

*Reprinted 3/23/81*

State Government  
Lura, Chairperson  
Schwengels  
C. Milier

*De Passed 3/2 (p 613)*

**FILED** JAN 13 1981

SENATE FILE 48

BY DeKOSTER

Passed Senate, Date 3-18-81 (# 865) Passed House, Date \_\_\_\_\_

Vote: Ayes 30 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

*was in the record of 865 w/d 3/23*

# A BILL FOR

1 An Act providing for the joint financing by public agencies  
2 of electric power facilities and other facilities.

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

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1 Section 1. Section 28F.1, Code 1981, is amended to read  
2 as follows:

3 28F.1 SCOPE OF CHAPTER. This chapter is intended to  
4 provide a means for the joint financing by public agencies  
5 of 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 electric power facilities constructed within the state of  
9 Iowa, water supply systems, swimming pools or golf courses.  
10 The provisions of this chapter ~~shall-be-deemed-to~~ apply to  
11 the acquisition, construction, reconstruction, ownership,  
12 operation, repair, extension or improvement of such works  
13 or facilities, by a separate administrative or legal entity  
14 created pursuant to chapter 28E. When the legal entity created  
15 under this chapter is comprised solely of cities, counties,  
16 and sanitary districts established under chapter 358, or any  
17 combination thereof or any combination of the foregoing with  
18 other public agencies, the entity shall be both a corporation  
19 and a political subdivision with the name under which it was  
20 organized. The legal entity may sue and be sued, contract,  
21 acquire and hold real and personal property necessary for  
22 corporate purposes, adopt a corporate seal and alter the same  
23 at pleasure, and execute all the powers conferred in this  
24 chapter.

25 Sec. 2. Section 28F.7, Code 1981, is amended to read as  
26 follows:

27 28F.7 CONSTRUCTION AND OPERATION OF PROJECT. ~~Such-an~~  
28 An entity shall operate, maintain and preserve ~~the~~ a project  
29 ~~or-projects~~ in good repair and working order, and shall  
30 construct and operate the project or-projects in an efficient  
31 and economical manner, provided, ~~however,~~ that the entity  
32 may lease or rent ~~the~~ a project ~~or-projects~~ or any part thereof  
33 of a project, or otherwise provide for the construction and  
34 operation of ~~the~~ a project ~~or-projects~~ or any part thereof  
35 of a project in such the manner and upon such the terms as

1 the governing body of the entity ~~shall-direct~~ directs.

2 The electric light and power plant and system of any public  
3 agency participating in and receiving wholesale power from  
4 electric power facilities owned, operated, or financed pursuant  
5 to this chapter shall meet the standards of the national  
6 electric safety code of 1968, as amended to and including  
7 January 1, 1981, of the national fire protection association.

8 Sec. 3. Section 28F.8, Code 1981, is amended to read as  
9 follows:

10 28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued  
11 pursuant to ~~the-provisions-of~~ this chapter shall bear interest  
12 at ~~a-rate-of~~ rates not exceeding that those permitted by  
13 chapter 74A for revenue bonds issued by a city, may be in  
14 one or more series, may bear ~~sueh-date-of~~ dates, may mature  
15 at ~~sueh-time-of~~ times not exceeding forty years from their  
16 respective dates, may be payable in ~~sueh~~ a medium of payment,  
17 at ~~sueh-plaee-of~~ places within the state, may carry ~~sueh~~  
18 registration privileges, may be subject to ~~sueh~~ terms of prior  
19 redemption, with or without premium, may be executed in ~~sueh~~  
20 the manner, may contain ~~sueh~~ terms, covenants and conditions,  
21 may be sold at public or private sale in the manner and on  
22 terms provided by the entity or may be exchanged for  
23 outstanding interim notes, and may be in ~~sueh~~ a form otherwise,  
24 as ~~sueh~~ the resolution or subsequent resolutions ~~shall~~ provide.

25 Sec. 4. Section 28F.9, Code 1981, is amended by striking  
26 the section and inserting in lieu thereof the following:

27 28F.9 ISSUANCE OF INTERIM NOTES. The entity may borrow  
28 money for the purposes for which bonds may be issued, in  
29 anticipation of the receipt of the proceeds of the sale of  
30 bonds. Notes shall be issued for moneys borrowed under this  
31 section, and the notes may be renewed. The notes shall be  
32 authorized by resolution of the governing body of the entity  
33 and may be issued in denominations, bear interest at rates  
34 not exceeding the maximum rate of interest permitted by chapter  
35 74A for pledge orders issued by a city, shall be in a form

1 and shall be executed in a manner, all as the entity  
2 prescribes. If the notes are renewal notes, they may be  
3 exchanged for notes then outstanding on terms the governing  
4 body of the entity determines. Notes may be sold at public  
5 or private sale or may be issued to persons furnishing  
6 materials and services constituting a part of the cost of  
7 the acquisition, construction, reconstruction, repair,  
8 extension or improvement of a project. The governing body  
9 of the entity may retire any notes from the revenues derived  
10 from the project or from other moneys of the entity which  
11 are lawfully available for that purpose or from a combination  
12 of each, in lieu of retiring them by means of bond proceeds.

13 Sec. 5. Section 28F.11, Code 1981, is amended to read  
14 as follows:

15 28F.11 EMINENT DOMAIN. Any public agency participating  
16 in an agreement authorizing the joint exercise of governmental  
17 powers pursuant to this chapter may exercise its power of  
18 eminent domain to acquire interests in property, under  
19 provisions of law then in effect and applicable to ~~such~~ the  
20 public agency, for the use of the entity created to carry  
21 out ~~such~~ the agreement, provided that the power of eminent  
22 domain is not used to acquire interests in property which  
23 is part of a system of facilities in existence, under  
24 construction or planned, for the generation, transmission  
25 or sale of electric power. Any interests in property ~~so~~  
26 acquired ~~shall-be-deemed~~ are acquired for a public purpose  
27 of the condemning public agency, and the payment of the costs  
28 of ~~such~~ the acquisition may be made pursuant to ~~such~~ the  
29 agreement or to any separate agreement between ~~or-among-said~~  
30 the public agency and ~~such~~ the entity or the other public  
31 agencies participating in ~~such~~ the entity or any of them.  
32 Upon payment of ~~such~~ costs, any property ~~so~~ acquired ~~shall~~  
33 ~~be-and-become~~ is the property of the entity.

34 EXPLANATION

35 The bill authorizes the joint financing under chapter 28F

1 of publicly owned electric power facilities located within  
2 the state. The bill also ties the interest rate payable on  
3 bonds issued under this chapter to the maximum rate allowed  
4 under chapter 74A for revenue bonds or obligations issued  
5 by a city. Likewise, any notes issued by the entity under  
6 chapter 28F shall not bear interest in excess of that  
7 prescribed in chapter 74A for pledge orders issued by a city.  
8 The power of eminent domain otherwise available under chapter  
9 28F could not be used to acquire property which is part of  
10 an existing system for the generation, transmission or sale  
11 of electric power.

12 The bill takes effect July 1 after enactment.

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SENATE CLIP SHEET

MARCH 17, 1981

SENATE FILE 48

S-3191

1 Amend Senate File 48 as follows:

2 1. Page 3, by inserting after line 33 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. "Electric power agency"  
5 means an entity financing or acquiring electric power  
6 facilities pursuant to chapter 28E or 28F.

7 Sec. \_\_\_\_ . Section 394.95, subsection 2, Code 1981,  
8 is amended to read as follows:

9 2. "Governing body" means the council of a city,  
10 a utility board of trustees or an administrative  
11 agency which is charged with the management and control  
12 of a building or improvement project or an electric  
13 power facility financed under the provisions of chapter  
14 28F.

15 Sec. \_\_\_\_ . Section 427.1, subsection 2, Code 1981,  
16 is amended to read as follows:

17 2. MUNICIPAL AND MILITARY PROPERTY.. The property  
18 of a county, township, city, school corporation, levee  
19 district, drainage district or military company of  
20 the state of Iowa, when devoted to public use and  
21 not held for pecuniary profit, except property of  
22 a municipally owned electric utility held under joint  
23 ownership and property of an electric power facility  
24 financed under chapter 28F which shall be subject  
25 to assessment and taxation under provisions of chapters  
26 423 and 437. The exemption for property owned by  
27 a city or county also applies to property which is  
28 operated by a city or county as a library, art gallery  
29 or museum, conservatory, botanical garden or display,  
30 observatory or science museum, or as a location for  
31 holding athletic contests, sports or entertainment  
32 events, expositions, meetings or conventions, or  
33 leased from the city or county for any such purposes.  
34 Food and beverages may be served at the events or  
35 locations without affecting the exemptions, provided  
36 the city has approved the serving of food and beverages  
37 on the property if the property is owned by the city  
38 or the county has approved the serving of food and  
39 beverages on the property if the property is owned  
40 by the county.

41 Sec. \_\_\_\_ . Section 428.24, Code 1981, is amended  
42 to read as follows:

43 428.24 PUBLIC UTILITY PLANTS. The lands,  
44 buildings, machinery, and mains belonging to  
45 individuals or corporations operating waterworks or  
46 gasworks or pipe lines; the lands, buildings,  
47 machinery, tracks, poles, and wires belonging to  
48 individuals, or corporations or electric power agencies  
49 furnishing electric light or power; the lands,  
50 buildings, machinery, poles, wires, overhead

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Page 2

1 construction, tracks, cables, conduits, and fixtures  
2 belonging to individuals or corporations operating  
3 railways by cable or electricity, or operating elevated  
4 street railways; and the lands, buildings, tracks,  
5 and fixtures of street railways operated by animal  
6 power, shall be listed and assessed by the department  
7 of revenue. In the making of any such assessment  
8 of waterworks plants, the value of any interest in  
9 the property so assessed, of the municipal corporation  
10 wherein the same is situated, shall be deducted,  
11 whether such interest be evidenced by stock, bonds,  
12 contracts, or otherwise.

13 Sec. \_\_\_\_ . Section 428.28, unnumbered paragraph  
14 2, Code 1981, is amended to read as follows:

15 Every individual, copartnership, corporation, asso-  
16 ciation or city which operates a public utility on  
17 a nonprofit basis, as defined in section 428.24 shall  
18 annually, on or before the first day of May of each  
19 calendar year, make a report on blanks to be provided  
20 by the department of revenue of all of the property  
21 owned by such individual, copartnership, corporation,  
22 association or city within the incorporated limits  
23 of any city in the state, and give such other  
24 information as the director of revenue shall require.  
25 Any ~~public~~ city utility which reports according to  
26 this paragraph shall not be assessed.

27 Sec. \_\_\_\_ . Section 428.37, subsection 1, paragraph  
28 b, Code 1981, is amended to read as follows:

29 b. "Electric power generating plant" means each  
30 taxable name plate rated electric power generating  
31 plant owned solely or jointly by any person or electric  
32 power facility financed under the provisions of chapter  
33 28F in which electrical energy is produced from other  
34 forms of energy, including all equipment used in the  
35 production of such energy through its step-up  
36 transformer.

37 Sec. \_\_\_\_ . Section 428.37, subsection 2, paragraph  
38 c, Code 1981, is amended to read as follows:

39 c. Notwithstanding the provisions of paragraph  
40 "b" of this subsection, if the owner is a municipal  
41 electric utility or electric power facility financed  
42 under the provisions of chapter 28F, the remaining  
43 taxable value shall be allocated to each taxing  
44 district in which the municipal electric utility is  
45 serving customers and has electric meters in operation  
46 in the ratio that the number of operating electric  
47 meters of the municipal electric utility located in  
48 the taxing district bears to the total number of  
49 operating electric meters of the municipal electric  
50 utility in the state as of January 1 of the calendar

SENATE 3  
MARCH 17, 1981

S-3191  
PAGE 3

1 year in which the assessment is made. If the municipal  
2 electric utility or electric power facility financed  
3 under the provisions of chapter 28F has no operating  
4 electric meters in this state, then the remainder  
5 shall be assessed and levied on at the current rate  
6 of the taxing district in which the electric power  
7 generating plant is located. Tax moneys received  
8 from such remainder assessment and levies shall be  
9 paid to the county treasurer, who shall pay such tax  
10 moneys to the treasurer of state not later than fifteen  
11 days from the date the tax moneys are received by  
12 the county treasurer for deposit in the general fund  
13 of the state.

14 All municipal electric utilities which shall have  
15 taxable value apportioned under this section shall,  
16 annually or or before the first day of May of each  
17 calendar year, make a report listing the total  
18 operating meters of the municipal electric utility  
19 in each taxing district it serves as of the first  
20 day of January of each calendar year on forms provided  
21 by the department of revenue."

22 2. By renumbering sections as necessary.

S-3191 FILED  
MARCH 16, 1981  
*W/15 3/13/81 (p. 362)*

BY EDGAR H. HOLDEN  
ROLF V. CRAFT  
DONALD V. DOYLE

S-3151

SENATE FILE 48

1 Amend Senate File 48 as follows:  
2 1. Page 1, by inserting after line 24 the  
3 following:

4 "A city shall not join an entity created under  
5 this chapter or any separate administrative or legal  
6 entity created pursuant to chapter twenty-eight E (28E)  
7 of the Code for the purpose of utilizing the provisions  
8 of this chapter for financing electric power facilities  
9 until the proposal of the city to join such entity has  
10 been submitted to and approved by the voters pursuant  
11 to chapter three hundred eighty-eight (388) of the Code."

