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Succeeded BY
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Local Government

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON MILLER)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the creation of a multimodal authority and
2 granting the authority the power to issue bonds and notes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 16B.1 SHORT TITLE.

2 This chapter shall be known as and may be cited as the
3 "Multimodal Authority Act".

4 Sec. 2. NEW SECTION. 16B.2 ESTABLISHMENT OF AUTHORITY.

5 1. The multimodal authority is established, and
6 constitutes a public instrumentality and agency of the state
7 exercising public and essential governmental functions. The
8 powers of the authority are vested in and shall be exercised
9 by a board of seven members appointed by the governor subject
10 to confirmation by the senate. The board shall also include
11 two ex officio, nonvoting members. No more than four voting
12 members shall belong to the same political party. The voting
13 membership of the board shall include all of the following:

- 14 a. One member of a county board of supervisors from a
15 county in which a multimodal facility is located.
16 b. One mayor of a city in the county in which a multimodal
17 facility is located.
18 c. One expert in international trade.
19 d. Four representatives of the general public with an
20 expertise in business, finance, aviation, and freight
21 forwarding.

22 2. The ex officio, nonvoting members of the board shall
23 include the following:

- 24 a. One state senator appointed by the president of the
25 senate, after consultation with the majority and minority
26 leaders of the senate, representing a senatorial district
27 which has a multimodal facility located in the district.
28 b. One state representative appointed by the speaker of
29 the house of representatives, after consultation with majority
30 and minority leaders of the house, representing a house of
31 representative district which has a multimodal facility
32 located in the district.

33 3. Members of the authority shall be appointed for
34 staggered terms of six years beginning and ending as provided
35 in section 69.19. A person appointed to fill a vacancy shall

1 serve only for the unexpired portion of the term. A member is
2 eligible for reappointment. A member of the authority may be
3 removed from office for misfeasance, malfeasance, or willful
4 neglect of duty or other just cause, after notice and hearing,
5 unless the notice and hearing is expressly waived in writing.

6 4. Five members of the authority constitute a quorum and
7 the affirmative vote of a majority of the appointed members is
8 necessary for any substantive action taken by the authority.
9 The majority shall not include any member who has a conflict
10 of interest, and a statement by a member of a conflict of
11 interest shall be conclusive for this purpose. A vacancy in
12 the membership does not impair the right of a quorum to
13 exercise all rights and perform all duties of the authority.

14 5. The state senator and state representative members are
15 entitled to receive the per diem provided for in chapter 2.
16 Other members of the authority are entitled to receive a per
17 diem as specified in section 7E.6 for each day spent in
18 performance of duties as members. All members shall be
19 reimbursed for all actual and necessary expenses incurred in
20 the performance of duties as members.

21 6. Members of the authority and the executive director
22 shall give bond as required for public officers in chapter 64.

23 7. Meetings of the authority shall be held at the call of
24 the chairperson, or whenever two members so request.

25 8. Members shall elect a chairperson and vice chairperson
26 annually, and other officers as they determine, but the
27 executive director shall serve as secretary to the authority.

28 9. The net earnings of the authority, beyond that
29 necessary for retirement of its notes, bonds, or other
30 obligations, or to implement the public purposes and programs
31 herein authorized, shall not inure to the benefit of any
32 person other than the state. Upon termination of the
33 existence of the authority, title to all property owned by the
34 authority, including any such net earnings of the authority,
35 shall vest in the state. The state reserves the right at any

1 time to alter, amend, repeal, or otherwise change the
2 structure, organization, programs, or activities of the
3 authority, including the power to terminate the authority,
4 except that no law shall ever be passed impairing the
5 obligation of any contract or contracts entered into by the
6 authority to the extent that any such law would contravene
7 Article I, section 21, of the Constitution of the State of
8 Iowa or Article I, section 10, of the Constitution of the
9 United States.

10 Sec. 3. NEW SECTION. 16B.3 FINDINGS.

11 The general assembly finds and declares as follows:

12 1. A multimodal authority is necessary to promote Iowa as
13 the food capital of the world and provide air, rail, and truck
14 transportation for value-added products exported from Iowa.

15 2. The establishment of a multimodal authority is in all
16 respects for the benefit of the people of the state of Iowa,
17 for the improvement of their health and welfare, and for the
18 promotion of the economy.

19 3. The authority shall be performing an essential
20 governmental function in the exercise of the powers and duties
21 conferred upon it by this chapter.

22 4. A single location should be chosen in the state for a
23 multimodal facility to prevent an inefficient allocation of
24 resources, to ensure the maximum utilization of the multimodal
25 facility, and to thereby provide economic viability to the
26 project.

27 5. A multimodal facility must be located at the
28 convergence of a four-lane interstate highway connection, a
29 railroad system connection, a major airport with at least one
30 runway in excess of five thousand feet, and a connection to a
31 free trade zone, and with sufficient area to establish and
32 expand an industrial park.

