

Amended 4/13/87

Amended (3128) - De Pass 4/13  
State House 4/13/87 (p. 13cc)

FILED JAN 28 1987

SENATE FILE 91  
BY COMMITTEE ON AGRICULTURE  
(Formerly SSB 18)  
(Approved 1/28/87)

Passed Senate, Date 2-5-87 (p. 22)  
Vote: Ayes 42 Nays 1  
Approved \_\_\_\_\_

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

A BILL FOR

1 An Act relating to the appointment of the secretary of the state  
2 fair board.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 91

1 Section 1. Section 173.1, subsection 4, Code 1987, is  
2 amended to read as follows:

3 4. A secretary appointed by the ~~secretary-of-agriculture~~  
4 ~~from-a-list-of-three-candidates-nominated-by-the-voting~~  
5 ~~members-of-the~~ state fair board. The secretary of the board  
6 is a nonvoting member of the board.

7 Sec. 2. Section 173.9, unnumbered paragraph 1, Code 1987,  
8 is amended to read as follows:

9 The secretary of the board shall be appointed by, and serve  
10 at the pleasure of, the secretary-of-agriculture state fair  
11 board. ~~However, the voting members of the board shall make an~~  
12 ~~annual recommendation to the secretary of agriculture as to~~  
13 ~~whether the secretary of the board should be retained.~~ The  
14 secretary of the board shall:

15 EXPLANATION

16 This bill provides for the appointment of the secretary of  
17 the state fair board by the state fair board. The secretary  
18 shall serve at the pleasure of the state fair board.

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SSB # 18  
Agriculture

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SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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SUB COMMITTEE ASSIGNMENTS

Chair: Agriculture

COMMITTEE: Soerholz

1-22-87

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## SENATE FILE 91

I-3728

1 Amend Senate File 91, as passed by the Senate, as  
2 follows:

3 1. Page 1, by striking lines 1 through 14 and  
4 inserting the following:

5 "Section 1. Section 173.1, Code 1987, is amended  
6 by striking the section and inserting in lieu thereof  
7 the following:

8 173.1 STATE FAIR AUTHORITY.

9 The Iowa state fair authority is established as a  
10 public instrumentality of the state. The authority is  
11 not an agency of state government. However, the  
12 authority is considered a state agency and its  
13 employees state employees for the purposes of chapters  
14 17A and 25A. The authority is established to conduct  
15 an annual state fair and exposition on the Iowa state  
16 fairgrounds and to conduct other interim events  
17 consistent with its rules. The powers of the  
18 authority are vested in the Iowa state fair board.  
19 The Iowa state fair board consists of the following:

20 1. The governor of the state, the secretary of  
21 agriculture, and the president of the Iowa State  
22 University of science and technology or their  
23 qualified representatives.

24 2. One director from each congressional district  
25 and three directors at large, to be elected at a  
26 convention as provided in section 173.2.

27 3. A president and vice president to be elected by  
28 the state fair board from the nine elected directors.

29 4. A secretary and a treasurer to be elected by  
30 the board, and who shall be nonvoting members.

31 Sec. 2. Section 173.9, Code 1987, is amended by  
32 striking the section and inserting in lieu thereof the  
33 following:

34 173.9 SECRETARY.

35 The board shall appoint a secretary who shall hold  
36 office for one year. The secretary shall:

37 1. Administer the policies set by the board.

38 2. Employ other employees and agents as the  
39 secretary deems necessary for carrying out the  
40 policies of the board and to conduct the affairs of  
41 the state fair. The secretary may fix the duties and  
42 compensation of any employees or agents with the  
43 approval of the board.

44 3. Keep a complete record of the annual convention  
45 and of all meetings of the board.

46 4. Draw all warrants on the treasurer of the board  
47 and keep a correct account of them.

48 5. Perform other duties as the board directs.

49 Sec. 3. Section 173.10, Code 1987, is amended to  
50 read as follows:

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1 173.10 SALARY OF SECRETARY.