S-3151 FILED  
MARCH 9, 1981  
*W/15 3/13/81 (p. 365)*

BY DICK RAMSEY

SENATE 10  
MARCH 19, 1981

SENATE FILE 48

S-3206

1 Amend Senate File 48 as follows:  
2 1. Page 3, by inserting after line 33 the following:  
3 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended by  
4 adding the following new section:  
5 NEW SECTION. MUNICIPAL ELECTRIC UTILITIES. The pro-  
6 visions of this chapter shall not be used for the joint  
7 financing of electric power facilities if the needs of  
8 the entity or its members for electric power and energy  
9 can be satisfied by existing electric power facilities.  
10 Prior to adopting any financing resolutions, the entity  
11 shall petition the Iowa state commerce commission for the  
12 issuance of a certificate of necessity for the proposed  
13 financing. If, after such notice and hearing as the  
14 commission deems appropriate, the commission determines  
15 that the needs of the entity or its members cannot be  
16 satisfied by existing electric power facilities, irrespective  
17 of the ownership of such facilities, the commission shall  
18 issue a certificate."

S-3206 FILED  
MARCH 18, 1981  
RULED NOT GERMANE (p. 863)

BY MICK LURA  
SUE YENGER  
DAVID READINGER  
JACK HESTER

SENATE FILE 48

S-3208

1 Amend Senate File 48 as follows:  
2 1. Page 3, by inserting after line 33 the  
3 following:  
4 "Sec. \_\_\_\_ Section 476.1, unnumbered paragraph  
5 3, Code 1981, is amended to read as follows:  
6 Mutual telephone companies in which at least fifty  
7 percent of the users are owners, co-operative telephone  
8 corporations or associations, telephone companies  
9 having less than two thousand stations, municipally  
10 owned-utilities, and unincorporated villages which  
11 own their own distribution system shall not be subject  
12 to the rate regulation provided for in this chapter;  
13 provided, however, that nothing contained in this  
14 chapter shall be construed to apply to municipally  
15 owned water works or rural water districts incorporated  
16 and organized pursuant to chapters 357A and 504A.  
17 Telephone companies otherwise exempt from rate  
18 regulation and having telephone exchange facilities  
19 which cross state lines may elect, in writing, filed  
20 with the commission, to have their rates regulated  
21 by the commission. When such election, in writing,  
22 has been filed with the commission, the commission  
23 shall assume rate regulation jurisdiction over said  
24 companies."

S-3208 FILED  
MARCH 18, 1981  
RULED NOT GERMANE (p. 864)

BY STEPHEN BISENIUS

SENATE CLIP SHEET

MARCH 19, 1981

SENATE FILE 48

S-3202

1 Amend Senate File 48 as follows:

2 1. Page 3, by inserting after line 33 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. "Electric power agency"  
5 means an entity financing or acquiring electric power  
6 facilities pursuant to chapter 28E or 28F.

7 Sec. \_\_\_\_ . Section 427.1, subsection 2, Code 1981,  
8 is amended to read as follows:

9 2. MUNICIPAL AND MILITARY PROPERTY. The property  
10 of a county, township, city, school corporation, levee  
11 district, drainage district or military company of  
12 the state of Iowa, when devoted to public use and  
13 not held for pecuniary profit, except property of  
14 a municipally owned electric utility held under joint  
15 ownership and property of an electric power facility  
16 financed under chapter 28F which shall be subject  
17 to assessment and taxation under provisions of chapters  
18 428 and 437. The exemption for property owned by  
19 a city or county also applies to property which is  
20 operated by a city or county as a library, art gallery  
21 or museum, conservatory, botanical garden or display,  
22 observatory or science museum, or as a location for  
23 holding athletic contests, sports or entertainment  
24 events, expositions, meetings or conventions, or  
25 leased from the city or county for any such purposes.  
26 Food and beverages may be served at the events or  
27 locations without affecting the exemptions, provided  
28 the city has approved the serving of food and beverages  
29 on the property if the property is owned by the city  
30 or the county has approved the serving of food and  
31 beverages on the property if the property is owned  
32 by the county.

33 Sec. \_\_\_\_ . Section 428.24, Code 1981, is amended  
34 to read as follows:

35 428.24 PUBLIC UTILITY PLANTS. The lands,  
36 buildings, machinery, and mains belonging to  
37 individuals or corporations operating waterworks or  
38 gasworks or pipe lines; the lands, buildings,  
39 machinery, tracks, poles, and wires belonging to  
40 individuals, or corporations or electric power agencies  
41 furnishing electric light or power; the lands,  
42 buildings, machinery, poles, wires, overhead  
43 construction, tracks, cables, conduits, and fixtures  
44 belonging to individuals or corporations operating  
45 railways by cable or electricity, or operating elevated  
46 street railways; and the lands, buildings, tracks,  
47 and fixtures of street railways operated by animal  
48 power, shall be listed and assessed by the department  
49 of revenue. In the making of any such assessment  
50 of waterworks plants, the value of any interest in

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1 the property so assessed, of the municipal corporation  
2 wherein the same is situated, shall be deducted,  
3 whether such interest be evidenced by stock, bonds,  
4 contracts, or otherwise.

5 Sec. \_\_\_\_\_. Section 428.28, unnumbered paragraph  
6 2, Code 1981, is amended to read as follows:

7 Every individual, copartnership, corporation, asso-  
8 ciation or city which operates a public utility on  
9 a nonprofit basis, as defined in section 428.24 shall  
10 annually, on or before the first day of May of each  
11 calendar year, make a report on blanks to be provided  
12 by the department of revenue of all of the property  
13 owned by such individual, copartnership, corporation,  
14 association or city within the incorporated limits  
15 of any city in the state, and give such other  
16 information as the director of revenue shall require.  
17 Any public city utility which reports according to  
18 this paragraph shall not be assessed.

19 Sec. \_\_\_\_\_. Section 428.37, subsection 1, paragraph  
20 b, Code 1981, is amended to read as follows:

21 b. "Electric power generating plant" means each  
22 taxable name plate rated electric power generating  
23 plant owned solely or jointly by any person or electric  
24 power facility financed under the provisions of chapter  
25 28F in which electrical energy is produced from other  
26 forms of energy, including all equipment used in the  
27 production of such energy through its step-up  
28 transformer.

29 Sec. \_\_\_\_\_. Section 428.37, subsection 2, paragraph  
30 c, Code 1981, is amended to read as follows:

31 c. Notwithstanding the provisions of paragraph  
32 "b" of this subsection, if the owner is a municipal  
33 electric utility or electric power facility financed  
34 under the provisions of chapter 28F, the remaining  
35 taxable value shall be allocated to each taxing  
36 district in which the municipal electric utility is  
37 servicing customers and has electric meters in operation  
38 in the ratio that the number of operating electric  
39 meters of the municipal electric utility located in  
40 the taxing district bears to the total number of  
41 operating electric meters of the municipal electric  
42 utility in the state as of January 1 of the calendar  
43 year in which the assessment is made. If the municipal  
44 electric utility or electric power facility financed  
45 under the provisions of chapter 28F has no operating  
46 electric meters in this state, then the remainder  
47 shall be assessed and levied on at the current rate  
48 of the taxing district in which the electric power  
49 generating plant is located. Tax moneys received  
50 from such remainder assessment and levies shall be

1 paid to the county treasurer, who shall pay such tax  
2 moneys to the treasurer of state not later than fifteen  
3 days from the date the tax moneys are received by  
4 the county treasurer for deposit in the general fund  
5 of the state.

6 All municipal electric utilities which shall have  
7 taxable value apportioned under this section shall,  
8 annually on or before the first day of May of each  
9 calendar year, make a report listing the total  
10 operating meters of the municipal electric utility  
11 in each taxing district it serves as of the first  
12 day of January of each calendar year on forms provided  
13 by the department of revenue."

14 2. By renumbering sections as necessary.

S-3202 FILED  
MARCH 18, 1981  
LOST (p. 262)

BY EDGAR H. HOLDEN  
ROLF V. CRAFT  
DONALD V. DOYLE

SENATE FILE 48

S-3215

1 Amend Senate File 48 as follows:

2 1. Page 1, by inserting after line 24 the  
3 following:

4 "After July 1, 1981, a city shall not join an  
5 entity created under this chapter or any separate  
6 administrative or legal entity created pursuant to  
7 chapter twenty-eight E (28E) of the Code for the  
8 purpose of utilizing the provisions of this chapter  
9 for financing electric power facilities until the  
10 proposal of the city to join such entity has been  
11 submitted to and approved by the voters of the city.

12 The proposal shall be submitted at any city  
13 election by the council on its own motion. If a  
14 majority of those voting in the city does not  
15 approve the proposal, the same or a similar proposal  
16 may be submitted to the voters no sooner than one year from  
17 the date of the election at which the proposal was defeated."

S-3215 FILED & WITHDRAWN  
MARCH 18, 1981 (p. 865)

BY DICK RAMSEY  
GARY L. BAUGHER

SENATE FILE 48

S-3216

1 Amend Senate File 48 as follows:

2 1. Page 1, by inserting after line 24 the  
3 following:

4 "After July 1, 1981, a city shall not join an  
5 entity created under this chapter or any separate  
6 administrative or legal entity created pursuant to  
7 chapter twenty-eight E (28E) of the Code for the  
8 purpose of utilizing the provisions of this chapter  
9 for financing electric power facilities until the  
10 proposal of the city to join such an entity has been  
11 submitted to and approved by the voters of the city.

12 The proposal shall be submitted at any city  
13 election by the council on its own motion. If a  
14 majority of those voting in the city does not  
15 approve the proposal, the same or a similar proposal  
16 may be submitted to the voters no sooner than one year from  
17 the date of the election at which the proposal was defeated."

S-3216 FILED & ADOPTED (p. 865) BY DICK RAMSEY  
MARCH 18, 1981

SENATE FILE 48

S-3210

1 Amend Senate File 48 as follows:

2 1. Page 1, by inserting after line 24 the  
3 following:

4 "A city shall not join an entity created under  
5 this chapter or any separate administrative or local  
6 entity created pursuant to chapter twenty-eight B  
7 (28B) of the Code for the purpose of utilizing the  
8 provisions of this chapter for financing electric  
9 power facilities until the proposal of the city to  
10 join such entity has been submitted to and approved  
11 by the voters.

12 The proposal shall be submitted pursuant to chapter  
13 three hundred eighty-eight (388) of the Code, except  
14 that if a majority of those voting does not approve  
15 the proposal, the same or a similar proposal may be  
16 submitted to the voters no sooner than one year from  
17 the date of the election at which the proposal was  
18 defeated, notwithstanding the provisions of section  
19 three hundred eighty-eight point two (388.2)."

S-3210 FILED & WITHDRAWN  
MARCH 18, 1981 (p. 865)

BY DICK RAMSEY  
GARY L. BAUGHER

SENATE FILE 48

S-3214

1 Amend Senate File 48 as follows:

2 1. Page 1, line 8, by inserting before the  
3 word "electric" the words "ownership of".

S-3214 FILED & LOST (p. 863)  
MARCH 18, 1981

BY MICK LURA

Commerce: Schneklath, Chair; Chiodo, Woods, Johnson of Linn and Hansen of O'Brien.

*Without recommendation as amended by  
3597 4/10/81 (p. 1191)  
Returned Ways and Means 4/13/81*

SENATE FILE

**48**

BY DEKOSTER

Senate File 48

Ways and Means: Conlon, Chair; Hanson of Delaware, Renken, Oxley and Pavich.

*Do Pass 4/24 (p. 1415)* (AS AMENDED AND PASSED BY THE SENATE MARCH 18, 1981)

Passed Senate, Date 5-21-81 (p. 1808) Passed House, Date 4-29-81 (p. 1523)

Vote: Ayes 33 Nays 13 Vote: Ayes 56 Nays 40

Approved June 16, 1981  
*Motion to reconsider p. 1523-24 Tabled 5/20 (p. 2093)*

# A BILL FOR

1 An Act providing for the joint financing by public agencies  
2 of electric power facilities and other facilities.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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**—————** = New Language  
by the Senate

3840

1 Section 1. Section 28F.1, Code 1981, is amended to read  
2 as follows:

3 28F.1 SCOPE OF CHAPTER. This chapter is intended to  
4 provide a means for the joint financing by public agencies  
5 of 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 electric power facilities constructed within the state of  
9 Iowa, water supply systems, swimming pools or golf courses.  
10 The provisions of this chapter ~~shall be deemed to~~ apply to  
11 the acquisition, construction, reconstruction, ownership,  
12 operation, repair, extension or improvement of such works  
13 or facilities, by a separate administrative or legal entity  
14 created pursuant to chapter 28E. When the legal entity created  
15 under this chapter is comprised solely of cities, counties,  
16 and sanitary districts established under chapter 358, or any  
17 combination thereof or any combination of the foregoing with  
18 other public agencies, the entity shall be both a corporation  
19 and a political subdivision with the name under which it was  
20 organized. The legal entity may sue and be sued, contract,  
21 acquire and hold real and personal property necessary for  
22 corporate purposes, adopt a corporate seal and alter the same  
23 at pleasure, and execute all the powers conferred in this  
24 chapter.