33 6. The location of a multimodal facility should be in the
34 southeastern portion of the state which is currently in need
35 of economic development projects and has existing value-added

1 processors. The success of the Huntsville, Alabama,
 2 multimodal facility, which generated more than thirty thousand
 3 jobs, over one billion dollars in local payroll, and developed
 4 assets in excess of one hundred fifty million dollars as well
 5 as an operating profit in excess of three million dollars a
 6 year, would serve as an example of the economic development
 7 potential such a facility could provide.

8 7. A multimodal facility should be located in the area of
 9 the state included in the mid-America port commission.

10 8. Therefore, the one viable location in this state for a
 11 multimodal facility is at the Ottumwa airport and the
 12 surrounding area. This conclusion is based on the existing
 13 airport facility, the existing industrial park adjacent to the
 14 airport, the existing potential of development of the
 15 surrounding area without significant population disruption,
 16 the existence of the tristate port authority duty-free zone
 17 which could include the facility, the future expansion of the
 18 four-lane highway 63 with a proposed easement to allow direct
 19 access to the I&M railway as well as the Burlington Northern
 20 and Santa Fe railroad network.

21 9. A multimodal facility in Ottumwa would lower the
 22 transportation costs for Iowa producers and consumers.
 23 Furthermore, the facility would provide a competitive
 24 advantage that Iowa businesses need to remain viable in the
 25 national and world markets.

26 10. An Ottumwa multimodal facility should also be
 27 authorized to provide up to a ten-year tax holiday from state
 28 income tax as an incentive to new businesses locating within
 29 the facility.

30 Sec. 4. NEW SECTION. 16B.4 GENERAL POWERS.

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

- 34 1. Issue its negotiable bonds and notes in order to
- 35 finance its programs.

- 1 2. Sue and be sued in its own name.
- 2 3. Have and alter a corporate seal.
- 3 4. Make and alter bylaws for its management consistent
4 with the provisions of this chapter.
- 5 5. Make and execute agreements, contracts, and other
6 instruments, with any public or private entity.
- 7 6. Acquire, hold, improve, mortgage, lease, and dispose of
8 real and personal property, including, but not limited to, the
9 power to sell at public or private sale, with or without
10 public bidding, any such property, mortgage loan, or other
11 obligation held by it.
- 12 7. Procure insurance against any loss in connection with
13 its operations and property interests.
- 14 8. Fix and collect fees and charges for its services.
- 15 9. Subject to an agreement with bondholders or
16 noteholders, invest or deposit moneys of the authority in a
17 manner determined by the authority, notwithstanding chapter
18 12B or 12C.
- 19 10. Accept appropriations, gifts, grants, loans, or other
20 aid from public or private entities. A record of all gifts or
21 grants, stating the type, amount and donor, shall be clearly
22 set out in the authority's annual report along with the record
23 of other receipts.
- 24 11. Provide technical assistance and counseling related to
25 the authority's purposes, to public and private entities.
- 26 12. In cooperation with other local, state, or federal
27 governmental agencies, conduct research studies, develop
28 estimates of unmet needs, and gather and compile data useful
29 to facilitate decision making.
- 30 13. Cooperate in development of and initiation of
31 demonstration projects.
- 32 14. Contract with architects, engineers, attorneys,
33 accountants, finance experts, and other advisors. However,
34 the authority may enter into contracts or agreements for such
35 services with local, state, or federal governmental agencies.

1 15. Adopt rules pursuant to chapter 17A consistent with
2 the provisions of this chapter.

3 Sec. 5. NEW SECTION. 16B.5 DUTIES.

4 The authority shall do all of the following:

5 1. Determine a location in the state for a multimodal
6 facility. This determination shall be based, in part, on the
7 legislative findings in section 16B.3.

8 2. Develop, operate, and market a multimodal facility.

9 3. Provide financial incentives to encourage the
10 development and use of a multimodal facility.

11 Sec. 6. NEW SECTION. 16B.6 EXECUTIVE DIRECTOR --
12 RESPONSIBILITIES.

13 1. The governor, subject to confirmation by the senate,
14 shall appoint an executive director of the authority, who
15 shall serve at the pleasure of the governor. The executive
16 director shall be selected primarily for administrative
17 ability and knowledge in the fields of transportation and
18 public administration, without regard to political
19 affiliation. The executive director shall not, directly or
20 indirectly, exert influence to induce any other officers or
21 employees of the state to adopt a political view, or to favor
22 a political candidate for office.

23 2. The executive director shall advise the authority,
24 carry out all directives from the authority, and hire and
25 supervise the authority's staff pursuant to its directions.
26 All employees of the authority are exempt from the merit
27 system.

