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SENATE FILE 1321

By COMMITTEE ON CITIES

Passed Senate, Date 5-20-76 (p. 2117) Passed House, Date 5-29-76 (2279)

Vote: Ayes 45 Nays 0 Vote: Ayes 74 Nays 0

Approved 6-23-76

## A BILL FOR

1 An Act relating to the status and power of an entity created  
2 under chapter twenty-eight F (28F) of the Code to  
3 accomplish joint financing of public works and facilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section twenty-eight F point one (28F.1), Code  
2 1975, is amended to read as follows:

3 28F.1 SCOPE OF CHAPTER. This chapter is intended to pro-  
4 vide a means for the joint financing by public agencies of  
5 works or facilities useful and necessary for the collection,  
6 treatment, purification and disposal in a sanitary manner  
7 of liquid and solid waste, sewage, and industrial waste, also  
8 swimming pools or golf courses. The provisions of this chapter  
9 shall be deemed to apply to the acquisition, construction,  
10 reconstruction, ownership, operation, repair, extension or  
11 improvement of such works or facilities, by a separate  
12 administrative or legal entity created pursuant to chapter  
13 28E. When the legal entity created under this chapter is  
14 comprised solely of cities, counties, and sanitary districts  
15 established under chapter three hundred fifty-eight (358)  
16 of the Code, or any combination thereof, the entity shall  
17 be both a corporation and a political subdivision with the  
18 name under which it was organized. The legal entity may sue  
19 and be sued, contract, acquire and hold real and personal  
20 property necessary for corporate purposes, adopt a corporate  
21 seal and alter the same at pleasure, and execute all the  
22 powers conferred in this chapter.

23 Sec. 2. Section twenty-eight F point three (28F.3), Code  
24 1975, is amended to read as follows:

25 28F.3 REVENUE BONDS. An entity created to carry out an  
26 agreement authorizing the joint exercise of those govern-  
27 mental powers enumerated in section 28F.1 shall have power  
28 to construct, acquire, own, repair, improve, expand, oper-  
29 ate and maintain a project or projects necessary to carry  
30 out the purposes of such agreement, and to issue from time  
31 to time revenue bonds payable from the revenues derived from  
32 such project or projects, or any combination of such projects,  
33 to finance the cost or part of the cost of the acquisition,  
34 construction, reconstruction, repair, extension or improvement  
35 of such project or projects, including the acquisition for

1 the purposes of such agreement, of any property, real or  
2 personal or mixed therefor. The power of the entity to issue  
3 revenue bonds shall not be exercised until authorized by  
4 resolution or ordinance duly adopted by each of the public  
5 agencies participating in such agreement. Public agencies  
6 participating in such an agreement may not withdraw or in  
7 any way terminate, amend, or modify in any manner to the  
8 detriment of the bondholders said agreement if revenue bonds  
9 or obligations issued in anticipation of the issuance of said  
10 revenue bonds have been issued and are then outstanding and  
11 unpaid as provided for herein. Any revenue bonds for the  
12 payment and discharge of which, upon maturity or upon  
13 redemption prior to maturity, provision has been made through  
14 the setting apart in a reserve fund or special trust account  
15 created pursuant to this chapter to insure the payment thereof,  
16 of moneys sufficient for that purpose or through the  
17 irrevocable segregation for that purpose in a sinking fund  
18 or other fund or trust account of moneys sufficient therefor,  
19 shall be deemed to be no longer outstanding and unpaid within  
20 the meaning of any provision of this chapter.

21 Sec. 3. Chapter twenty-eight F (28F), Code 1975, is amended  
22 by adding the following new section:

23 NEW SECTION. ADDITIONAL POWERS OF THE ENTITY. If the  
24 entity is comprised solely of cities, counties, and sanitary  
25 districts established under chapter three hundred fifty-eight  
26 (358) of the Code, or any combination thereof, the entity  
27 shall have in addition to all the powers enumerated in this  
28 chapter, the powers which a county has with respect to solid  
29 waste disposal projects referred to in section three hundred  
30 thirty-two point forty-four (332.44) of the Code despite any  
31 contrary provision of this chapter.