25 After July 1, 1981, a city shall not join an entity created  
26 under this chapter or any separate administrative or legal  
27 entity created pursuant to chapter twenty-eight E (28E) of  
28 the Code for the purpose of utilizing the provisions of this  
29 chapter for financing electric power facilities until the  
30 proposal for the city to join such an entity has been submitted  
31 to and approved by the voters of the city.

32 The proposal shall be submitted at any city election by  
33 the council on its own motion. If a majority of those voting  
34 in the city does not approve the proposal, the same or a  
35 similar proposal may be submitted to the voters no sooner

1 than one year from the date of the election at which the  
2 proposal was defeated.

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3 Sec. 2. Section 28F.7, Code 1981, is amended to read as  
4 follows:

5 28F.7 CONSTRUCTION AND OPERATION OF PROJECT. ~~Such-an~~  
6 An entity shall operate, maintain and preserve ~~the a~~ project  
7 ~~er-projects~~ in good repair and working order, and shall  
8 construct and operate the project ~~er-projects~~ in an efficient  
9 and economical manner, provided, ~~however,~~ that the entity  
10 may lease or rent ~~the a~~ project ~~er-projects~~ or any part thereof  
11 of a project, or otherwise provide for the construction and  
12 operation of the a project ~~er-projects~~ or any part thereof  
13 of a project in ~~such the~~ manner and upon ~~such the~~ terms as  
14 the governing body of the entity ~~shall-direct~~ directs.

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15 The electric light and power plant and system of any public  
16 agency participating in and receiving wholesale power from  
17 electric power facilities owned, operated, or financed pursuant  
18 to this chapter shall meet the standards of the national  
19 electric safety code of 1968, as amended to and including  
20 January 1, 1981, of the national fire protection association.

21 Sec. 3. Section 28F.8, Code 1981, is amended to read as  
22 follows:

23 28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued  
24 pursuant to ~~the-provisions-of~~ this chapter shall bear interest  
25 at ~~a-rate-or~~ rates not exceeding that those permitted by  
26 chapter 74A for revenue bonds issued by a city, may be in  
27 one or more series, may bear ~~such-date-or~~ dates, may mature  
28 at ~~such-time-or~~ times not exceeding forty years from their  
29 respective dates, may be payable in ~~such a~~ medium of payment,  
30 at ~~such-place-or~~ places within the state, may carry ~~such~~  
31 registration privileges, may be subject to ~~such~~ terms of prior  
32 redemption, with or without premium, may be executed in ~~such~~  
33 the manner, may contain ~~such~~ terms, covenants and conditions,  
34 may be sold at public or private sale in the manner and on  
35 terms provided by the entity or may be exchanged for

1 outstanding interim notes, and may be in ~~such~~ a form otherwise,  
2 as ~~such~~ the resolution or subsequent resolutions shall provide.

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3 Sec. 4. Section 28F.9, Code 1981, is amended by striking  
4 the section and inserting in lieu thereof the following:

5 28F.9 ISSUANCE OF INTERIM NOTES. The entity may borrow  
6 money for the purposes for which bonds may be issued, in  
7 anticipation of the receipt of the proceeds of the sale of  
8 bonds. Notes shall be issued for moneys borrowed under this  
9 section, and the notes may be renewed. The notes shall be  
10 authorized by resolution of the governing body of the entity  
11 and may be issued in denominations, bear interest at rates  
12 not exceeding the maximum rate of interest permitted by chapter  
13 74A for pledge orders issued by a city, shall be in a form  
14 and shall be executed in a manner, all as the entity  
15 prescribes. If the notes are renewal notes, they may be  
16 exchanged for notes then outstanding on terms the governing  
17 body of the entity determines. Notes may be sold at public  
18 or private sale or may be issued to persons furnishing  
19 materials and services constituting a part of the cost of  
20 the acquisition, construction, reconstruction, repair,  
21 extension or improvement of a project. The governing body  
22 of the entity may retire any notes from the revenues derived  
23 from the project or from other moneys of the entity which  
24 are lawfully available for that purpose or from a combination  
25 of each, in lieu of retiring them by means of bond proceeds.

26 Sec. 5. Section 28F.11, Code 1981, is amended to read  
27 as follows:

28 28F.11 EMINENT DOMAIN. Any public agency participating  
29 in an agreement authorizing the joint exercise of governmental  
30 powers pursuant to this chapter may exercise its power of  
31 eminent domain to acquire interests in property, under  
32 provisions of law then in effect and applicable to such the  
33 public agency, for the use of the entity created to carry  
34 out such the agreement, provided that the power of eminent  
35 domain is not used to acquire interests in property which

1 is part of a system of facilities in existence, under  
2 construction or planned, for the generation, transmission  
3 or sale of electric power. Any interests in property ~~se~~  
4 ~~acquired shall-be-deemed~~ are acquired for a public purpose  
5 of the condemning public agency, and the payment of the costs  
6 of ~~such~~ the acquisition may be made pursuant to ~~such~~ the  
7 agreement or to any separate agreement between ~~or-among-said~~  
8 the public agency and ~~such~~ the entity or the other public  
9 agencies participating in ~~such~~ the entity or any of them.  
10 Upon payment of ~~such~~ costs, any property ~~se~~ acquired ~~shall~~  
11 ~~be-and-become~~ is the property of the entity.

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SENATE FILE 48

H-3783

1 ~~Amended~~ Senate File 48 as amended, passed and  
2 ~~reprinted~~ by the Senate as follows:

3 1. Page 4, by inserting after line 11 the follow-  
4 ing:

5 "~~Sec. \_\_\_\_~~. Chapter 28F, Code 1981, is amended  
6 by ~~adding~~ the following new section:

7 NEW SECTION. NUCLEAR POWER PLANTS PROHIBITED.

8 An ~~entity~~ created under this chapter for the purpose  
9 of ~~the~~ financing of electric power generation  
10 facilities shall not undertake to construct or to  
11 contribute in any manner to the construction of an  
12 electric power generation facility that utilizes  
13 nuclear energy in the production of electricity. An  
14 ~~undertaking~~ that violates this section is void."

H-3783 FILED APRIL 23, 1981 BY WOODS of Polk

*Rules not germane 4/20/81 (p. 15-21)*

SENATE FILE 48

H-3597

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 11 the  
4 following:

5 "Sec. \_\_\_\_ NEW SECTION. "Electric power agency"  
6 means an entity financing or acquiring electric power  
7 facilities pursuant to chapter 28E or 28F.

8 Sec. \_\_\_\_ Section 427.1, subsection 2, Code 1981,  
9 is amended to read as follows:

10 2. MUNICIPAL AND MILITARY PROPERTY. The property  
11 of a county, township, city, school corporation, levee  
12 district, drainage district or military company of  
13 the state of Iowa, when devoted to public use and  
14 not held for pecuniary profit, except property of  
15 a municipally owned electric utility held under joint  
16 ownership and property of an electric power facility  
17 financed under chapter 28F which shall be subject  
18 to assessment and taxation under provisions of chapters  
19 428 and 437. The exemption for property owned by  
20 a city or county also applies to property which is  
21 operated by a city or county as a library, art gallery  
22 or museum, conservatory, botanical garden or display,  
23 observatory or science museum, or as a location for  
24 holding athletic contests, sports or entertainment  
25 events, expositions, meetings or conventions, or  
26 leased from the city or county for any such purposes.  
27 Food and beverages may be served at the events or  
28 locations without affecting the exemptions, provided  
29 the city has approved the serving of food and beverages  
30 on the property if the property is owned by the city  
31 or the county has approved the serving of food and  
32 beverages on the property if the property is owned  
33 by the county.

34 Sec. \_\_\_\_ Section 428.24, Code 1981, is amended  
35 to read as follows:

36 428.24 PUBLIC UTILITY PLANTS. The lands,  
37 buildings, machinery, and mains belonging to  
38 individuals or corporations operating waterworks or  
39 gasworks or pipe lines; the lands, buildings,  
40 machinery, tracks, poles, and wires belonging to  
41 individuals, or corporations or electric power agencies  
42 furnishing electric light or power; the lands,  
43 buildings, machinery, poles, wires, overhead  
44 construction, tracks, cables, conduits, and fixtures  
45 belonging to individuals or corporations operating  
46 railways by cable or electricity, or operating elevated  
47 street railways; and the lands, buildings, tracks,  
48 and fixtures of street railways operated by animal  
49 power, shall be listed and assessed by the department  
50 of revenue. In the making of any such assessment

April 13, 1981

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Page Two

1 of waterworks plants, the value of any interest in  
2 the property so assessed, of the municipal corporation  
3 wherein the same is situated, shall be deducted,  
4 whether such interest be evidenced by stock, bonds,  
5 contracts, or otherwise.

6 Sec. \_\_\_\_\_. Section 428.28, unnumbered paragraph  
7 2, Code 1981, is amended to read as follows:

8 Every individual, copartnership, corporation, asso-  
9 ciation or city which operates a public utility on  
10 a nonprofit basis, as defined in section 428.24 shall  
11 annually, on or before the first day of May of each  
12 calendar year, make a report on blanks to be provided  
13 by the department of revenue of all of the property  
14 owned by such individual, copartnership, corporation,  
15 association or city within the incorporated limits  
16 of any city in the state, and give such other  
17 information as the director of revenue shall require.  
18 Any public city utility which reports according to  
19 this paragraph shall not be assessed.

20 Sec. \_\_\_\_\_. Section 428.37, subsection 1, paragraph  
21 b, Code 1981, is amended to read as follows:

22 b. "Electric power generating plant" means each  
23 taxable name plate rated electric power generating  
24 plant owned solely or jointly by any person or electric  
25 power facility financed under the provisions of chapter  
26 28F in which electrical energy is produced from other  
27 forms of energy, including all equipment used in the  
28 production of such energy through its step-up  
29 transformer.

30 Sec. \_\_\_\_\_. Section 428.37, subsection 2, paragraph  
31 c, Code 1981, is amended to read as follows:

32 c. Notwithstanding the provisions of paragraph  
33 "b" of this subsection, if the owner is a municipal  
34 electric utility or electric power facility financed  
35 under the provisions of chapter 28F, the remaining  
36 taxable value shall be allocated to each taxing  
37 district in which the municipal electric utility is  
38 serving customers and has electric meters in operation  
39 in the ratio that the number of operating electric  
40 meters of the municipal electric utility located in  
41 the taxing district bears to the total number of  
42 operating electric meters of the municipal electric  
43 utility in the state as of January 1 of the calendar  
44 year in which the assessment is made. If the municipal  
45 electric utility or electric power facility financed  
46 under the provisions of chapter 28F has no operating  
47 electric meters in this state, then the remainder  
48 shall be assessed and levied on at the current rate  
49 of the taxing district in which the electric power  
50 generating plant is located. Tax moneys received

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Page Three

1 from such remainder assessment and levies shall be  
2 paid to the county treasurer, who shall pay such tax  
3 moneys to the treasurer of state not later than fifteen  
4 days from the date the tax moneys are received by  
5 the county treasurer for deposit in the general fund  
6 of the state.

7 All municipal electric utilities which shall have  
8 taxable value apportioned under this section shall,  
9 annually on or before the first day of May of each  
10 calendar year, make a report listing the total  
11 operating meters of the municipal electric utility  
12 in each taxing district it serves as of the first  
13 day of January of each calendar year on forms provided  
14 by the department of revenue."

15 2. By renumbering sections as necessary.

H-3597 FILED BY COMMITTEE ON COMMERCE  
APRIL 10, 1981 SCHROEDER, Chair

*Adopted 4/29/81 (p. 1499)*

SENATE FILE 48

H-3843

1 Amend Senate File 48, as amended, passed, and  
2 reprinted by the Senate as follows:

3 1. By striking page 1, line 1 through page 2,  
4 line 2 and inserting in lieu thereof the following:

5 "Section 1. Section 28F.1, Code 1981, is amended  
6 to read as follows:

7 28F.1 SCOPE OF CHAPTER. This chapter is intended  
8 to provide a means for the joint financing by public  
9 agencies of works or facilities useful and necessary  
10 for the collection, treatment, purification and  
11 disposal in a sanitary manner of liquid and solid  
12 waste, sewage, and industrial waste, also electric  
13 power facilities constructed within the state of Iowa,  
14 by a city electric association or the interest of  
15 such an association as a participant in a joint  
16 agreement under chapter 390, water supply systems,  
17 swimming pools or golf courses. The provisions of  
18 this chapter shall-be-deemed-to apply to the  
19 acquisition, construction, reconstruction, ownership,  
20 operation, repair, extension or improvement of such  
21 works or facilities, by a separate administrative  
22 or legal entity created pursuant to chapter 28E.  
23 When the legal entity created under this chapter is  
24 comprised solely of cities, counties, and sanitary  
25 districts established under chapter 358, or any  
26 combination thereof or is a city electric association,  
27 the entity shall be both a corporation and a political  
28 subdivision with the name under which it was organized.  
29 The legal entity may sue and be sued, contract, acquire  
30 and hold real and personal property necessary for  
31 corporate purposes, adopt a corporate seal and alter  
32 the same at pleasure, and execute all the powers  
33 conferred in this chapter.