28 3. The executive director, as secretary of the authority,
29 shall keep a record of the proceedings of the authority and
30 shall be custodian of all books, documents, and papers filed
31 with the authority and of its minute book and seal. The
32 executive director shall have authority to cause to be made
33 copies of all minutes and other records and documents of the
34 authority and to give certificates under the seal of the
35 authority to the effect that such copies are true copies and

1 all persons dealing with the authority may rely upon such
2 certificates.

3 Sec. 7. NEW SECTION. 16B.7 ANNUAL REPORT.

4 1. The authority shall submit to the governor and to the
5 general assembly, not later than January 15 each year, a
6 complete report setting forth:

7 a. Its operations and accomplishments.

8 b. Its receipts and expenditures during the fiscal year,
9 in accordance with the classifications it establishes for its
10 operating and capital accounts.

11 c. Its assets and liabilities at the end of its fiscal
12 year and the status of reserve, special, and other funds.

13 d. A schedule of its bonds and notes outstanding at the
14 end of its fiscal year, together with a statement of the
15 amounts redeemed and issued during its fiscal year.

16 e. A statement of its proposed and projected activities.

17 f. Recommendations to the general assembly, as it deems
18 necessary.

19 2. The annual report shall identify performance goals of
20 the authority, and clearly indicate the extent of progress
21 during the reporting period, in attaining the goals.

22 Sec. 8. NEW SECTION. 16B.8 BONDS AND NOTES.

23 1. The authority may issue its negotiable bonds and notes
24 in principal amounts as, in the opinion of the authority, are
25 necessary to provide sufficient funds for achievement of its
26 corporate purposes, the payment of interest on its bonds and
27 notes, the establishment of reserves to secure its bonds and
28 notes, and all other expenditures of the authority incident to
29 and necessary or convenient to carry out its purposes and
30 powers. The bonds and notes shall be deemed to be investment
31 securities and negotiable instruments within the meaning of
32 and for all purposes of the uniform commercial code.

33 2. Bonds and notes issued by the authority are payable
34 solely and only out of the moneys, assets, or revenues of the
35 authority, and as provided in the agreement with bondholders

1 or noteholders pledging any particular moneys, assets, or
 2 revenues. Bonds or notes are not an obligation of this state
 3 or any political subdivision of this state other than the
 4 authority within the meaning of any constitutional or
 5 statutory debt limitations, but are special obligations of the
 6 authority payable solely and only from the sources provided in
 7 this chapter, and the authority shall not pledge the credit or
 8 taxing power of this state or any political subdivision of
 9 this state other than the authority, or make its debts payable
 10 out of any moneys except those of the authority.

11 3. Bonds and notes must be authorized by a resolution of
 12 the authority. However, a resolution authorizing the issuance
 13 of bonds or notes may delegate to an officer of the authority
 14 the power to negotiate and fix the details of an issue of
 15 bonds or notes by an appropriate certificate of the authorized
 16 officer.

17 4. Bonds shall:

18 a. State the date and series of the issue, be
 19 consecutively numbered, and state on their face that they are
 20 payable both as to principal and interest solely out of the
 21 assets of the authority and do not constitute an indebtedness
 22 of this state or any political subdivision of this state other
 23 than the authority within the meaning of any constitutional or
 24 statutory debt limit.

25 b. Be either registered, registered as to principal only,
 26 or in coupon form, issued in denominations as the authority
 27 prescribes, fully negotiable instruments under the laws of
 28 this state, signed on behalf of the authority with the manual
 29 or facsimile signature of the chairperson or vice chairperson,
 30 attested by the manual or facsimile signature of the
 31 secretary, have impressed or imprinted thereon the seal of the
 32 authority or a facsimile of it, and the coupons attached shall
 33 be signed with the facsimile signature of the chairperson or
 34 vice chairperson, be payable as to interest at rates and at
 35 times as the authority determines, be payable as to principal

1 at times over a period not to exceed fifty years from the date
2 of issuance, at places, and with reserved rights of prior
3 redemption, as the authority prescribes, be sold at prices, at
4 public or private sale, and in a manner as the authority
5 prescribes, and the authority may pay all expenses, premiums,
6 and commissions which it deems necessary or advantageous in
7 connection with the issuance and sale, and be issued under and
8 subject to the terms, conditions, and covenants providing for
9 the payment of the principal, redemption premiums, if any,
10 interest, and other terms, conditions, covenants, and
11 protective provisions safeguarding payment, not inconsistent
12 with this chapter, as are found to be necessary by the
13 authority for the most advantageous sale, which may include,
14 but are not limited to, covenants with the holders of the
15 bonds as to:

16 (1) Pledging or creating a lien, to the extent provided by
17 the resolution, on moneys or property of the authority or
18 moneys held in trust or otherwise by others to secure the
19 payment of the bonds.

20 (2) Providing for the custody, collection, securing,
21 investment, and payment of any moneys of or due to the
22 authority.