2 The secretary shall receive such the salary as  
3 fixed by the general-assembly board.

4 Sec. 4. Section 173.14, Code 1987, is amended by  
5 striking the section and inserting in lieu thereof the  
6 following:

7 173.14 FUNCTIONS OF THE BOARD.

8 The state fair board has the custody and control of  
9 the state fairgrounds, including the buildings and  
10 equipment on it belonging to the state, and may:

11 1. Hold an annual fair and exposition on those  
12 grounds. All revenue generated by the fair and any  
13 interim uses shall be retained solely by the board.

14 2. Prepare premium lists and establish rules of  
15 exhibitors for the fair which shall be published by  
16 the board not later than sixty days prior to the  
17 opening of the fair.

18 3. Grant a written permit to persons as it deems  
19 proper to sell fruit, provisions, and other lawful  
20 articles under rules the board prescribes.

21 4. Appoint security personnel as the president  
22 deems necessary.

23 5. Take and hold property by gift, devise, or  
24 bequest for fair purposes. The president, secretary,  
25 and treasurer of the board shall have custody and  
26 control of the property, subject to the action of the  
27 board. Those officers shall give bonds as required in  
28 the case of executors, to be approved by the board and  
29 filed with the secretary of state.

30 6. Erect and repair buildings on the grounds and  
31 make other necessary improvements.

32 7. Grant written permission to persons to use the  
33 fairgrounds when the fair is not in progress.

34 8. Take, acquire, hold, and dispose of property by  
35 deed, gift, devise, bequest, lease, or eminent domain.  
36 The title to real estate acquired under this  
37 subsection and improvements erected on the real estate  
38 shall be taken and held in the name of the state of  
39 Iowa and shall be under the custody and control of the  
40 board. In the exercise of the power of eminent domain  
41 the board shall proceed in the manner provided in  
42 chapters 471 and 472.

43 9. Solicit and accept contributions from private  
44 sources for the purpose of financing and supporting  
45 the fair.

46 10. Make an agreement with the Iowa highway safety  
47 patrol to provide for security during the annual fair  
48 and exposition and interim events.

49 Sec. 5. NEW SECTION. 173.14A GENERAL CORPORATE  
50 POWERS OF THE AUTHORITY.

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The authority has all of the general corporate powers needed to carry out its purposes and duties, and to exercise its specific powers including, but not limited to, the power to:

1. Issue its negotiable bonds and notes as provided in this chapter.

2. Sue and be sued in its own name.

3. Have and alter a corporate seal.

4. Make and alter bylaws for its management consistent with this chapter.

5. Make and execute agreements, contracts, and other instruments, with any public or private entity.

6. Accept appropriations, gifts, grants, loans, or other aid from public or private entities.

7. Make, alter, and repeal rules consistent with this chapter, subject to chapter 17A.

Sec. 6. NEW SECTION. 173.14B BONDS AND NOTES.

1. The board may issue and sell negotiable revenue bonds of the authority in denominations and amounts as the board deems for the best interests of the fair, for any of the following purposes:

a. To acquire real estate to be devoted to uses for the fair.

b. To pay any expenses or costs incidental to a building or repair project.

c. To provide sufficient funds for the advancement of any of its corporate purposes.

2. The board may issue negotiable bonds and notes of the authority in principal amounts which are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the board incident to and necessary or convenient to carry out its purposes and powers. However, the total principal amount of bonds and notes outstanding at any time shall not exceed one hundred fifty million dollars. The bonds and notes are deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

3. Bonds and notes are payable solely out of the moneys, assets, or revenues of the authority and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or its political subdivisions other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely from

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1 sources provided in this chapter, and the authority  
2 shall not pledge the credit or taxing power of this  
3 state or its political subdivisions other than the  
4 authority or make its debts payable out of any money  
5 except those of the authority.