34 After July 1, 1981, a city shall not join a city  
35 electric association until the proposal for the city  
36 to join such an association has been submitted to  
37 and approved by the voters of the city.

38 The proposal shall be submitted at any city election  
39 by the council on its own motion. If a majority of  
40 those voting in the city does not approve the proposal,  
41 the same or a similar proposal may be submitted to  
42 the voters no sooner than one year from the date of  
43 the election at which the proposal was defeated.

44 A city electric association shall be a separate  
45 entity created pursuant to chapter 28E for the  
46 following purposes:

47 1. To acquire, construct, reconstruct, operate,  
48 repair, extend or improve electric generation or  
49 transmission facilities located within the state of  
50 Iowa, the capacity of which is wholly dedicated to

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Page 2

1 the requirements of the association's members,  
2 provided, however, that the association may sell any  
3 excess generation or transmission capacity at wholesale  
4 only.

5 2. To be a participant in a joint agreement under  
6 chapter 390 for projects constructed within Iowa.

7 A city electric association shall be created by  
8 and comprised solely of cities that own and operate  
9 a municipal electric utility as of the effective date  
10 of this Act.

11 All property of a city electric association shall  
12 be listed, assessed and certified pursuant to chapters  
13 428 and 437 and shall be fully taxable in the same  
14 manner and to the same extent as if the property were  
15 owned by a corporation operated for pecuniary profit.

16 A city electric association shall not make loans  
17 to any city, nor shall a city make loans to an  
18 association, provided, however, that reasonable credit  
19 provisions respecting payments for services rendered  
20 shall be permitted.

21 The specification required by section 28E.5,  
22 subsection 5, shall additionally provide that any  
23 city may withdraw upon reasonable notice if its  
24 contractual rights, duties and liabilities are assumed  
25 by a financially responsible party. This specification  
26 is not intended to restrict the terms and conditions  
27 under which eligible cities may join an existing  
28 association."

29 2. Page 2, by striking lines 15 through 20 and  
30 inserting in lieu thereof the following:

31 "The electric light and power plant and system  
32 of any city participating in and receiving wholesale  
33 power from a city electric association shall meet  
34 the standards of the national electric safety code  
35 of 1968, as amended to and including January 1, 1981,  
36 of the national fire protection association."

37 3. Page 4, by inserting after line 11 the  
38 following:

39 "Sec. \_\_\_\_ . Section 390.1, subsection 6, Code 1981,  
40 is amended to read as follows:

41 6. "Participant" means a city, electric co-  
42 operative, city electric association, or privately  
43 owned utility company which is a party to a joint  
44 agreement.

45 Sec. \_\_\_\_ . Section 390.4, subsection 1, Code 1981,  
46 is amended to read as follows:

47 1. Provide that each participant shall own,  
48 directly or indirectly, an undivided interest in the  
49 joint facility, the interest being equal to the  
50 percentage of the money furnished, value of property

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Page 3

1 furnished, or services rendered by each participant  
2 toward the total cost of the joint facility, and that  
3 each participant shall own and control a like  
4 percentage of the output of the joint facility.

5 Sec. \_\_\_\_ . Section 442.2, Code 1981, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. In determining the assessed  
8 valuation of all taxable property in a district, the  
9 state comptroller shall include in the total assessed  
10 valuation of the district for the purpose of computing  
11 state school aid, the assessed valuation of the  
12 property of municipally-owned gas and electric  
13 utilities in the district not subject to assessment  
14 under chapter 437. The director of revenue shall  
15 certify to the state comptroller the assessed valuation  
16 of the property of municipally-owned gas and electric  
17 utilities not subject to assessment under chapter  
18 437 in each district as determined by using the  
19 assessed valuation per meter in service of an investor-  
20 owned utility located in the state of Iowa and apply  
21 this assessed value to the meters in service of the  
22 municipally-owned utilities. The state comptroller  
23 shall compute the foundation property tax on the  
24 assessed valuation of all taxable property in the  
25 district including the assessed valuation of  
26 municipally-owned utility property. The foundation  
27 property tax shall not be levied against municipally-  
28 owned utility property not subject to assessment under  
29 chapter 437 but shall be included in the district  
30 property tax base for purposes of determining the  
31 district's state aid.

32 Sec. \_\_\_\_ . Section 442.9, subsection 1, paragraph  
33 c, Code 1981, is amended to read as follows:

34 c. The amount to be raised by the additional  
35 school district property tax levy is equal to the  
36 district cost for the budget year plus that amount  
37 that would have been paid by municipally-owned  
38 utilities if required to pay upon a levy equal to  
39 the foundation property tax, less the product of the  
40 state or district foundation base and the weighted  
41 enrollment."

42 4. By renumbering sections of the bill.

SENATE FILE 48

H-3838

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 11 the  
4 following:

5 "Sec. \_\_\_\_ Section 442.2, Code 1981, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. In determining the assessed  
8 valuation of all taxable property in a district, the  
9 state comptroller shall include in the total assessed  
10 valuation of the district for the purpose of computing  
11 state school aid, the assessed valuation of the  
12 property of municipally-owned gas and electric  
13 utilities in the district not subject to assessment  
14 under chapter 437. The director of revenue shall  
15 certify to the state comptroller the assessed valuation  
16 of the property of municipally-owned gas and electric  
17 utilities not subject to assessment under chapter  
18 437 in each district as determined by using the  
19 assessed valuation per meter in service of an investor-  
20 owned utility located in the state of Iowa and apply  
21 this assessed value to the meters in service of the  
22 municipally-owned utilities. The state comptroller  
23 shall compute the foundation property tax on the  
24 assessed valuation of all taxable property in the  
25 district including the assessed valuation of  
26 municipally-owned utility property. The foundation  
27 property tax shall not be levied against municipally-  
28 owned utility property not subject to assessment under  
29 chapter 437 but shall be included in the district  
30 property tax base for purposes of determining the  
31 district's state aid.

32 Sec. \_\_\_\_ Section 442.9, subsection 1, paragraph  
33 c, Code 1981, is amended to read as follows:

34 c. The amount to be raised by the additional  
35 school district property tax levy is equal to the  
36 district cost for the budget year plus that amount  
37 that would have been paid by municipally-owned  
38 utilities if required to pay upon a levy equal to  
39 the foundation property tax, less the product of the  
40 state or district foundation base and the weighted  
41 enrollment."

42 2. Amend the title by striking lines 1 and 2 and  
43 inserting in lieu thereof the following: "An Act  
44 enabling public agencies comprised solely or partly  
45 of cities to jointly finance and own electric power  
46 facilities and for calculating the above district  
47 property tax levy under section 422.9 for cities  
48 owning gas and electric utilities."

## SENATE FILE 48

H-3840

- 1 Amend Senate File 48 as amended, passed and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 3, by inserting after line 2 the following:  
 4 "Public agencies participating in the joint  
 5 financing agreement shall not withdraw from or in  
 6 any way terminate, amend or modify the agreement  
 7 during its duration so long as obligations payable  
 8 in the whole or in part from the revenues derived  
 9 from a project are outstanding, unless prior consent  
 10 is first granted by each of the other participants  
 11 either in the agreement or otherwise."

H-3840 FILED APRIL 27, 1981 BY SCHROEDER of Pottawattamie  
*Amended to H/O 4/29/81 (p. 1518)* BYERLY of Polk

## SENATE FILE 48

H-3844

- 1 Amend Senate File 48, as amended, passed, and  
 2 reprinted by the Senate as follows:  
 3 1. Page 4, by inserting after line 11 the  
 4 following:  
 5 "Sec. \_\_\_\_ Section 390.1, subsection 6, Code 1981,  
 6 is amended to read as follows:  
 7 6. "Participant" means a city, electric co-  
 8 operative ~~or~~, privately owned utility company, or  
 9 an entity created pursuant to chapter 28E financing  
 10 electric power facilities pursuant to chapter 28F  
 11 which is a party to a joint agreement."

H-3844 FILED APRIL 27, 1981 BY BENNETT of Ida  
*H/O 4/29/81 (p. 1519)*

## SENATE FILE 48

H-3848

- 1 Amend Senate File 48, as amended, passed, and  
 2 reprinted by the Senate as follows:  
 3 1. Page 4, by inserting after line 11 the  
 4 following:  
 5 "Sec. \_\_\_\_ Section 28E.5, Code 1981, is amended  
 6 by adding the following new subsection:  
 7 NEW SUBSECTION. If the agreement establishes an  
 8 entity whose purposes include issuing revenue bonds  
 9 under chapter 28F for financing electric power  
 10 facilities, the agreement shall additionally specify  
 11 that the entity shall not enter into any wholesale  
 12 power supply contracts which require that a utility  
 13 purchase all of its requirements exclusively from  
 14 the entity."

H-3848 FILED APRIL 27, 1981 BY ANDERSON of Audubon  
*H/O 4/29/81 (p. 1519)*

SENATE FILE 48

H-3846

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate as follows:  
3 1. Page 4, by inserting after line 11 the follow-  
4 ing:  
5 "Sec. \_\_\_\_ Chapter 476, Code 1981, is amended  
6 by adding the following new section:  
7 NEW SECTION. UTILITY PROPERTY EXEMPT FROM TAX.  
8 Notwithstanding any contrary provision of the Code,  
9 all property of an investor-owned utility shall be  
10 exempt from taxation under any law of this state that  
11 imposes a tax upon real or personal property. This  
12 section applies with respect to any tax liability  
13 that otherwise would accrue commencing on the effective  
14 date of this Act."

H-3846 FILED APRIL 27, 1981 BY SCHNEKLOTH of Scott  
*W/S 4/27/81 (p 1519)*

SENATE FILE 48

H-3845

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate as follows:  
3 1. Page 4, by inserting after line 11 the follow-  
4 ing:  
5 "Sec. \_\_\_\_ Chapter 476, Code 1981, is amended  
6 by adding the following new section:  
7 NEW SECTION. INTEREST ON UTILITY BONDS EXEMPT  
8 FROM TAXATION. Notwithstanding any contrary provision  
9 of the Code, income of a resident of this state that  
10 consists of interest paid on bonds issued by an  
11 investor-owned public utility engaged in business  
12 in this state shall not be subject to taxation under  
13 chapter 422.

H-3845 FILED APRIL 27, 1981 BY SCHNEKLOTH of Scott  
*W/S 4/29/81 (p 1519)*

SENATE FILE 48

H-3847

1 Amend Senate File 48, as amended, passed, and  
2 reprinted by the Senate as follows:  
3 1. Page 4, by inserting after line 11 the  
4 following:  
5 "Sec. \_\_\_\_ Section 28E.5, Code 1981, is amended  
6 by adding the following new subsection:  
7 NEW SUBSECTION. If the agreement establishes an  
8 entity whose purposes include issuing revenue bonds  
9 under chapter 28F for financing electric power  
10 facilities, the agreement shall additionally specify  
11 that the entity shall not sell electric power or  
12 energy at retail to the ultimate users thereof."

H-3847 FILED APRIL 27, 1981 BY ANDERSON of Audubon  
*W/S 4/29/81 (p 1519)*

SENATE FILE 48

H-3866

1 Amend Senate File 48, as amended, passed, and  
2 reprinted by the Senate as follows:

3 1. By striking everything after the enacting  
4 clause and inserting in lieu thereof the following:

5 "Section 1. Section 28F.1, Code 1981, is amended  
6 to read as follows:

357 7 28F.1 SCOPE OF CHAPTER. This chapter is intended  
8 to provide a means for the joint financing by public  
9 agencies of works or facilities useful and necessary  
10 for the collection, treatment, purification and  
11 disposal in a sanitary manner of liquid and solid  
12 waste, sewage, and industrial waste, also non-nuclear  
13 electric power facilities constructed within the state  
14 of Iowa, water supply systems, swimming pools or golf  
15 courses. The provisions of this chapter shall be  
16 deemed to apply to the acquisition, construction,  
17 reconstruction, ownership, operation, repair, extension  
18 or improvement of such works or facilities, by a  
19 separate administrative or legal entity created  
20 pursuant to chapter 28E. When the legal entity created  
21 under this chapter is comprised solely of cities,  
22 counties, and sanitary districts established under  
23 chapter 358, or any combination thereof or any  
24 combination of the foregoing with other public  
25 agencies, the entity shall be both a corporation and  
26 a political subdivision with the name under which  
27 it was organized. The legal entity may sue and be  
28 sued, contract, acquire and hold real and personal  
29 property necessary for corporate purposes, adopt a  
30 corporate seal and alter the same at pleasure, and  
31 execute all the powers conferred in this chapter.