23 (3) The setting aside of reserves or sinking funds and the
24 regulation or disposition of them.

25 (4) Limitations on the purpose to which the proceeds of
26 sale of an issue of bonds then or thereafter to be issued may
27 be applied.

28 (5) Limitations on the issuance of additional bonds and on
29 the refunding of outstanding or other bonds.

30 (6) The procedure by which the terms of a contract with
31 the holders of bonds may be amended or abrogated, the amount
32 of bonds the holders of which must consent thereto, and the
33 manner in which consent may be given.

34 (7) The creation of special funds into which moneys of the
35 authority may be deposited.

1 (8) Vesting in a trustee properties, rights, powers, and
 2 duties in trust as the authority determines, which may include
 3 the rights, powers, and duties of the trustee appointed for
 4 the holders of any issue of bonds pursuant to section 16B.10,
 5 in which event the provisions of that section authorizing
 6 appointment of a trustee by the holders of bonds shall not
 7 apply, or limiting or abrogating the right of the holders of
 8 bonds to appoint a trustee under that section, or limiting the
 9 rights, duties, and powers of the trustee.

10 (9) Defining the acts or omissions which constitute a
 11 default in the obligations and duties of the authority and
 12 providing for the rights and remedies of the holders of bonds
 13 in the event of a default. However, rights and remedies shall
 14 be consistent with the laws of this state and other provisions
 15 of this chapter.

16 (10) Any other matters which affect the security and
 17 protection of the bonds and the rights of the holders.

18 5. The authority may issue its bonds for the purpose of
 19 refunding any bonds or notes of the authority then
 20 outstanding, including the payment of any redemption premiums
 21 thereon and any interest accrued or to accrue to the date of
 22 redemption of the outstanding bonds or notes. Until the
 23 proceeds of bonds issued for the purpose of refunding
 24 outstanding bonds or notes are applied to the purchase or
 25 retirement of outstanding bonds or notes or the redemption of
 26 outstanding bonds or notes, the proceeds may be placed in
 27 escrow and be invested and reinvested in accordance with the
 28 provisions of this chapter. The interest, income, and profits
 29 earned or realized on an investment may also be applied to the
 30 payment of the outstanding bonds or notes to be refunded by
 31 purchase, retirement, or redemption. After the terms of the
 32 escrow have been fully satisfied and carried out, any balance
 33 of proceeds and interest earned or realized on the investments
 34 may be returned to the authority for use by it in any lawful
 35 manner. All refunding bonds shall be issued and secured and

1 subject to the provisions of this chapter in the same manner
2 and to the same extent as other bonds issued pursuant to this
3 chapter.

4 6. The authority may issue negotiable bond anticipation
5 notes and may renew them from time to time but the maximum
6 maturity of the notes, including renewals, shall not exceed
7 ten years from the date of issue of the original notes. Notes
8 are payable from any available moneys of the authority not
9 otherwise pledged, or from the proceeds of the sale of bonds
10 of the authority in anticipation of which the notes were
11 issued. Notes may be issued for any corporate purpose of the
12 authority. Notes shall be issued in the same manner as bonds,
13 and notes and the resolution authorizing them may contain any
14 provisions, conditions, or limitations, not inconsistent with
15 the provisions of this subsection, which the bonds or a bond
16 resolution of the authority may contain. Notes may be sold at
17 public or private sale. In case of default on its notes or
18 violation of any obligations of the authority to the
19 noteholders, the noteholders shall have all the remedies
20 provided in this chapter for bondholders. Notes shall be as
21 fully negotiable as bonds of the authority.

22 7. A copy of each pledge agreement by or to the authority,
23 including without limitation each bond resolution, indenture
24 of trust or similar agreement, or any revisions or supplements
25 to it shall be filed with the secretary of state and no
26 further filing or other action under chapter 554, article 9 of
27 the uniform commercial code, or any other law of the state
28 shall be required to perfect the security interest in the
29 collateral or any additions to it or substitutions for it, and
30 the lien and trust so created shall be binding from and after
31 the time made against all parties having claims of any kind in
32 tort, contract, or otherwise against the pledgor.

33 8. Neither the members of the authority nor any person
34 executing its bonds, notes, or other obligations, shall be
35 liable personally on the bonds, notes, or other obligations,

1 or be subject to any personal liability or accountability by
2 reason of the issuance of the authority's bonds or notes.

