

Reprinted 3/79

FILED FEB 22 1979

SENATE FILE 284

By COMMITTEE ON CITIES

*Approved 2/14 (p. 552)*

*Substituted for H.F. 652 3/6*

Passed Senate, Date 2-5-79 (p. 640) Passed House, Date 3-6-79 (p. 725)

Vote: Ayes 41 Nays 0 Vote: Ayes 75 Nays 0

Approved March 22 1979

*Approved Senate for S-3151 3-13-79 (p. 755)  
47-0*

### A BILL FOR

1 An Act authorizing cities and counties to issue revenue bonds  
2 under chapter four hundred nineteen (419) of the Code for  
3 the purpose of retiring the existing indebtedness of a  
4 health care facility or a voluntary nonprofit hospital.

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

#### COMMUNICATION FROM THE SECRETARY OF STATE

March 29, 1979

Frank J. Stork  
Secretary of the Senate  
State Capitol Building  
Des Moines, Iowa

I hereby certify that Senate File 284, was published in The Dayton Review,  
Dayton, Iowa, on March 28, 1979, and in the Fort Dodge Messenger, Fort Dodge,  
Iowa, on March 27, 1979.

Respectfully submitted,  
MELVIN D. SYNHORST  
Secretary of State

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1 Section 1. Section four hundred nineteen point two (419.2),  
2 Code 1979, is amended by adding the following new subsection:

3 NEW SUBSECTION. To issue revenue bonds for the purpose  
4 of retiring any existing indebtedness of a health care facility  
5 or voluntary nonprofit hospital, to secure payment of the  
6 bonds as provided in this chapter, and to enter into agreements  
7 with others with respect to these bonds for such payments  
8 and upon such terms and conditions as the governing body may  
9 deem advisable in accordance with the provisions of this  
10 chapter. The retiring of any existing indebtedness of a  
11 health care facility or voluntary nonprofit hospital shall  
12 be deemed a "project" for the purposes of this chapter.

13 Sec. 2. Section four hundred nineteen point seven (419.7),  
14 Code 1979, is amended to read as follows:

15 419.7 APPLICATION OF PROCEEDS LIMITED. The proceeds from  
16 the sale of any bonds, issued under authority of this chapter,  
17 shall be applied only for the purpose for which the bonds  
18 were issued and if, for any reason, any portion of such  
19 proceeds shall not be needed for the purpose for which the  
20 bonds were issued, such unneeded portion of said proceeds  
21 shall be applied to the payment of the principal or the  
22 interest on said bonds. The cost of any project shall be  
23 deemed to include the actual cost of acquiring a site or the  
24 cost of the construction of any part of a project which may  
25 be constructed including architects' and engineers' fees,  
26 the purchase price of any part of a project that may be  
27 acquired by purchase, all expenses in connection with the  
28 authorization, sale and issuance of the bonds to finance such  
29 acquisition, an amount to be held as a bond reserve fund,  
30 and the interest on such bonds for a reasonable time prior  
31 to construction, during construction and for not exceeding  
32 six months after completion of construction, ~~and with respect~~  
33 ~~to any health care facility or voluntary nonprofit hospital~~  
34 ~~the cost of retiring any existing indebtedness of such health~~  
35 ~~care facility or voluntary nonprofit hospital which the~~

1 governing-body-of-the-municipality-determines-to-be-reasonably  
2 necessary-in-connection-with-the-issuance-of-the-bonds.

3 Sec. 3. This Act, being deemed of immediate importance,<sup>3/28</sup>  
4 shall take effect from and after its publication in The Dayton  
5 Review, a newspaper published in Dayton, Iowa, and in the  
6 Fort Dodge Messenger,<sup>3/27</sup> a newspaper published in Fort Dodge,  
7 Iowa.

8 EXPLANATION

9 The bill authorizes cities and counties to issue revenue  
10 bonds under chapter 419 solely for the purpose of retiring  
11 any existing indebtedness of a health care facility or a  
12 voluntary nonprofit hospital. Present law permits the retiring  
13 of the indebtedness only if it is in conjunction with a new  
14 construction project.

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SENATE FILE 284

H-3320

- 1 Amend Senate File 284 as follows:
- 2 1. Page 1, line 4, by inserting after the
- 3 word "facility" the word ",clinic".
- 4 2. Page 1, line 11, by inserting after the
- 5 word "facility" the word ",clinic".
- 6 3. Amend the title, line 4, by inserting after
- 7 the word "facility" the word ",clinic".

H-3320 FILED *Adopted 3/6 (p. 754)*  
MARCH 6, 1979

BY MILLER of Buchanan

HOUSE AMENDMENT TO SENATE FILE 284

S-3151

- 1 Amend Senate File 284 as follows:
- 2 1. Page 1, line 4, by inserting after the word
- 3 "facility" the word ", clinic".
- 4 2. Page 1, line 11, by inserting after the word
- 5 "facility" the word ", clinic".
- 6 3. Amend the title, line 4, by inserting after
- 7 the word "facility" the word ", clinic".

S-3151 FILED  
MARCH 7, 1979

RECEIVED FROM THE HOUSE

*Senate concurred 3/13 (p. 755)*

SENATE FILE 284

AN ACT

AUTHORIZING CITIES AND COUNTIES TO ISSUE REVENUE BONDS UNDER CHAPTER FOUR HUNDRED NINETEEN (419) OF THE CODE FOR THE PURPOSE OF RETIRING THE EXISTING INDEBTEDNESS OF A HEALTH CARE FACILITY, CLINIC OR A VOLUNTARY NONPROFIT HOSPITAL.

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

Section 1. Section four hundred nineteen point two (419.2), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. To issue revenue bonds for the purpose of retiring any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital, to secure

payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital shall be deemed a "project" for the purposes of this chapter.

Sec. 2. Section four hundred nineteen point seven (419.7), Code 1979, is amended to read as follows:

419.7 APPLICATION OF PROCEEDS LIMITED. The proceeds from the sale of any bonds, issued under authority of this chapter, shall be applied only for the purpose for which the bonds were issued and if, for any reason, any portion of such proceeds shall not be needed for the purpose for which the bonds were issued, such unneeded portion of said proceeds shall be applied to the payment of the principal or the interest on said bonds. The cost of any project shall be deemed to include the actual cost of acquiring a site or the cost of the construction of any part of a project which may be constructed including architects' and engineers' fees, the purchase price of any part of a project that may be acquired by purchase, all expenses in connection with the authorization, sale and issuance of the bonds to finance such acquisition, an amount to be held as a bond reserve fund, and the interest on such bonds for a reasonable time prior to construction, during construction and for not exceeding six months after completion of construction, ~~and with respect to any health care facility or voluntary nonprofit hospital the cost of retiring any existing indebtedness of such health care facility or voluntary nonprofit hospital which the governing body of the municipality determines to be reasonably necessary in connection with the issuance of the bonds.~~

Sec. 3. This Act, being deemed of immediate importance, shall take effect from and after its publication in The Dayton

<sup>5/28</sup>  
Review, a newspaper published in Dayton, Iowa, and in the  
<sup>3/27</sup>  
Fort Dodge Messenger, a newspaper published in Fort Dodge,  
Iowa.

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TERRY E. BRANSTAD  
President of the Senate

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FLOYD H. MILLEN  
Speaker of the House

I hereby certify that this bill originated in the Senate and  
is known as Senate File 284, Sixty-eighth General Assembly.

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FRANK J. STORK  
Secretary of the Senate

Approved March 22, 1979

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ROBERT D. RAY  
Governor