32 A city shall not join an entity created under this  
33 chapter or any separate administrative or legal entity  
34 created pursuant to chapter 28E for the purpose of  
35 utilizing the provisions of this chapter for financing  
36 electric power facilities until the proposal of the  
37 city to join such entity has been submitted to and  
38 approved by the voters pursuant to chapter 388.

39 Sec. 2. Section 28F.7, Code 1981, is amended to  
40 read as follows:

41 28F.7 CONSTRUCTION AND OPERATION OF PROJECT.  
42 ~~Such an~~ An entity shall operate, maintain and preserve  
43 the project or projects in good repair and working  
44 order, and shall construct and operate the project  
45 or projects in an efficient and economical manner,  
46 provided, ~~however,~~ that the entity may lease or rent  
47 the project or projects or any part thereof, or  
48 otherwise provide for the construction and operation  
49 of the project or projects or any part thereof in  
50 such the manner and upon such the terms as the

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1 governing body of the entity shall direct.

3876 2 The electric light and power plant and system of  
3 any public agency participating in and receiving  
4 wholesale power from electric power facilities owned,  
5 operated or financed pursuant to this chapter shall  
6 meet the standards of the national electric safety  
7 code of 1963, as amended to and including January  
8 1, 1980, of the national fire protection association.

9 Sec. 3. Section 28F.8, Code 1981, is amended to  
10 read as follows:

3876 11 28F.8 DETAILS OF REVENUE BONDS. Revenue bonds  
12 issued pursuant to the provisions of this chapter  
13 shall bear interest at a rate or rates not exceeding  
14 that permitted by chapter 74A for revenue bonds issued  
15 by cities, may be in one or more series, may bear  
16 such date or dates, may mature at such time or times  
17 not exceeding forty years from their respective dates,  
18 may be payable in such medium of payment, at such  
19 place or places within the state, may carry such  
20 registration privileges, may be subject to such terms  
21 of prior redemption, with or without premium, may  
22 be executed in such manner, may contain such terms,  
23 covenants and conditions, may be sold at public or  
24 private sale in the manner and on terms provided by  
25 the entity or may be exchanged for outstanding interim  
26 notes, and may be in such form otherwise, as such  
27 resolution or subsequent resolutions shall provide.

28 Sec. 4. Section 28F.9, Code 1981, is amended by  
29 striking the section and inserting in lieu thereof  
30 the following:

31 28F.9 ISSUANCE OF INTERIM NOTES. The entity shall  
32 have the power, at any time and from time to time,  
33 to borrow money for the purposes for which bonds may  
34 be issued in anticipation of the receipt of the  
35 proceeds of the sale of bonds. Notes shall be issued  
36 for all moneys so borrowed under the provisions of  
37 this section, and such notes may be renewed from time  
38 to time. The notes shall be authorized by resolution  
39 of the governing body of the entity and may be  
40 thereafter issued from time to time, shall be in such  
41 denomination or denominations, shall bear interest  
42 at such rate or rates not exceeding the maximum rate  
43 of interest prescribed in section 384.83, subsection  
44 6 for pledge orders issued by a city, shall be in  
45 such form and shall be executed in such manner, all  
46 as such entity shall prescribe. If the notes shall  
47 be renewal notes, they may be exchanged for notes  
48 then outstanding on such terms as the governing body  
49 of the entity shall determine. Notes may be sold  
50 at public or private sale or may be issued to persons

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1 furnishing materials and services constituting a part  
2 of the cost of the acquisition, construction,  
3 reconstruction, repair, extension or improvement of  
4 a project or projects. The governing body of the  
5 entity may, in its discretion, retire any such notes  
6 from the revenues derived from the project or projects  
7 or from other moneys of the entity which are lawfully  
8 available therefor or from a combination of each,  
9 in lieu of retiring them by means of bond proceeds.

10 Sec. 5. Section 28F.11, Code 1981, is amended  
11 to read as follows:

12 28F.11 EMINENT DOMAIN. Any public agency  
13 participating in an agreement authorizing the joint  
14 exercise of governmental powers pursuant to this  
15 chapter may exercise its power of eminent domain to  
16 acquire interests in property, under provisions of  
17 law then in effect and applicable to such public  
18 agency, for the use of the entity created to carry  
19 out such agreement; provided, that the power of eminent  
20 domain is not used to acquire interests in property  
21 which is part of a system of facilities in existence,  
22 under construction or planned, for the generation,  
23 transmission or sale of electric power. Any interests  
24 in property so acquired shall be deemed acquired for  
25 a public purpose of the condemning public agency,  
26 and the payment of the costs of such the acquisition  
27 may be made pursuant to ~~such~~ the agreement or to any  
28 separate agreement between ~~or among said~~ the public  
29 agency and ~~such~~ the entity or the other public agencies  
30 participating in ~~such~~ the entity or any of them.  
31 Upon payment of such costs, any property so acquired  
32 shall be and become the property of the entity.

33 Sec. 6. NEW SECTION. "Electric power agency"  
34 means an entity financing or acquiring electric power  
35 facilities pursuant to chapter 28E or 28F.

36 Sec. 7. Section 384.95, subsection 2, Code 1981,  
37 is amended to read as follows:

38 2. "Governing body" means the council of a city,  
39 a utility board of trustees or an administrative  
40 agency which is charged with the management and control  
41 of a building or improvement project or an electric  
42 power facility financed under the provisions of chapter  
43 28F.

44 Sec. 8. Section 427.1, subsection 2, Code 1981,  
45 is amended to read as follows:

46 2. MUNICIPAL AND MILITARY PROPERTY. The property  
47 of a county, township, city, school corporation, levee  
48 district, drainage district or military company of  
49 the state of Iowa, when devoted to public use and  
50 not held for pecuniary profit except property of a

2878 1 municipally owned electric utility held under joint  
2 ownership which shall be subject to assessment and  
3 taxation under provisions of chapters 428 and 437  
4 and except property of an electric power facility  
5 financed under chapter 28F. The exemption for property  
6 owned by a city or county also applies to property  
7 which is operated by a city or county as a library,  
8 art gallery or museum, conservatory, botanical garden  
9 or display, observatory or science museum, or as a  
10 location for holding athletic contests, sports or  
11 entertainment events, expositions, meetings or  
12 conventions, or leased from the city or county for  
13 any such purposes. Food and beverages may be served  
14 at the events or locations without affecting the  
15 exemptions, provided the city has approved the serving  
16 of food and beverages on the property if the property  
17 is owned by the city or the county has approved the  
18 serving of food and beverages on the property if the  
19 property is owned by the county.

20 Sec. 9. Section 428.24, Code 1981, is amended  
21 to read as follows:

22 428.24 PUBLIC UTILITY PLANTS. The lands,  
23 buildings, machinery, and mains belonging to  
24 individuals or corporations operating waterworks or  
25 gasworks or pipe lines; the lands, buildings,  
26 machinery, tracks, poles, and wires belonging to  
27 individuals, or corporations or electric power agencies  
28 furnishing electric light or power; the lands,  
29 buildings, machinery, poles, wires, overhead  
30 construction, tracks, cables, conduits, and fixtures  
31 belonging to individuals or corporations operating  
32 railways by cable or electricity, or operating elevated  
33 street railways; and the lands, buildings, tracks,  
34 and fixtures of street railways operated by animal  
35 power, shall be listed and assessed by the department  
36 of revenue. In the making of any such assessment  
37 of waterworks plants, the value of any interest in  
38 the property so assessed, of the municipal corporation  
39 wherein the same is situated, shall be deducted,  
40 whether such interest be evidenced by stock, bonds,  
41 contracts, or otherwise.

42 Sec. 10. Section 428.28, unnumbered paragraph  
43 2, Code 1981, is amended to read as follows:

44 Every individual, copartnership, corporation, asso-  
45 ciation or city which operates a public utility on  
46 a nonprofit basis, as defined in section 428.24 shall  
47 annually, on or before the first day of May of each  
48 calendar year, make a report on blanks to be provided  
49 by the department of revenue of all of the property  
50 owned by such individual, copartnership, corporation,

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1 association or city within the incorporated limits  
2 of any city in the state, and give such other  
3 information as the director of revenue shall require.  
4 Any public city utility which reports according to  
5 this paragraph shall not be assessed.

6 Sec. 11. Section 428.37, subsection 1, paragraph  
7 b, Code 1981, is amended to read as follows:

8 b. "Electric power generating plant" means each  
9 taxable name plate rated electric power generating  
10 plant owned solely or jointly by any person or electric  
11 power facility financed under chapter 28F in which  
12 electrical energy is produced from other forms of  
13 energy, including all equipment used in the production  
14 of such energy through its step-up transformer.

15 Sec. 12. Section 428.37, subsection 2, paragraph  
16 c, unnumbered paragraph 1, Code 1981, is amended to  
17 read as follows:

18 Notwithstanding the provisions of paragraph "b"  
19 of this subsection, if the owner is a municipal  
20 electric utility or if the plant is an electric power  
21 facility financed under chapter 28F, the remaining  
22 taxable value shall be allocated to each taxing  
23 district in which the municipal electric utility is  
24 serving customers and has electric meters in operation  
25 in the ratio that the number of operating electric  
26 meters of the municipal electric utility located in  
27 the taxing district bears to the total number of  
28 operating electric meters of the municipal electric  
29 utility in the state as of January 1 of the calendar  
30 year in which the assessment is made. If the municipal  
31 electric utility or entity managing an electric power  
32 facility financed under chapter 28F has no operating  
33 electric meters in this state, then the remainder  
34 shall be assessed and levied on at the current rate  
35 of the taxing district in which the electric power  
36 generating plant is located. Tax moneys received  
37 from such remainder assessment and levies shall be  
38 paid to the county treasurer, who shall pay such tax  
39 moneys to the treasurer of state not later than fifteen  
40 days from the date the tax moneys are received by  
41 the county treasurer for deposit in the general fund  
42 of the state."

A-3866 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Amended by 3877, 3878, 3879, 3880,  
3881, 3882, 3883, 3884, 3885, and  
Revised not germane 4/29/81 (p. 1511)*  
HARBOR of Mills

SENATE FILE 48

H-3850

- 1 Amend Senate File 48, as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 1, lines 17 and 18, by striking the words
- 4 "or any combination of the foregoing with other public
- 5 agencies".

H-3850 FILED APRIL 28, 1981 BY HUMMEL of Benton

*Last 4/29/81 (p. 1514)*

SENATE FILE 48

H-3860

- 1 Amend Senate File 48, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 4, by adding after line 11, the following:
- 4 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended
- 5 by adding the following new section:
- 6 NEW SECTION. An entity financing electric power
- 7 facilitates pursuant to this chapter shall be subject to
- 8 the provisions of chapter 68A relating to the examination
- 9 of public records."

H-3860 FILED APRIL 28, 1981 BY CLARK of Cerro Gordo

*Placed out of order 4/29/81 (p. 1518)*

SENATE FILE 48

-3867

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 1, line 8, by inserting after the word  
4 "within" the words "the corporate limits of a  
5 municipality of".

6 2. Page 1, line 9, by inserting after the word  
7 "Iowa" the words "in compliance with chapter 390".

8 3. Page 1, line 18, by striking the words "public  
9 agencies" and inserting in lieu thereof the words  
10 "participants as defined in section 390.1".

11 4. Page 2, lines 15 and 16, by striking the words  
12 "public agency" and inserting in lieu thereof the  
13 words "participant as defined in section 390.1".

14 5. By striking page 2, line 34, through page 3,  
15 line 1, and inserting in lieu thereof the words "shall  
16 be sold as provided in sections 75.2 through 75.4,  
17 and may be in such a form otherwise,".

18 6. Page 4, by inserting after line 11 the  
19 following:

20 "Sec. \_\_\_\_ Section 427.1, subsection 2, Code  
21 1981, is amended to read as follows:

22 2. Municipal and military property. The property  
23 of a county, township, city, school corporation, levee  
24 district, drainage district or military company of  
25 the state of Iowa, when devoted to public use and  
26 not held for pecuniary profit except property of a  
27 municipally owned electric utility held-~~under-joint~~  
28 ownership which shall be subject to assessment and  
29 taxation under provisions of chapters 428 and 437.  
30 The exemption for property owned by a city or county  
31 also applies to property which is operated by a city  
32 or county as a library, art gallery or museum,  
33 conservatory, botanical garden or display, observatory  
34 or science museum, or as a location for holding  
35 athletic contests, sports or entertainment events,  
36 expositions, meetings or conventions, or leased from  
37 the city or county for any such purposes. Food and  
38 beverages may be served at the events or locations  
39 without affecting the exemption, provided the city  
40 has approved the serving of food and beverages on  
41 the property if the property is owned by the city  
42 or the county has approved the serving of food and  
43 beverages on the property if the property is owned  
44 by the county.

45 7. Amend the title, line 2, by inserting after  
46 the word "facilities" the words "and subjecting  
47 municipally owned electric utilities to property tax".