3 Sec. 9. NEW SECTION. 16B.9 RESERVE FUNDS AND
4 APPROPRIATIONS.

5 1. The authority may create and establish one or more
6 special funds, to be known as "bond reserve funds", and shall
7 pay into each bond reserve fund any moneys appropriated and
8 made available by the state for the purpose of the fund, any
9 proceeds of sale of notes or bonds to the extent provided in
10 the resolutions of the authority authorizing their issuance,
11 and any other moneys which may be available to the authority
12 for the purpose of the fund from any other sources. All
13 moneys held in a bond reserve fund, except as otherwise
14 provided in this chapter, shall be used as required solely for
15 the payment of the principal of bonds secured in whole or in
16 part by the fund or of the sinking fund payments with respect
17 to the bonds, the purchase or redemption of the bonds, the
18 payment of interest on the bonds, or the payments of any
19 redemption premium required to be paid when the bonds are
20 redeemed prior to maturity.

21 2. Moneys in a bond reserve fund shall not be withdrawn
22 from it at any time in an amount that will reduce the amount
23 of the fund to less than the bond reserve fund requirement
24 established for the fund, as provided in this section, except
25 for the purpose of making, with respect to bonds secured in
26 whole or in part by the fund, payment when due of principal,
27 interest, redemption premiums, and the sinking fund payments
28 with respect to the bonds for the payment of which other
29 moneys of the authority are not available. Any income or
30 interest earned by, or incremental to, a bond reserve fund due
31 to the investment of it may be transferred by the authority to
32 other funds or accounts of the authority to the extent the
33 transfer does not reduce the amount of that bond reserve fund
34 below the bond reserve fund requirement for it.

35 3. The authority shall not at any time issue bonds,

1 secured in whole or in part by a bond reserve fund if, upon
2 the issuance of the bonds, the amount in the bond reserve fund
3 will be less than the bond reserve fund requirement for the
4 fund, unless the authority at the time of issuance of the
5 bonds deposits in the fund from the proceeds of the bonds
6 issued or from other sources an amount which, together with
7 the amount then in the fund, will not be less than the bond
8 reserve fund requirement for the fund. For the purposes of
9 this section, the term "bond reserve fund requirement" means,
10 as of any particular date of computation, an amount of money,
11 as provided in the resolutions of the authority authorizing
12 the bonds with respect to which the fund is established, equal
13 to not more than ten percent of the outstanding principal
14 amount of bonds of the authority secured in whole or in part
15 by the fund.

16 4. To assure the continued operation and solvency of the
17 authority for the carrying out of its corporate purposes,
18 provision is made in subsection 1 for the accumulation in each
19 bond reserve fund of an amount equal to the bond reserve fund
20 requirement for the fund. In order to further assure
21 maintenance of the bond reserve funds, the chairperson of the
22 authority board shall, on or before July 1 of each calendar
23 year, make and deliver to the governor the chairperson's
24 certificate stating the sum, if any, required to restore each
25 bond reserve fund to the bond reserve fund requirement for
26 that fund. Within thirty days after the beginning of the
27 session of the general assembly next following the delivery of
28 the certificate, the governor may submit to both houses
29 printed copies of a budget including the sum, if any, required
30 to restore each bond reserve fund to the bond reserve fund
31 requirement for that fund. Any sums appropriated by the
32 general assembly and paid to the authority pursuant to this
33 section shall be deposited by the authority in the applicable
34 bond reserve fund.

35 5. All amounts paid over to the authority by the state

1 pursuant to the provisions of this section shall constitute
 2 and be accounted for as advances by the state to the authority
 3 and, subject to the rights of the holders of any bonds or
 4 notes of the authority theretofore or thereafter issued, shall
 5 be repaid to the state without interest from all available
 6 operating revenues of the authority in excess of amounts
 7 required for the payment of bonds, notes, or obligations of
 8 the authority, the bond reserve fund and operating expenses.

9 6. The authority shall cause to be delivered to the
 10 legislative fiscal committee within ninety days of the close
 11 of its fiscal year its annual report certified by an
 12 independent certified public accountant, who may be the
 13 accountant or a member of the firm of accountants who
 14 regularly audits the books and accounts of the authority,
 15 selected by the authority. In the event that the principal
 16 amount of any bonds or notes deposited in a bond reserve fund
 17 is withdrawn for payment of principal or interest thereby
 18 reducing the amount of that fund to less than the bond reserve
 19 fund requirement, the authority shall immediately notify the
 20 general assembly of this event, and shall thereafter take
 21 steps to restore such bond reserve to the bond reserve fund
 22 requirement for that fund from any amounts available, other
 23 than principal of a bond issue, which are not pledged to the
 24 payment of other bonds or notes.

25 Sec. 10. NEW SECTION. 16B.10 REMEDIES OF BONDHOLDERS AND
 26 NOTEHOLDERS.

27 1. If the authority defaults in the payment of principal
 28 or interest on an issue of bonds or notes after they become
 29 due, whether at maturity or upon call for redemption, and the
 30 default continues for a period of thirty days, or if the
 31 authority fails or refuses to comply with the provisions of
 32 this chapter, or defaults in an agreement made with the
 33 holders of an issue of bonds or notes, the holders of twenty-
 34 five percent in aggregate principal amount of bonds or notes
 35 of the issue then outstanding, by instrument filed in the

1 office of the clerk of the county in which the principal
2 office of the authority is located, and proved or acknowledged
3 in the same manner as a deed to be recorded, may appoint a
4 trustee to represent the holders of the bonds or notes for the
5 purposes provided in this section.

