mayor
24 was elected, then the bonds authorized by such resolution shall
25 not be issued unless and until the proposition to issue same shall
26 have been submitted to an election throughout the city and approved
27 by not less than sixty per cent (60%) of the votes cast for and
28 against the proposition. When any such petition is filed it shall
29 be referred to the city council at its next meeting and thereupon
30 the city council may either repeal the bond resolution or order
31 the election which shall be called and conducted in the manner pro-
32 vided by chapter three hundred forty-five (345). If there be no
33 petition filed within the time hereinbefore provided or if there
34 be a petition filed and the proposition of issuing such bonds is
35 approved at such election then the city council may proceed with
36 the acquisition, construction, equipment, operation and maintenance
37 of the city transit system and the issuance of bonds in connection
38 therewith, all as in this chapter permitted and provided. Under no
39 circumstances shall any bonds issued under the provisions of this
40 chapter be or become an indebtedness of the city within the purview
41 of any constitutional or statutory limitation or provision, and it
42 shall be plainly stated on the face of each bond that it does not
43 constitute such an indebtedness, but is payable solely from the
44 revenues as aforesaid. All such bonds shall be sold in such manner

45 and upon such terms as is prescribed by the resolution authorizing
46 the issuance thereof, provided, that no bonds shall be sold upon
47 the terms that will result in an interest cost computed to maturity
48 of the bonds according to standard tables of bond values of more
49 than five per cent (5%) per annum. The resolution authorizing such
50 revenue bonds may contain such covenants as are determined by the
51 city council to be desirable in connection with the use and appli-
52 cation of the bond proceeds, the operation of the city transit system
53 and the custody and application of the revenues from such operation.
54 The sole remedy for any breach of default of the terms of any such
55 bonds or proceedings for their issuance shall be by mandamus in
56 a court of competent jurisdiction to compel performance and com-
57 pliance therewith.

1 Sec. 8. If in any year, after the payment of the accruing interest
2 on and principal due of any revenue bonds issued hereunder from the
3 revenues derived from the operation of such city transit system,
4 there be a balance of such revenues insufficient to pay the expenses
5 of operation and maintenance of the city transit system and the
6 creation of the reserve fund as provided in section six (6), the
7 board of transit trustees shall certify that fact as soon as as-
8 certained to the city council to make the amount of such deficiency
9 for paying the expenses of operation and maintenance and the creation
10 of the reserve fund as provided in section six (6), of the city
11 transit system available from parking meter receipts or other city
12 funds or, the city council of such city shall levy a tax not to
13 exceed mills in any one (1) year on all the taxable property

14 in said city in an amount sufficient for that purpose, it being con-
15 ditioned that no general city funds or the proceeds of any taxes
16 shall ever be used or applied to the payment of the interest on or
17 principal of any bonds issued under the provisions of this chapter,
18 but that such general city funds or proceeds of taxes may only be
19 used and applied to pay such expenses of operation and maintenance
20 and creation of the reserve fund as provided in section six (6), of
21 and city transit system as cannot be paid from available revenue
22 derived from such operation.

1 Sec. 9. That the bonds provided for in this chapter shall be
2 legal investments for trust funds under the jurisdiction of the
3 respective courts of this state.

1 Sec. 10. The board of transit trustees shall have power to apply
2 for and accept grants and loans from the federal government of 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 fed-
5 eral government in relation to such grants or loans, provided such
6 agreement does not conflict with any of the provisions of any trust
7 agreement securing the payment of bonds or certificates of the
8 transit system or any other provisions of the laws of the state of
9 Iowa.

1 Sec. 11. The board of transit trustees shall have the power to
2 procure and enter into contracts for any type of insurance or indebt-
3 edness against loss or damage to property from any causes, including
4 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 city transit system in the performance of
7 duties of his office or employment, or any other insurable risk.

1 Sec. 12. If the city acquires a transportation system in operation
2 by a private company, all of the employees in the operating and
3 maintenance divisions of such system and all other employees except
4 executive and administrative officers and employees, shall be trans-
5 ferred to and appointed as employees of the said city transit system
6 subject to the right and benefits of this chapter, and these employees
7 shall be given seniority credit in accordance with the records of
8 the said private company.