6 4. Bonds shall:

7 a. State the date and series of the issue, be  
8 consecutively numbered, and state on their face that  
9 they are payable both as to principal and interest  
10 solely out of the assets of the authority and do not  
11 constitute an indebtedness of this state or its  
12 political subdivisions other than the authority within  
13 the meaning of any constitutional or statutory debt  
14 limit.

15 b. Be either registered, registered as to  
16 principal only, or in coupon form, issued in  
17 denominations as the board prescribes, fully  
18 negotiable instruments under the laws of this state,  
19 signed on behalf of the authority with the manual or  
20 facsimile signature of the president or vice  
21 president, attested by the manual or facsimile  
22 signature of the secretary, have impressed or  
23 imprinted on it the seal of the authority or facsimile  
24 of it, and coupons attached shall be signed with the  
25 facsimile signature of the president or vice  
26 president, be payable as to interest at rates and at  
27 times as the authority determines, be payable as to  
28 principal at times over a period not to exceed fifty  
29 years from the date of issuance, at places and with  
30 reserved rights of prior redemption, as the board  
31 prescribes, be sold at prices, at public or private  
32 sale, and in a manner as the board prescribes, and the  
33 board may pay all expenses, premiums, and commissions  
34 which it deems necessary or advantageous in connection  
35 with the issuance and sale; and be issued subject to  
36 the terms, conditions, and covenant providing for the  
37 payment of the principal, redemption premiums, if any,  
38 interest, and other terms, conditions, covenants, and  
39 protective provisions safeguarding payment, not  
40 inconsistent with this chapter, as are found to be  
41 necessary by the board for the most advantageous sale,  
42 which may include, but are not limited to, covenants  
43 with the holders of the bonds as to those matters set  
44 forth in section 220.26, subsection 4, paragraph "b".

45 5. The board may issue bonds of the authority for  
46 the purpose of refunding any bonds or notes of the  
47 authority then outstanding, including the payment of  
48 any redemption premiums and any interest accrued or to  
49 accrue to the date of redemption of the outstanding  
50 bonds or notes. Until the proceeds of the bonds

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1 issued for the purpose of refunding outstanding bonds  
2 or notes are applied to the purchase or retirement of  
3 outstanding bonds or notes or the redemption of  
4 outstanding bonds or notes, the proceeds may be placed  
5 in escrow and be invested and reinvested in accordance  
6 with this chapter. The interest, income, and profits  
7 earned or realized on an investment may also be  
8 applied to the payment of the outstanding bonds or  
9 notes to be refunded by purchase, retirement, or  
10 redemption. After the terms of the escrow have been  
11 fully satisfied and carried out, any balance of  
12 proceeds and interest earned or realized on the  
13 investments may be returned to the authority for use  
14 by it in any lawful manner. All refunding bonds shall  
15 be issued and secured and subject to this chapter in  
16 the same manner and to the same extent as other bonds.

17 6. The board may issue negotiable bond  
18 anticipation notes of the authority and may renew them  
19 from time to time but the maximum maturity of the  
20 notes, including renewals, shall not exceed ten years  
21 from the date of issue of the original notes. Notes  
22 are payable from any available moneys of the authority  
23 not otherwise pledged or from the proceeds of the sale  
24 of bonds in anticipation of which the notes were  
25 issued. Notes may be issued for any corporate purpose  
26 of the authority. Notes shall be issued in the same  
27 manner as bonds and notes and the resolution of the  
28 board may contain any provisions, conditions, or  
29 limitations, not inconsistent with this subsection,  
30 which the bonds or a bond resolution of the board may  
31 contain. Notes may be sold at public or private sale.  
32 In case of default on its notes or violation of any  
33 obligations of the authority to the noteholders, the  
34 noteholders have all the remedies provided in this  
35 chapter for bondholders. Notes shall be as fully  
36 negotiable as bonds of the authority.