H-3867 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie

A- *Loaf* 4/29/81 (p. 1513)

HARBOR of Mills

B- *W/S* (p. 1513)

SENATE FILE 48

H-3868

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "If the legal entity created under this chapter  
5 is comprised of any city, the board, joint board or  
6 administrators responsible for administering the  
7 entity shall be composed solely of electors of the  
8 cities which voted in favor of creating the entity."

H-3868 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
H/S 4/29/81 (p. 1518) HARBOR of Mills

SENATE FILE 48

H-3869

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "Sec. \_\_\_\_ . Section 28F.5, Code 1981, is amended  
5 by adding the following new unnumbered paragraph:  
6 NEW UNNUMBERED PARAGRAPH. In the case of such  
7 an entity financing electric power facilities, the  
8 powers to fix, establish and maintain rates, tolls,  
9 fees, rentals or other charges granted in this section  
10 are subject to the jurisdiction of the Iowa state  
11 commerce commission pursuant to chapter 476. Further-  
12 more, such an entity shall not make loans to or  
13 otherwise appropriate funds to any city, city utility  
14 or combined utility system, or any legal or  
15 administrative entity or joint board created pursuant  
16 to chapter 28E or 28F, and any of the foregoing shall  
17 not make loans to or otherwise appropriate funds to  
18 such an entity. However, this paragraph shall not  
19 be deemed to prevent reasonable short-term credit  
20 provisions respecting payments by any city, city  
21 utility or combined utility system, or any legal or  
22 administrative entity or joint board created pursuant  
23 to chapters 28E or 28F to such an entity for services  
24 rendered."

H-3869 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
H/S 4/29/81 (p. 1518) HARBOR of Mills

SENATE FILE 48

H-3871

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "Sec. \_\_\_\_ Section 28F.4, Code 1981, is amended  
5 to read as follows:  
6 28F.4 USE OF PROCEEDS--NEGOTIABILITY. Revenue  
7 bonds may be issued, as provided in section 28F.3,  
8 to provide all or any part of the funds required to  
9 finance the cost of the acquisition, construction,  
10 reconstruction, repair, extension or improvement of  
11 any project or projects or other purposes authorized  
12 under this chapter and such cost shall include, but  
13 shall not be limited to, administrative expenses,  
14 acquisition and construction costs, engineering,  
15 fiscal or financial and legal expenses, surveys, plans  
16 and specifications, interest during such construction,  
17 reconstruction, repair, extension or improvement or  
18 acquisition and for one year after completion of such  
19 construction, reconstruction, repair, extension or  
20 improvement or after acquisition of the project or  
21 projects, initial reserve funds, acquisition of real  
22 or personal property, including franchises except  
23 in the case of projects involving electric power  
24 facilities, and such other costs as are necessary  
25 and incidental to the construction, reconstruction,  
26 repair, extension or improvement, or acquisition of  
27 such project or projects and the financing thereof.  
28 Such an entity shall have the power to retain and  
29 enter into agreements with engineers, fiscal agents,  
30 financial advisers, attorneys, architects or other  
31 consultants or advisers for planning, supervision  
32 and financing of such project or projects upon such  
33 terms and conditions as shall be deemed advisable  
34 and in the best interest of the entity. Bonds issued  
35 under the provisions of this chapter are declared  
36 to be investment securities under the laws of the  
37 state of Iowa."

H-3871 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
7/2 4/25/81 (g. 1518) HARBOR of Mills

SENATE FILE 48

H-3872

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "Public agencies entering joint financing for the  
5 generation of electricity shall be required to meet  
6 the following standards before joining:  
7 1. Fees collected for the sale of electricity  
8 shall only be used for the operating expenses and  
9 in no case shall any funds be transferred out for  
10 another purpose.  
11 2. The public agency shall commit an amount of  
12 revenue to the county treasurer as determined by  
13 multiplying the gross kwh of electricity sold during  
14 the past twelve months by twenty-nine hundredths of  
15 a cent per kwh.  
16 Upon completion of these two standards the public  
17 agency shall be entitled to join other public agencies  
18 in joint venture financing."

H-3872 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
H/S 4/29/81 (p. 1518) HARBOR of Mills

SENATE FILE 48

H-3870

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "Sec. \_\_\_\_ Section 28F.2, Code 1981, is amended  
5 to read as follows:  
6 28F.2 DEFINITIONS. The terms "public agency",  
7 "state", and "private agency" shall have the meanings  
8 prescribed by section 28E.2. The term "project" or  
9 "projects" shall mean any works or facilities referred  
10 to in section 28F.1 and shall include all property  
11 real and personal, pertinent thereto or connected  
12 with such project or projects, and the existing works  
13 or facilities, if any, to which such project or  
14 projects are an extension, addition, betterment or  
15 improvement. However, the term "project" or "projects"  
16 in connection with electric power facilities shall  
17 not include the acquisition of fuel deposits, the  
18 acquisition or construction and operation of facilities  
19 for extracting fuel from natural deposits or equipment  
20 for the transportation of fuel."

H-3870 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
H/S 4/29/81 (p. 1518) HARBOR of Mills

SENATE FILE 48

H-3874

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 4, by inserting after line 11 the  
4 following:  
5 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended  
6 by adding the following new section:  
7 NEW SECTION. An entity created to carry out an  
8 agreement authorizing the joint exercise of the powers  
9 enumerated in section 28F.1 with regard to electric  
10 power facilities shall be subject to the provisions  
11 of chapter 28A, relating to open meetings, chapter  
12 68A, relating to the examination of public records,  
13 chapter 97B, relating to the Iowa public employees  
14 retirement system and chapter 476A, relating to  
15 electric power generators."

H-3874 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1518)* HARBOR of Mills

SENATE FILE 48

H-3875

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 4, by inserting after line 11 the  
4 following:  
5 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended  
6 by adding the following new section:  
7 NEW SECTION. The provisions of section 28E.10  
8 shall apply to any entity created pursuant to this  
9 chapter which is financing electric power facilities."  
10 2. By numbering and renumbering as necessary.

H-3875 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1518)* HARBOR of Mills

SENATE FILE 48

H-3873

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "Sec. \_\_\_\_ Section 28F.3, Code 1981, is amended  
5 to read as follows:  
6 28F.3 REVENUE BONDS. An entity created to carry  
7 out an agreement authorizing the joint exercise of  
8 those governmental powers enumerated in section 28F.1  
9 shall have power to construct, acquire, own, repair,  
10 improve, expand, operate and maintain a project or  
11 projects necessary to carry out the purposes of such  
12 agreement, and to issue from time to time revenue  
13 bonds payable from the revenues derived from such  
14 project or projects, or any combination of such  
15 projects, to finance the cost or part of the cost  
16 of the acquisition, construction, reconstruction,  
17 repair, extension or improvement of such project or  
18 projects, including the acquisition for the purposes  
19 of such agreement, of any property, real or personal  
20 or mixed therefor. The power of the entity to issue  
21 revenue bonds shall not be exercised until authorized  
22 by resolution duly adopted by each of the public  
23 agencies participating in such agreement. Public  
24 agencies participating in such an agreement may not  
25 withdraw or in any way terminate, amend, or modify  
26 in any manner to the detriment of the bondholders  
27 said agreement if revenue bonds or obligations issued  
28 in anticipation of the issuance of said revenue bonds  
29 have been issued and are then outstanding and unpaid  
30 as provided for herein, however, this restriction  
31 does not apply to a public agency desiring to withdraw  
32 from or terminate, amend or modify any agreement  
33 involving electric power facilities if any other  
34 public agency, state or private agency agrees to  
35 assume the liabilities of the public agency desiring  
36 to withdraw, amend, terminate or modify. Any revenue  
37 bonds for the payment and discharge of which, upon  
38 maturity or upon redemption prior to maturity,  
39 provision has been made through the setting apart  
40 in a reserve fund or special trust account created  
41 pursuant to this chapter to insure the payment thereof,  
42 of moneys sufficient for that purpose or through the  
43 irrevocable segregation for that purpose in a sinking  
44 fund or other fund or trust account of moneys  
45 sufficient therefor, shall be deemed to be no longer  
46 outstanding and unpaid within the meaning of any  
47 provision of this chapter."

H-3873 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
HARBOR of Mills

28/20 4/29/81 (p. 1518)

SENATE FILE 48

H-3878

- 1 Amend the Schroeder amendment, H-3866, to Senate
- 2 File 48 as amended, passed and reprinted by the Senate
- 3 as follows:
- 4 1. Page 1, line 13, by inserting after the word
- 5 "within" the words "the corporate limits of a
- 6 municipality of".
- 7 2. Page 1, line 14, by inserting after the word
- 8 "Iowa" the words "in compliance with chapter 390".
- 9 3. Page 1, lines 24 and 25, by striking the words
- 10 "public agencies" and inserting in lieu thereof the
- 11 words "participants as defined in section 390.1".
- 12 4. Page 2, line 3, by striking the words "public
- 13 agency" and inserting in lieu thereof the words
- 14 "participant as defined in section 390.1".
- 15 5. Page 2, by striking lines 23 through 26 and
- 16 inserting in lieu thereof the words "covenants and
- 17 conditions, shall be sold as provided in sections
- 18 75.2 through 75.4, and may be in such form otherwise,
- 19 as such".
- 20 6. Page 4, lines 1 and 2, by striking the words
- 21 "held under joint ownership" and inserting in lieu
- 22 thereof the words "held-under-joint-ownership".
- 23 7. Page 4, lines 4 and 5, by striking the words
- 24 "and except property of an electric power facility
- 25 financed under chapter 28F".
- 26 8. Page 5, by inserting after line 42 the
- 27 following:
- 28 " \_\_\_\_\_. Amend the title, line 2, by inserting after
- 29 the word "facilities" the words "and subjecting
- 30 municipally owned electric utilities to property
- 31 tax".

H-3878 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1505)* HARBOR of Mills

SENATE FILE 48

H-3877

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate  
3 as follows:  
4 1. Page 1, by inserting after line 38 the  
5 following:  
6 "Sec. \_\_\_\_ . Section 28F.5, Code 1981, is amended  
7 by adding the following new unnumbered paragraph:  
8 NEW UNNUMBERED PARAGRAPH. In the case of such  
9 an entity financing electric power facilities, the  
10 powers to fix, establish and maintain rates, tolls,  
11 fees, rentals or other charges granted in this section  
12 are subject to the jurisdiction of the Iowa state  
13 commerce commission pursuant to chapter 476.  
14 Furthermore, such an entity shall not make loans to  
15 or otherwise appropriate funds to any city, city  
16 utility or combined utility system, or any legal or  
17 administrative entity or joint board created pursuant  
18 to chapter 28E or 28F, and any of the foregoing shall  
19 not make loans to or otherwise appropriate funds to  
20 such an entity. However, this paragraph shall not  
21 be deemed to prevent reasonable short-term credit  
22 provisions respecting payments by any city, city  
23 utility or combined utility system, or any legal or  
24 administrative entity or joint board created pursuant  
25 to chapter 28E or 28F to such an entity for services  
26 rendered."

H-3877 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 15-6)* HARBOR of Mills

SENATE FILE 48

H-3876

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 4, by inserting after line 11 the  
4 following:  
5 "Sec. \_\_\_\_ . Section 390.1, subsection 6, Code 1981,  
6 is amended to read as follows:  
7 6. "Participant" means a city, legal or  
8 administrative entity or joint board created pursuant  
9 to chapter 28E or 28F, electric co-operative or  
10 privately owned utility company which is a party to  
11 a joint agreement."  
12 2. By numbering and renumbering as necessary.

H-3876 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 15-8)* HARBOR of Mills

H-3882

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by inserting after line 38 the  
5 following:

6 "Sec. \_\_\_\_ . Section 28F.4, Code 1981, is amended  
7 to read as follows:

8 28F.4 USE OF PROCEEDS--NEGOTIABILITY. Revenue  
9 bonds may be issued, as provided in section 28F.3,  
10 to provide all or any part of the funds required to  
11 finance the cost of the acquisition, construction,  
12 reconstruction, repair, extension or improvement of  
13 any project or projects or other purposes authorized  
14 under this chapter and such cost shall include, but  
15 shall not be limited to, administrative expenses,  
16 acquisition and construction costs, engineering,  
17 fiscal or financial and legal expenses, surveys, plans  
18 and specifications, interest during such construction,  
19 reconstruction, repair, extension or improvement or  
20 acquisition and for one year after completion of such  
21 construction, reconstruction, repair, extension or  
22 improvement or after acquisition of the project or  
23 projects, initial reserve funds, acquisition of real  
24 or personal property, including franchises, except  
25 in the case of projects involving electric power  
26 facilities and such other costs as are necessary and  
27 incidental to the construction, reconstruction, repair,  
28 extension or improvement, or acquisition of such  
29 project or projects and the financing thereof. Such  
30 an entity shall have the power to retain and enter  
31 into agreements with engineers, fiscal agents,  
32 financial advisers, attorneys, architects or other  
33 consultants or advisers for planning, supervision  
34 and financing of such project or projects upon such  
35 terms and conditions as shall be deemed advisable  
36 and in the best interest of the entity. Bonds issued  
37 under the provisions of this chapter are declared  
38 to be investment securities under the laws of the  
39 state of Iowa."