32 EXPLANATION

33 The bill relates to the status and power of an entity  
34 created under Chapter 28F of the Code to accomplish joint  
35 financing of public works and facilities. The bill provides

1 that when the entity is comprised solely of cities, counties,  
2 and sanitary districts, or a combination thereof, the entity  
3 is more than a corporation--it is a separate political  
4 subdivision with all that entails. The bill gives the entity  
5 the power to own a project. It also gives certain entities  
6 the powers counties have with respect to solid waste disposal  
7 projects as enumerated at length in Section 332.44 of the  
8 Code. Examples of these powers are providing a schedule of  
9 fees to be charged for the use of services and facilities  
10 to be rendered by the project, issuing revenue bonds, borrowing  
11 money from the federal agency by issuing revenue bonds and  
12 delivering the bonds to the federal government or its agency,  
13 pledging the net earnings of the project to the payment of  
14 the bonds and interest thereon, establishing rates or charges  
15 for the use of the services rendered by such works to be paid  
16 by the owner of every lot, parcel of real estate, or building  
17 that is connected with and uses such works, issuing negotiable  
18 interest-bearing refunding bonds, and others set forth in  
19 the section.

20 The need as well as most of the substance of this bill  
21 was suggested by an investment securities company in Des  
22 Moines in light of some proposed United States Treasury  
23 regulations.

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## AN ACT

RELATING TO THE STATUS AND POWER OF AN ENTITY CREATED UNDER CHAPTER TWENTY-EIGHT F (28F) OF THE CODE TO ACCOMPLISH JOINT FINANCING OF PUBLIC WORKS AND FACILITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section twenty-eight F point one (28F.1), Code 1975, is amended to read as follows:

28F.1 SCOPE OF CHAPTER. This chapter is intended to provide a means for the joint financing by public agencies of works or facilities useful and necessary for the collection, treatment, purification and disposal in a sanitary manner of liquid and solid waste, sewage, and industrial waste, also swimming pools or golf courses. The provisions of this chapter shall be deemed to apply to the acquisition, construction, reconstruction, ownership, operation, repair, extension or improvement of such works or facilities, by a separate administrative or legal entity created pursuant to chapter 28E. When the legal entity created under this chapter is comprised solely of cities, counties, and sanitary districts established under chapter three hundred fifty-eight (358) of the Code, or any combination thereof, the entity shall be both a corporation and a political subdivision with the name under which it was organized. The legal entity may sue and be sued, contract, acquire and hold real and personal property necessary for corporate purposes, adopt a corporate seal and alter the same at pleasure, and execute all the powers conferred in this chapter.

Sec. 2. Section twenty-eight F point three (28F.3), Code 1975, is amended to read as follows:

28F.3 REVENUE BONDS. An entity created to carry out an agreement authorizing the joint exercise of those govern-

mental powers enumerated in section 28F.1 shall have power to construct, acquire, own, repair, improve, expand, operate and maintain a project or projects necessary to carry out the purposes of such agreement, and to issue from time to time revenue bonds payable from the revenues derived from such project or projects, or any combination of such projects, to finance the cost or part of the cost of the acquisition, construction, reconstruction, repair, extension or improvement of such project or projects, including the acquisition for the purposes of such agreement, of any property, real or personal or mixed therefor. The power of the entity to issue revenue bonds shall not be exercised until authorized by resolution or ordinance duly adopted by each of the public agencies participating in such agreement. Public agencies participating in such an agreement may not withdraw or in any way terminate, amend, or modify in any manner to the detriment of the bondholders said agreement if revenue bonds or obligations issued in anticipation of the issuance of said revenue bonds have been issued and are then outstanding and unpaid as provided for herein. Any revenue bonds for the payment and discharge of which, upon maturity or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust account created pursuant to this chapter to insure the payment thereof, of moneys sufficient for that purpose or through the irrevocable segregation for that purpose in a sinking fund or other fund or trust account of moneys sufficient therefor, shall be deemed to be no longer outstanding and unpaid within the meaning of any provision of this chapter.

Sec. 3. Chapter twenty-eight F (28F), Code 1975, is amended by adding the following new section:

NEW SECTION. ADDITIONAL POWERS OF THE ENTITY. If the entity is comprised solely of cities, counties, and sanitary districts established under chapter three hundred fifty-eight (358) of the Code, or any combination thereof, the entity

shall have in addition to all the powers enumerated in this chapter, the powers which a county has with respect to solid waste disposal projects referred to in section three hundred thirty-two point forty-four (332.44) of the Code despite any contrary provision of this chapter.

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ARTHUR A. NEU  
President of the Senate

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DALE M. COCHRAN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 1321, Sixty-sixth General Assembly.

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STEVEN C. CROSS  
Secretary of the Senate

Approved June 23, 1976

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ROBERT D. RAY  
Governor