37 7. A copy of each pledge agreement by or to the  
38 authority, including without limitation each bond  
39 resolution, indenture of trust, or similar agreement,  
40 or any revisions or supplements to it shall be filed  
41 with the secretary of state and no further filing or  
42 other action under article 9 of the uniform commercial  
43 code or any other law of the state is required to  
44 perfect the security interest in the collateral or any  
45 additions to it or substitutions for it, and the lien  
46 and trust so created is binding from and after the  
47 time it is made against all parties having claims of  
48 any kind in tort, contract, or otherwise against the  
49 pledgor.

8. Members of the board and any person executing

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1 the authority's bonds, notes, or other obligations are  
2 not liable personally on the bonds, notes, or other  
3 obligations or subject to personal liability or  
4 accountability by reason of the issuance of the  
5 authority's bonds or notes.

6 9. The board shall publish a notice of intention  
7 to issue bonds or notes in a newspaper published and  
8 of general circulation in the state. The notice shall  
9 include a statement of the maximum amount of bonds or  
10 notes proposed to be issued, and in general, what net  
11 revenues will be pledged to pay the bonds or notes and  
12 interest on them. An action shall not be brought  
13 questioning the legality of the bonds or notes, the  
14 power of the board to issue the bonds or notes, or the  
15 legality of any proceedings in connection with the  
16 authorization or issuance of the bonds or notes after  
17 sixty days from the date of publication of the notice.

18 Sec. 7. Section 173.21, unnumbered paragraph 1,  
19 Code 1987, is amended to read as follows:

20 The ~~state-fair~~ board shall file with the governor  
21 each year at-the-time-provided-by-law-make by February  
22 15 a report to-the-governor containing the following  
23 information relative to the state fair and exposition  
24 and the district and county fairs:

25 Sec. 8. NEW SECTION. 173.23 LIEN ON PROPERTY.

26 The board has a prior lien upon the property of any  
27 concessionaire, exhibitor, or person, immediately upon  
28 the property being brought onto the grounds, to secure  
29 existing or future indebtedness.

30 Sec. 9. NEW SECTION. 173.24 INAPPLICABILITY OF  
31 THE STATE MERIT SYSTEM.

32 The fair's secretary and persons employed by the  
33 board are not subject to the state merit system of  
34 personnel administration of chapter 19A or the  
35 collective bargaining provision of chapter 20.

36 Sec. 10. NEW SECTION. 173.25 EXEMPTION OF STATE  
37 FAIR BY THE STATE'S PURCHASING PROCEDURES.

38 The state fair is exempt from the state system of  
39 uniform purchasing procedures. However, the board may  
40 contract with the department of general services to  
41 purchase any items through the state system. The  
42 board shall adopt its own system of uniform standards  
43 and specifications for purchasing.

44 Sec. 11. NEW SECTION. 173.26 RETIREMENT SYSTEM.

45 A person who was an employee of the Iowa state fair  
46 on the effective date of this Act, who becomes an  
47 employee of the authority on or after that date is  
48 subject to chapters 91B, 97B, and 509A.

49 Sec. 12. Section 173.20, Code 1987, is repealed.

50 Sec. 13. The Iowa state fair board shall conduct a

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1 study and file its recommendations with the general  
2 assembly by January 15, 1988. The study shall examine  
3 whether the cultural and exposition objectives of the  
4 state fair would, in the long term, be better served  
5 by a relocation of the state fairgrounds and by the  
6 development of more multipurpose buildings on a new or  
7 the present fairgrounds.

8 Only fifteen million dollars of the bonds and notes  
9 authorized by section 173.14B may be issued before and  
10 by January 15, 1988."

11 2. Title page, by striking lines 1 and 2 and  
12 inserting the following: "An Act relating to the Iowa  
13 state fair by creating an independent Iowa state fair  
14 authority, authorizing the issuance of bonds and  
15 notes."

H-3728 FILED APRIL 13, 1987 BY COMMITTEE ON AGRICULTURE