6 2. The authority or any trustee appointed under the
7 indenture under which the bonds are issued may, and upon
8 written request of the holders of twenty-five percent in
9 aggregate principal amount of the issue of bonds or notes then
10 outstanding shall:

11 a. Enforce all rights of the bondholders or noteholders,
12 including the right to require the authority to carry out its
13 agreements with the holders and to perform its duties under
14 this chapter.

15 b. Bring suit upon the bonds or notes.

16 c. By action require the authority to account as if it
17 were the trustee of an express trust for the holders.

18 d. By action enjoin any acts or things which are unlawful
19 or in violation of the rights of the holders.

20 e. Declare all the bonds or notes due and payable, and if
21 all defaults are made good, then, with the consent of the
22 holders of twenty-five percent of the aggregate principal
23 amount of the issue of bonds or notes then outstanding, annul
24 the declaration and its consequences.

25 The bondholders or noteholders, to the extent provided in
26 the resolution by which the bonds or notes were issued or in
27 their agreement with the authority, may enforce any of the
28 remedies in paragraphs "a" to "e" or the remedies provided in
29 those agreements for and on their own behalf.

30 3. The trustee shall also have and possess all powers
31 necessary or appropriate for the exercise of functions
32 specifically set forth or incident to the general
33 representation of bondholders or noteholders in the
34 enforcement and protection of their rights.

35 4. Before declaring the principal of bonds or notes due

1 and payable, the trustee shall first give thirty days' notice
2 in writing to the governor, to the authority, and to the
3 attorney general of the state.

4 5. The district court has jurisdiction of any action by
5 the trustee on behalf of bondholders or noteholders. The
6 venue of the action shall be in the county in which the
7 principal office of the authority is located.

8 Sec. 11. NEW SECTION. 16B.11 MONEYS OF THE AUTHORITY.

9 1. Moneys of the authority from whatever source derived,
10 except as otherwise provided in this chapter, shall be paid to
11 the authority and shall be deposited in a bank or other
12 financial institution designated by the authority. The moneys
13 shall be withdrawn on the order of the person authorized by
14 the authority. Deposits shall, if required by the authority,
15 be secured in the manner determined by the authority. The
16 auditor of state and the auditor's legally authorized
17 representatives may periodically examine the accounts and
18 books of the authority, including its receipts, disbursements,
19 contracts, leases, sinking funds, investments, and any other
20 records and papers relating to its financial standing, and the
21 authority shall not be required to pay a fee for the
22 examination.

23 2. The authority may contract with holders of its bonds or
24 notes as to the custody, collection, security, investment, and
25 payment of moneys of the authority, of moneys held in trust or
26 otherwise for the payment of bonds or notes, and to carry out
27 the contract. Moneys held in trust or otherwise for the
28 payment of bonds or notes or in any way to secure bonds or
29 notes and deposits of the moneys may be secured in the same
30 manner as moneys of the authority, and banks and trust
31 companies may give security for the deposits.

32 3. Subject to the provisions of any contract with
33 bondholders or noteholders and to the approval of the director
34 of revenue and finance, the authority shall prescribe a system
35 of accounts.

1 4. The authority shall submit to the governor, the auditor
2 of state, the department of management, and the department of
3 revenue and finance, within thirty days of its receipt by the
4 authority, a copy of the report of every external examination
5 of the books and accounts of the authority other than copies
6 of the reports of examinations made by the auditor of state.

7 Sec. 12. NEW SECTION. 16B.12 LIMITATION OF LIABILITY.

8 Neither the members of the authority, nor persons acting in
9 its behalf, while acting within the scope of their employment
10 or agency, are subject to personal liability resulting from
11 carrying out the powers and duties given in this chapter.

12 Sec. 13. NEW SECTION. 16B.13 ASSISTANCE BY STATE
13 OFFICERS, AGENCIES, AND DEPARTMENTS.

14 State officers and state departments and agencies may
15 render services to the authority within their respective
16 functions as requested by the authority.

17 Sec. 14. NEW SECTION. 16B.14 LIBERAL INTERPRETATION.

18 This chapter, being necessary for the welfare of this state
19 and its inhabitants, shall be liberally construed to effect
20 its purposes.

21 EXPLANATION

22 This bill creates a multimodal authority in new Code
23 chapter 16B.

24 The bill provides that a multimodal authority is
25 established and shall be governed by a nine-member board with
26 seven voting members and two ex officio, nonvoting members.
27 The bill provides that members of the authority shall be
28 appointed for staggered six-year terms. The bill provides
29 that the governor, subject to confirmation by the senate,
30 shall appoint an executive director for primarily
31 administrative ability and knowledge in the fields of
32 transportation and public administration. The bill provides
33 that the executive director shall advise the authority, carry
34 out all directives from the authority, hire and supervise the
35 authority's staff pursuant to its directions, and serve as

1 secretary of the authority.