1 Sec. 13. No civil action shall be commenced in any court against
2 the board of transit trustees or the city by any person for any
3 injury to his person or property unless it is commenced within one
4 (1) year from the date that the injury or damage was received or the
5 cause of action accrued. Within sixty (60) days of the date of such
6 injury or damage was received or such cause of action accrued, any
7 person who is about to commence civil action in any court against
8 the said board or city for damages on account of any injury to
9 his person or property, shall file in the office of the city clerk,
10 either by himself, agent or attorney, a statement in writing, signed
11 by himself, giving the name of the person to whom the cause of
12 action has accrued, the name and residence of the person injured,
13 the date and about the hour of the accident, the place or location
14 where the accident occurred and the name and address of the attend-
15 ing physician, if any. If the notice provided for in this section
16 is not filed as provided, any such civil action commenced against

17 the board or city shall be dismissed and the person to whom any
 18 such cause of action accrued for any personal injury or property
 19 damage shall be forever barred from further suing. The city solicitor
 20 shall represent said board of transit trustees with respect to all
 21 legal matters.

1 Sec. 14. Any city or town having a surplus earned from the
 2 operation of a transit system and which has no bonded indebtedness
 3 or which has sufficient funds on hand to provide for the current
 4 year's interest or principal and the succeeding year's interest or
 5 principal, may on approval of the state comptroller transfer the
 6 surplus earning to any other fund of the municipality.

1 Sec. 15. The city transit board shall immediately after the
 2 close of each municipal fiscal year file with the city clerk a detailed
 3 and audited written report of all money received and disbursed
 4 by said board during said fiscal year, and shall publish a summary
 5 thereof in an official newspaper in said city or town.

1 Sec. 16. All statutes relating to the operation of transportation
 2 system and not in conflict herewith shall be applicable to said
 3 city transit system.

EXPLANATION OF H. F. 384

The purpose of this bill is to provide for a method by which cities and towns may lease, equip, maintain and operate city transit systems they acquire by purchase, gift, or condemnation. Further setting up the machinery by which the cities and towns might finance the purchase or acquisition.

*adopted
4/15*

1 Amend House File 384 by striking section twelve (12) in its
 2 entirety and inserting in lieu thereof the following new
 3 section:
 4 "If the city acquires a transportation system and there
 5 is an existing company in said city, then all of the employees
 6 in the operating and maintenance division of the existing
 7 system and all other employees except executive and adminis-
 8 trative officers shall be transferred to and appointed as
 9 employees of said transit system, subject to the rights
 10 and benefits of this chapter and these employees shall be
 11 given seniority credits in accordance with the records of the
 12 said previous company, if there is existing at the time said city
 13 acquires transportation system a bargaining agreement covering
 14 the employees of the previous system said city or town shall
 15 continue said bargaining agreement until said contract is
 16 expired.

Filed
 April 14, 1953.

SCHWENDEL of Scott.
 MCFARLANE of Black Hawk.



- 1 Amend House File 384 by striking the period after
- 2 the word "matters" in line 21, section 13, and adding the
- 3 following: "except in cities over 80,000 population the
- 4 Board of Transit Trustees may, with the approval of the
- 5 city council, appoint their own attorney."

Filed and adopted

April 15, 1953.

_____ NELSON of Woodbury.

- 1 Amend House File 384 by striking all of section 9.

Offered and adopted

April 15, 1953.

_____ GOODE of Davis.

- 1 Amend House File 384, section eight (8), line
- 2 eleven (11), by striking the words "parking meter receipts
- 3 or other".

Offered and adopted

April 15, 1953.

_____ SHAFF of Clinton.

- 1 Amend House File 384, section eight (8), line
- 2 thirteen (13), by inserting after the word "exceed"
- 3 the word "two".

Offered and adopted

April 15, 1953.

_____ McFARLANE of Black Hawk.

- 1 Amend House File 384 as follows:
- 2 1. Section two (2), line two (2), by striking the following:
- 3 "a majority of" and inserting in lieu thereof the following:
- 4 "sixty per cent (60%) of".

Offered and adopted

April 15, 1953.

_____ WALKER of Hamilton.

- 1 Amend the amendment to House File 384 by striking
- 2 the words and figures "50,000" and inserting the words
- 3 "25,000".

Offered and lost

April 15, 1953.

_____ LUDWIG of Johnson.

- 1 Amend House File 384, section one (1), by inserting after
- 2 the word "town" in line one (1) the following: "having a popu-
- 3 lation in excess of fifty thousand (50,000) according to the
- 4 most recent official federal census"

Filed and lost

April 15, 1953.

_____ PALMER of Lee.

- 1 Amend the amendment to House File 384 by striking
- 2 the words and figures "50,000" and inserting the words
- 3 and figures "19,000".

Offered and lost

April 15, 1953.

_____ BUCK of Marshall.