H-3882 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1509)* HARBOR of Mills

SENATE FILE 48

H-3883

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by inserting after line 38 the  
5 following:

6 "If the legal entity created under this chapter  
7 is comprised of any city, the board, joint board or  
8 administrators responsible for administering the  
9 entity shall be composed solely of electors of the  
10 cities which voted in favor of creating the entity."

*Adopted 4/29/81 (p. 1509)*  
H-3883 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie

SENATE FILE 48

H-3880

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate,  
3 as follows:  
4 1. Page 1, by inserting after line 38 the  
5 following:  
6 "Sec. \_\_\_\_ Section 28F.2, Code 1981, is amended  
7 to read as follows:  
8 28F.2 DEFINITIONS. The terms "public agency",  
9 "state", and "private agency" shall have the meanings  
10 prescribed by section 28E.2. The term "project" or  
11 "projects" shall mean any works or facilities referred  
12 to in section 28F.1 and shall include all property  
13 real and personal, pertinent thereto or connected  
14 with such project or projects, and the existing works  
15 or facilities, if any, to which such project or  
16 projects are an extension, addition, betterment or  
17 improvement. However, the term "project" or "projects"  
18 in connection with electric power facilities shall  
19 not include the acquisition of fuel deposits, the  
20 acquisition or construction and operation of facilities  
21 for extracting fuel from natural deposits or equipment  
22 for the transportation of fuel."

H-3880 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1507)* HARBOR of Mills

SENATE FILE 48

H-3879

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate  
3 as follows:  
4 1. Page 1, by inserting after line 38 the  
5 following:  
6 "Public agencies entering joint financing for the  
7 generation of electricity shall be required to meet  
8 the following standards before jointing:  
9 1. Fees collected for the sale of electricity  
10 shall only be used for the operating expenses and  
11 in no case shall any funds be transferred out for  
12 another purpose.  
13 2. The public agency shall commit an amount of  
14 revenue to the county treasurer as determined by  
15 multiplying the gross kwh of electricity sold during  
16 the past twelve months by twenty-nine hundredths of  
17 a cent per kwh.  
18 Upon completion of these two standards the public  
19 agency shall be entitled to join other public agencies  
20 in joint venture financing."

H-3879 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1506)* HARBOR of Mills

H-3884

1 Amend the Schroeder amendment, H-3866, to Senate  
 2 File 48 as amended, passed and reprinted by the Senate,  
 3 as follows:  
 4 1. Page 3, by inserting after line 32 the  
 5 following:  
 6 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended  
 7 by adding the following new section:  
 8 NEW SECTION. An entity created to carry out an  
 9 agreement authorizing the joint exercise of the powers  
 10 enumerated in section 28F.1 with regard to electric  
 11 power facilities shall be subject to the provisions  
 12 of chapter 28A, relating to open meetings, chapter  
 13 68A, relating to the examination of public records,  
 14 chapter 97B, relating to the Iowa public employees  
 15 retirement system, and chapter 476A, relating to  
 16 electric power generators."

H-3884 FILED APRIL 28, 1981 BY SCHROEDER OF POTTAWATTAMIE  
*Adopted 4/29/81 (p. 1510)* HARBOR OF MILLS

## SENATE FILE 48

H-3885

1 Amend the Schroeder amendment, H-3866, to Senate  
 2 File 48 as amended, passed and reprinted by the Senate,  
 3 as follows:  
 4 1. Page 3, by inserting after line 32 the follow-  
 5 ing:  
 6 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended  
 7 by adding the following new section:  
 8 NEW SECTION. The provisions of section 28E.10  
 9 shall apply to any entity created pursuant to this  
 10 chapter which is financing electric power facilities."

H-3885 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1510)* HARBOR of Mills

## SENATE FILE 48

H-3886

1 Amend the Schroeder amendment, H-3866, to Senate  
 2 File 48 as amended, passed and reprinted by the Senate,  
 3 as follows:  
 4 1. Page 3, by inserting after line 43 the follow-  
 5 ing:  
 6 "Sec. \_\_\_\_ Section 390.1, subsection 6, Code 1981,  
 7 is amended to read as follows:  
 8 6. "Participant" means a city, legal or  
 9 administrative entity or joint board created pursuant  
 10 to chapter 28E or 28F, electric co-operative or  
 11 privately owned utility company which is a party to  
 12 a joint agreement."

H-3886 FILED APRIL 28, 1981 BY SCHROEDER of Pottawattamie  
*Adopted 4/29/81 (p. 1511)* HARBOR of Mills

SENATE FILE 48

H-3881

1 Amend the Schroeder amendment, H-3866, to Senate  
2 File 48 as amended, passed and reprinted by the Senate,  
3 as follows:  
4 1. Page 1, by inserting after line 38 the follow-  
5 ing:  
6 "Sec. \_\_\_\_ Section 28F.3, Code 1981, is amended  
7 to read as follows:  
8 28F.3 REVENUE BONDS. An entity created to carry  
9 out an agreement authorizing the joint exercise of  
10 those governmental powers enumerated in section 28F.1  
11 shall have power to construct, acquire, own, repair,  
12 improve, expand, operate and maintain a project or  
13 projects necessary to carry out the purposes of such  
14 agreement, and to issue from time to time revenue  
15 bonds payable from the revenues derived from such  
16 project or projects, or any combination of such  
17 projects, to finance the cost or part of the cost  
18 of the acquisition, construction, reconstruction,  
19 repair, extension or improvement of such project or  
20 projects, including the acquisition for the purposes  
21 of such agreement, of any property, real or personal  
22 or mixed therefor. The power of the entity to issue  
23 revenue bonds shall not be exercised until authorized  
24 by resolution duly adopted by each of the public  
25 agencies participating in such agreement. Public  
26 agencies participating in such an agreement may not  
27 withdraw or in any way terminate, amend, or modify  
28 in any manner to the detriment of the bondholders  
29 said agreement if revenue bonds or obligations issued  
30 in anticipation of the issuance of said revenue bonds  
31 have been issued and are then outstanding and unpaid  
32 as provided for herein, however, this restriction  
33 does not apply to a public agency desiring to withdraw  
34 from or terminate, amend or modify any agreement  
35 involving electric power facilities if any other  
36 public agency, state or private agency agrees to  
37 assume the liabilities of the public agency desiring  
38 to withdraw, amend, terminate or modify. Any revenue  
39 bonds for the payment and discharge of which, upon  
40 maturity or upon redemption prior to maturity,  
41 provision has been made through the setting apart  
42 in a reserve fund or special trust account created  
43 pursuant to this chapter to insure the payment thereof,  
44 of moneys sufficient for that purpose or through the  
45 irrevocable segregation for that purpose in a sinking  
46 fund or other fund or trust account of moneys  
47 sufficient therefor, shall be deemed to be no longer  
48 outstanding and unpaid within the meaning of any  
49 provision of this chapter."

SENATE FILE 48

H-3912

1 Amend Senate File 48, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 11 the  
4 following:

5 "Sec. \_\_\_\_ . Section 442.2, Code 1981, is amended  
6 by adding the following new unnumbered paragraph:  
7 NEW UNNUMBERED PARAGRAPH. For the purposes of  
8 this section "assessed valuation on all taxable  
9 property in the district" shall include the value  
10 of all public utilities as defined in section 428.24.

11 Sec. \_\_\_\_ . Section 442.9, subsection 1, paragraph  
12 c, Code 1981, is amended to read as follows:

13 c. The amount to be raised by the additional  
14 school district property tax levy is equal to the  
15 district cost for the budget year, less the product  
16 of the state or district foundation base and the  
17 weighted enrollment plus an amount equal to the product  
18 of the foundation property tax levy times the public  
19 utility property within the district considered a  
20 part of the assessed valuation of taxable property  
21 but which is exempt from property tax under section  
22 428.28."

23 2. By numbering and renumbering sections as  
24 necessary.

H-3912 FILED  
APRIL 29, 1981  
LOST (p. 1520)

BY SCHNEKLOTH of Scott  
BYERLY of Polk  
JOHNSON of Linn

HORN of Linn  
CONNORS of Polk  
SCHROEDER of Pottawattamie

SENATE FILE 48

H-3911

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 24, the  
4 following:

5 "A city shall not join an entity created under  
6 this chapter for the purpose of financing electric  
7 power facilities unless that city owned and operated  
8 a municipal electric utility as of the effective date  
9 of this Act. Power supplied by a municipal power  
10 agency may not be furnished to a municipal utility  
11 not existing as of the effective date of this Act."

BY SCHROEDER of Pottawattamie  
SCHNEKLOTH of Scott  
BYERLY of Polk  
CONLON of Muscatine  
RAPP of Black Hawk

H-3911 FILED  
APRIL 29, 1981  
ADOPTED (p. 1518)

SENATE FILE 48

H-3909

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "A city shall not join an entity created under  
5 this chapter or any separate administrative or legal  
6 entity created pursuant to chapter 28E for the purpose  
7 of utilizing this chapter for financing electric power  
8 facilities until the agreements or other documents  
9 providing for the construction and operation of the  
10 electric power facilities have been submitted to the  
11 Iowa commerce commission and the commission issues  
12 an order declaring that the proposed construction  
13 and operation complies with the applicable laws of  
14 this state regulating electric utilities."

H-3909 FILED  
APRIL 29, 1981  
WITHDRAWN (p. 1519)

BY BYERLY of Polk  
WOODS of Polk

SENATE FILE 48

H-3908

1 Amend Senate File 48, as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 2 the following:  
4 "A city shall not join an entity created under  
5 this chapter or any separate administrative or legal  
6 entity created pursuant to chapter 28E for the purpose  
7 of utilizing the provisions of this chapter for  
8 financing electric power facilities until the city  
9 council and the governing body of the municipal  
10 electric utility in that city have provided by  
11 appropriate ordinances or resolutions that the  
12 municipal electric utility shall pay assessments with  
13 respect to police and fire protection and with respect  
14 to the construction, repair and maintenance of streets,  
15 in amounts that are substantially equivalent to amounts  
16 paid by privately-owned commercial enterprises for  
17 these services."

H-3908 FILED  
APRIL 29, 1981  
WITHDRAWN (p. 1519)

BY BYERLY of Polk  
WOODS of Polk

HOUSE AMENDMENT TO SENATE FILE 48

S-3835

1 Amend Senate File 48 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 24, the  
4 following:

5 "A city shall not join an entity created under  
6 this chapter for the purpose of financing electric  
7 power facilities unless that city owned and operated  
8 a municipal electric utility as of the effective date  
9 of this Act. Power supplied by a municipal power  
10 agency may not be furnished to a municipal utility  
11 not existing as of the effective date of this Act."

12 2. Page 4, by inserting after line 11 the  
13 following:

14 "Sec. \_\_\_\_ Chapter 28F, Code 1981, is amended  
15 by adding the following new section:

16 NEW SECTION. An entity created to carry out an  
17 agreement authorizing the joint exercise of the powers  
18 enumerated in section 28F.1 with regard to electric  
19 power facilities shall be subject to the provisions  
20 of chapter 28A, relating to open meetings, chapter  
21 68A, relating to the examination of public records,  
22 chapter 97B, relating to the Iowa public employees  
23 retirement system and chapter 476A, relating to  
24 electric power generators.

25 Sec. \_\_\_\_ NEW SECTION. "Electric power agency"  
26 means an entity financing or acquiring electric power  
27 facilities pursuant to chapter 28E or 28F.

28 Sec. \_\_\_\_ Section 427.1, subsection 2, Code 1981,  
29 is amended to read as follows:

30 2. MUNICIPAL AND MILITARY PROPERTY. The property  
31 of a county, township, city, school corporation, levee  
32 district, drainage district or military company of  
33 the state of Iowa, when devoted to public use and  
34 not held for pecuniary profit, except property of  
35 a municipally owned electric utility held under joint  
36 ownership and property of an electric power facility  
37 financed under chapter 28F which shall be subject  
38 to assessment and taxation under provisions of chapters  
39 428 and 437. The exemption for property owned by  
40 a city or county also applies to property which is  
41 operated by a city or county as a library, art gallery  
42 or museum, conservatory, botanical garden or display,  
43 observatory or science museum, or as a location for  
44 holding athletic contests, sports or entertainment  
45 events, expositions, meetings or conventions, or  
46 leased from the city or county for any such purposes.  
47 Food and beverages may be served at the events or  
48 locations without affecting the exemptions, provided  
49 the city has approved the serving of food and beverages  
50 on the property if the property is owned by the city

1 or the county has approved the serving of food and  
2 beverages on the property if the property is owned  
3 by the county.