2 The bill provides legislative findings relating to the
3 necessity for a multimodal facility in the state and the need
4 to locate such a facility in or near Ottumwa.

5 The bill provides the authority with general powers
6 relating to the ability to issue bonds and notes; to sue and
7 be sued; to have and alter a corporate seal; to make and alter
8 bylaws; to make and execute agreements, contracts, and other
9 instruments; to acquire, hold, improve, mortgage, lease, and
10 dispose of real and personal property; to procure insurance
11 against any loss in connection with its operations and
12 property interests; to fix and collect fees and charges;
13 subject to an agreement with bondholders or noteholders, to
14 invest or deposit moneys of the authority in a manner
15 determined by the authority; to accept appropriations, gifts,
16 grants, loans, or other aid from public or private entities;
17 to provide technical assistance and counseling related to the
18 authority's purposes; to conduct, in cooperation with other
19 entities, research studies, develop estimates of unmet needs,
20 and gather and compile data; to cooperate in development of
21 and initiate demonstration projects; to contract with
22 architects, engineers, attorneys, accountants, finance
23 experts, and other advisors; and to adopt administrative
24 rules.

25 The bill provides that the authority shall determine a
26 location in the state for a multimodal facility; develop,
27 operate, and market a multimodal facility; and provide
28 financial incentives to encourage the development and use of a
29 multimodal facility.

30 The bill provides that the authority shall submit an annual
31 report to the governor and the general assembly not later than
32 January 15 of each year.

33 The bill provides the authority with the ability to issue
34 bonds and notes, create and establish bond reserve funds, and
35 provides remedies for bondholders and noteholders.

1 The bill provides a method for the authority to follow in
2 handling the moneys of the authority.

3 The bill limits liability of members of the authority, and
4 persons acting in its behalf, while acting within the scope of
5 their employment.

6 The bill provides that state officers and state departments
7 and agencies may render services to the authority within their
8 respective functions as requested by the authority.

9 The bill provides for the liberal interpretation of new
10 Code chapter 16B.

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FILED MAR 19 1979

SENATE FILE 504
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO SSB 1248)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the creation of a multimodal authority and
2 granting the authority the power to issue bonds and notes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 504

1 Section 1. NEW SECTION. 16B.1 SHORT TITLE.

2 This chapter shall be known as and may be cited as the
3 "Multimodal Authority Act".

4 Sec. 2. NEW SECTION. 16B.2 ESTABLISHMENT OF AUTHORITY.

5 1. The multimodal authority is established, and
6 constitutes a public instrumentality and agency of the state
7 exercising public and essential governmental functions. The
8 powers of the authority are vested in and shall be exercised
9 by a board of seven members appointed by the governor subject
10 to confirmation by the senate. The board shall also include
11 two ex officio, nonvoting members. No more than four voting
12 members shall belong to the same political party. The voting
13 membership of the board shall include all of the following:

14 a. One member of a county board of supervisors from a
15 county in which a multimodal facility is located.

16 b. One mayor of a city in the county in which a multimodal
17 facility is located.

18 c. One expert in international trade.

19 d. Four representatives of the general public with an
20 expertise in business, finance, aviation, and freight
21 forwarding.

22 2. The ex officio, nonvoting members of the board shall
23 include the following:

24 a. One state senator appointed by the president of the
25 senate, after consultation with the majority and minority
26 leaders of the senate, representing a senatorial district
27 which has a multimodal facility located in the district.

28 b. One state representative appointed by the speaker of
29 the house of representatives, after consultation with the
30 majority and minority leaders of the house, representing a
31 house of representatives district which has a multimodal
32 facility located in the district.

33 3. Members of the authority shall be appointed for
34 staggered terms of six years beginning and ending as provided
35 in section 69.19. A person appointed to fill a vacancy shall

1 serve only for the unexpired portion of the term. A member is
2 eligible for reappointment. A member of the authority may be
3 removed from office for misfeasance, malfeasance, or willful
4 neglect of duty or other just cause, after notice and hearing,
5 unless the notice and hearing is expressly waived in writing.

6 4. Five members of the authority constitute a quorum and
7 the affirmative vote of a majority of the appointed members is
8 necessary for any substantive action taken by the authority.
9 The majority shall not include any member who has a conflict
10 of interest, and a statement by a member of a conflict of
11 interest shall be conclusive for this purpose. A vacancy in
12 the membership does not impair the right of a quorum to
13 exercise all rights and perform all duties of the authority.