4 Sec. \_\_\_\_\_. Section 428.24, Code 1981, is amended  
5 to read as follows:

6 428.24 PUBLIC UTILITY PLANTS. The lands,  
7 buildings, machinery, and mains belonging to  
8 individuals or corporations operating waterworks or  
9 gasworks or pipe lines; the lands, buildings,  
10 machinery, tracks, poles, and wires belonging to  
11 individuals, or corporations or electric power agencies  
12 furnishing electric light or power; the lands,  
13 buildings, machinery, poles, wires, overhead  
14 construction, tracks, cables, conduits, and fixtures  
15 belonging to individuals or corporations operating  
16 railways by cable or electricity, or operating elevated  
17 street railways; and the lands, buildings, tracks,  
18 and fixtures of street railways operated by animal  
19 power, shall be listed and assessed by the department  
20 of revenue. In the making of any such assessment  
21 of waterworks plants, the value of any interest in  
22 the property so assessed, of the municipal corporation  
23 wherein the same is situated, shall be deducted,  
24 whether such interest be evidenced by stock, bonds,  
25 contracts, or otherwise.

26 Sec. \_\_\_\_\_. Section 428.28, unnumbered paragraph  
27 2, Code 1981, is amended to read as follows:

28 Every individual, copartnership, corporation, asso-  
29 ciation or city which operates a public utility on  
30 a nonprofit basis, as defined in section 428.24 shall  
31 annually, on or before the first day of May of each  
32 calendar year, make a report on blanks to be provided  
33 by the department of revenue of all of the property  
34 owned by such individual, copartnership, corporation,  
35 association or city within the incorporated limits  
36 of any city in the state, and give such other  
37 information as the director of revenue shall require.  
38 Any public city utility which reports according to  
39 this paragraph shall not be assessed.

40 Sec. \_\_\_\_\_. Section 428.37, subsection 1, paragraph  
41 b, Code 1981, is amended to read as follows:

42 b. "Electric power generating plant" means each  
43 taxable name plate rated electric power generating  
44 plant owned solely or jointly by any person or electric  
45 power facility financed under the provisions of chapter  
46 28F in which electrical energy is produced from other  
47 forms of energy, including all equipment used in the  
48 production of such energy through its step-up  
49 transformer.

50 Sec. \_\_\_\_\_. Section 428.37, subsection 2, paragraph

1 c, Code 1981, is amended to read as follows:

2 c. Notwithstanding the provisions of paragraph  
3 "b" of this subsection, if the owner is a municipal  
4 electric utility or electric power facility financed  
5 under the provisions of chapter 28F, the remaining  
6 taxable value shall be allocated to each taxing  
7 district in which the municipal electric utility is  
8 serving customers and has electric meters in operation  
9 in the ratio that the number of operating electric  
10 meters of the municipal electric utility located in  
11 the taxing district bears to the total number of  
12 operating electric meters of the municipal electric  
13 utility in the state as of January 1 of the calendar  
14 year in which the assessment is made. If the municipal  
15 electric utility or electric power facility financed  
16 under the provisions of chapter 28F has no operating  
17 electric meters in this state, then the remainder  
18 shall be assessed and levied on at the current rate  
19 of the taxing district in which the electric power  
20 generating plant is located. Tax moneys received  
21 from such remainder assessment and levies shall be  
22 paid to the county treasurer, who shall pay such tax  
23 moneys to the treasurer of state not later than fifteen  
24 days from the date the tax moneys are received by  
25 the county treasurer for deposit in the general fund  
26 of the state.

27 All municipal electric utilities which shall have  
28 taxable value apportioned under this section shall,  
29 annually on or before the first day of May of each  
30 calendar year, make a report listing the total  
31 operating meters of the municipal electric utility  
32 in each taxing district it serves as of the first  
33 day of January of each calendar year on forms provided  
34 by the department of revenue."

35 4. Renumbering sections as necessary.

S-3835 FILED  
MAY 21, 1981

RECEIVED FROM THE HOUSE

*Senate concurred 5/21/81 (p. 1808)*

SENATE FILE 48

AN ACT

PROVIDING FOR THE JOINT FINANCING BY PUBLIC AGENCIES OF ELECTRIC POWER FACILITIES AND OTHER FACILITIES.

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

Section 1. Section 28F.1, Code 1981, 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 electric power facilities constructed within the state of Iowa, water supply systems, 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 358, or any combination thereof or any combination of the foregoing with other public agencies, 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.

A city shall not join an entity created under this chapter for the purpose of financing electric power facilities unless that city owned and operated a municipal electric utility as of the effective date of this Act. Power supplied by a municipal power agency may not be furnished to a municipal utility not existing as of the effective date of this Act.

After July 1, 1981, a city shall not join an entity created under this chapter or any separate administrative or legal entity created pursuant to chapter twenty-eight E (28E) of the Code for the purpose of utilizing the provisions of this chapter for financing electric power facilities until the proposal for the city to join such an entity has been submitted to and approved by the voters of the city.

The proposal shall be submitted at any city election by the council on its own motion. If a majority of those voting in the city does not approve the proposal, the same or a similar proposal may be submitted to the voters no sooner than one year from the date of the election at which the proposal was defeated.

Sec. 2. Section 28F.7, Code 1981, is amended to read as follows:

28F.7 CONSTRUCTION AND OPERATION OF PROJECT. ~~Such an~~ An entity shall operate, maintain and preserve ~~the a~~ project ~~or projects~~ in good repair and working order, and shall ~~construct and~~ operate the project ~~or projects~~ in an efficient and economical manner, provided, ~~however,~~ that the entity may lease or rent ~~the a~~ project ~~or projects~~ or any part thereof of a project, or otherwise provide for the construction and operation of ~~the a~~ project ~~or projects~~ or any part thereof of a project in ~~such the~~ manner and upon ~~such the~~ terms as the governing body of the entity ~~shall direct~~ directs.

The electric light and power plant and system of any public agency participating in and receiving wholesale power from electric power facilities owned, operated, or financed pursuant

to this chapter shall meet the standards of the national electric safety code of 1968, as amended to and including January 1, 1981, of the national fire protection association.

Sec. 3. Section 28F.8, Code 1981, is amended to read as follows:

28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued pursuant to ~~the provisions of~~ this chapter shall bear interest at ~~a rate or~~ rates not exceeding ~~that those~~ permitted by chapter 74A for revenue bonds issued by a city, may be in one or more series, may bear ~~such date or~~ dates, may mature at ~~such time or~~ times not exceeding forty years from their respective dates, may be payable in ~~such a~~ medium of payment, at ~~such place or~~ places within the state, may carry ~~such~~ registration privileges, may be subject to ~~such~~ terms of prior redemption, with or without premium, may be executed in ~~such the~~ manner, may contain ~~such~~ terms, covenants and conditions, may be sold at public or private sale in the manner and on terms provided by the entity or may be exchanged for outstanding interim notes, and may be in ~~such a~~ form otherwise, as ~~such the~~ resolution or subsequent resolutions shall provide.

Sec. 4. Section 28F.9, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

28F.9 ISSUANCE OF INTERIM NOTES. The entity may borrow money for the purposes for which bonds may be issued, in anticipation of the receipt of the proceeds of the sale of bonds. Notes shall be issued for moneys borrowed under this section, and the notes may be renewed. The notes shall be authorized by resolution of the governing body of the entity and may be issued in denominations, bear interest at rates not exceeding the maximum rate of interest permitted by chapter 74A for pledge orders issued by a city, shall be in a form and shall be executed in a manner, all as the entity prescribes. If the notes are renewal notes, they may be exchanged for notes then outstanding on terms the governing

body of the entity determines. Notes may be sold at public or private sale or may be issued to persons furnishing materials and services constituting a part of the cost of the acquisition, construction, reconstruction, repair, extension or improvement of a project. The governing body of the entity may retire any notes from the revenues derived from the project or from other moneys of the entity which are lawfully available for that purpose or from a combination of each, in lieu of retiring them by means of bond proceeds.

Sec. 5. Section 28F.11, Code 1981, is amended to read as follows:

28F.11 EMINENT DOMAIN. Any public agency participating in an agreement authorizing the joint exercise of governmental powers pursuant to this chapter may exercise its power of eminent domain to acquire interests in property, under provisions of law then in effect and applicable to ~~such the~~ public agency, for the use of the entity created to carry out ~~such the~~ agreement, provided that the power of eminent domain is not used to acquire interests in property which is part of a system of facilities in existence, under construction or planned, for the generation, transmission or sale of electric power. Any interests in property ~~so~~ acquired ~~shall be deemed~~ are acquired for a public purpose of the concerning public agency, and the payment of the costs of ~~such the~~ acquisition may be made pursuant to ~~such the~~ agreement or to any separate agreement between ~~or among said~~ the public agency and ~~such the~~ entity or the other public agencies participating in ~~such the~~ entity or any of them. Upon payment of ~~such~~ costs, any property ~~so~~ acquired ~~shall be and become~~ is the property of the entity.

Sec. 6. Chapter 28F, Code 1981, is amended by adding the following new section:

NEW SECTION. An entity created to carry out an agreement authorizing the joint exercise of the powers enumerated in

section 28F.1 with regard to electric power facilities shall be subject to the provisions of chapter 28A, relating to open meetings, chapter 68A, relating to the examination of public records, chapter 97B, relating to the Iowa public employees retirement system and chapter 476A, relating to electric power generators.

Sec. 7. NEW SECTION. "Electric power agency" means an entity financing or acquiring electric power facilities pursuant to chapter 28E or 28F.

Sec. 8. Section 427.1, subsection 2, Code 1981, is amended to read as follows:

2. MUNICIPAL AND MILITARY PROPERTY. The property of a county, township, city, school corporation, levee district, drainage district or military company of the state of Iowa, when devoted to public use and not held for pecuniary profit, except property of a municipally owned electric utility held under joint ownership and property of an electric power facility financed under chapter 28F which shall be subject to assessment and taxation under provisions of chapters 428 and 437. The exemption for property owned by a city or county also applies to property which is operated by a city or county as a library, art gallery or museum, conservatory, botanical garden or display, observatory or science museum, or as a location for holding athletic contests, sports or entertainment events, expositions, meetings or conventions, or leased from the city or county for any such purposes. Food and beverages may be served at the events or locations without affecting the exemptions, provided the city has approved the serving of food and beverages on the property if the property is owned by the city or the county has approved the serving of food and beverages on the property if the property is owned by the county.

Sec. 9. Section 428.24, Code 1981, is amended to read as follows:

428.24 PUBLIC UTILITY PLANTS. The lands, buildings, machinery, and mains belonging to individuals or corporations operating waterworks or gasworks or pipe lines; the lands, buildings, machinery, tracks, poles, and wires belonging to individuals, or corporations or electric power agencies furnishing electric light or power; the lands, buildings, machinery, poles, wires, overhead construction, tracks, cables, conduits, and fixtures belonging to individuals or corporations operating railways by cable or electricity, or operating elevated street railways; and the lands, buildings, tracks, and fixtures of street railways operated by animal power, shall be listed and assessed by the department of revenue. In the making of any such assessment of waterworks plants, the value of any interest in the property so assessed, of the municipal corporation wherein the same is situated, shall be deducted, whether such interest be evidenced by stock, bonds, contracts, or otherwise.

Sec. 10. Section 428.28, unnumbered paragraph 2, Code 1981, is amended to read as follows:

Every individual, copartnership, corporation, association or city which operates a public utility on a nonprofit basis, as defined in section 428.24 shall annually, on or before the first day of May of each calendar year, make a report on blanks to be provided by the department of revenue of all of the property owned by such individual, copartnership, corporation, association or city within the incorporated limits of any city in the state, and give such other information as the director of revenue shall require. Any public city utility which reports according to this paragraph shall not be assessed.

Sec. 11. Section 428.37, subsection 1, paragraph b, Code 1981, is amended to read as follows:

b. "Electric power generating plant" means each taxable name plate rated electric power generating plant owned solely

or jointly by any person or electric power facility financed under the provisions of chapter 28F in which electrical energy is produced from other forms of energy, including all equipment used in the production of such energy through its step-up transformer.

Sec. 12. Section 428.37, subsection 2, paragraph c, Code 1981, is amended to read as follows:

c. Notwithstanding the provisions of paragraph "b" of this subsection, if the owner is a municipal electric utility or electric power facility financed under the provisions of chapter 28F, the remaining taxable value shall be allocated to each taxing district in which the municipal electric utility is serving customers and has electric meters in operation in the ratio that the number of operating electric meters of the municipal electric utility located in the taxing district bears to the total number of operating electric meters of the municipal electric utility in the state as of January 1 of the calendar year in which the assessment is made. If the municipal electric utility or electric power facility financed under the provisions of chapter 28F has no operating electric meters in this state, then the remainder shall be assessed and levied on at the current rate of the taxing district in which the electric power generating plant is located. Tax moneys received from such remainder assessment and levies shall be paid to the county treasurer, who shall pay such tax moneys to the treasurer of state not later than fifteen days from the date the tax moneys are received by the county treasurer for deposit in the general fund of the state.

All municipal electric utilities which shall have taxable value apportioned under this section shall, annually on or before the first day of May of each calendar year, make a report listing the total operating meters of the municipal electric utility in each taxing district it serves as of the

first day of January of each calendar year on forms provided by the department of revenue.

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TERRY E. BRANSTAD  
President of the Senate

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DELWYN STROMER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 48, Sixty-ninth General Assembly.

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LINDA HOWARTH MACKAY  
Secretary of the Senate

Approved 6/16, 1981

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ROBERT D. RAY  
Governor