14 5. The state senator and state representative members are
15 entitled to receive the per diem provided for in chapter 2.
16 Other members of the authority are entitled to receive a per
17 diem as specified in section 7E.6 for each day spent in
18 performance of duties as members. All members shall be
19 reimbursed for all actual and necessary expenses incurred in
20 the performance of duties as members.

21 6. Members of the authority and the executive director
22 shall give bond as required for public officers in chapter 64.

23 7. Meetings of the authority shall be held at the call of
24 the chairperson, or whenever two members so request.

25 8. Members shall elect a chairperson and vice chairperson
26 annually, and other officers as they determine, but the
27 executive director shall serve as secretary to the authority.

28 9. The net earnings of the authority, beyond that
29 necessary for retirement of its notes, bonds, or other
30 obligations, or to implement the public purposes and programs
31 herein authorized, shall not inure to the benefit of any
32 person other than the state. Upon termination of the
33 existence of the authority, title to all property owned by the
34 authority, including any such net earnings of the authority,
35 shall vest in the state. The state reserves the right at any

1 time to alter, amend, repeal, or otherwise change the
2 structure, organization, programs, or activities of the
3 authority, including the power to terminate the authority,
4 except that no law shall ever be passed impairing the
5 obligation of any contract or contracts entered into by the
6 authority to the extent that any such law would contravene
7 Article I, section 21, of the Constitution of the State of
8 Iowa or Article I, section 10, of the Constitution of the
9 United States.

10 Sec. 3. NEW SECTION. 16B.3 FINDINGS.

11 The general assembly finds and declares as follows:

12 1. A multimodal authority is necessary to promote Iowa as
13 the food capital of the world and provide air, rail, and truck
14 transportation for value-added products exported from Iowa.

15 2. The establishment of a multimodal authority is in all
16 respects for the benefit of the people of the state of Iowa,
17 for the improvement of their health and welfare, and for the
18 promotion of the economy.

19 3. The authority shall be performing an essential
20 governmental function in the exercise of the powers and duties
21 conferred upon it by this chapter.

22 4. Locations should be chosen in the state for a
23 multimodal facility to prevent an inefficient allocation of
24 resources, to ensure the maximum utilization of the multimodal
25 facility, and to thereby provide economic viability to the
26 project.

27 5. A multimodal facility must be located at the
28 convergence of a four-lane interstate highway connection, a
29 railroad system connection, a major airport with at least one
30 runway in excess of five thousand feet, and a connection to a
31 free trade zone, and with sufficient area to establish and
32 expand an industrial park.

33 Sec. 4. NEW SECTION. 16B.4 GENERAL POWERS.

34 The authority has all of the general powers needed to carry
35 out its purposes and duties, and exercise its specific powers,

- 1 including but not limited to the power to:
- 2 1. Issue its negotiable bonds and notes in order to
 - 3 finance its programs.
 - 4 2. Sue and be sued in its own name.
 - 5 3. Have and alter a corporate seal.
 - 6 4. Make and alter bylaws for its management consistent
 - 7 with the provisions of this chapter.
 - 8 5. Make and execute agreements, contracts, and other
 - 9 instruments, with any public or private entity.
 - 10 6. Acquire, hold, improve, mortgage, lease, and dispose of
 - 11 real and personal property, including, but not limited to, the
 - 12 power to sell at public or private sale, with or without
 - 13 public bidding, any such property, mortgage loan, or other
 - 14 obligation held by it.
 - 15 7. Procure insurance against any loss in connection with
 - 16 its operations and property interests.
 - 17 8. Fix and collect fees and charges for its services.
 - 18 9. Subject to an agreement with bondholders or
 - 19 noteholders, invest or deposit moneys of the authority in a
 - 20 manner determined by the authority, notwithstanding chapter
 - 21 12B or 12C.
 - 22 10. Accept appropriations, gifts, grants, loans, or other
 - 23 aid from public or private entities. A record of all gifts or
 - 24 grants, stating the type, amount and donor, shall be clearly
 - 25 set out in the authority's annual report along with the record
 - 26 of other receipts.
 - 27 11. Provide technical assistance and counseling related to
 - 28 the authority's purposes, to public and private entities.
 - 29 12. In cooperation with other local, state, or federal
 - 30 governmental agencies, conduct research studies, develop
 - 31 estimates of unmet needs, and gather and compile data useful
 - 32 to facilitate decision making.
 - 33 13. Cooperate in development of and initiation of
 - 34 demonstration projects.
 - 35 14. Contract with architects, engineers, attorneys,

1 accountants, finance experts, and other advisors. However,
2 the authority may enter into contracts or agreements for such
3 services with local, state, or federal governmental agencies.

4 15. Adopt rules pursuant to chapter 17A consistent with
5 the provisions of this chapter.

6 Sec. 5. NEW SECTION. 16B.5 DUTIES.

7 The authority shall do all of the following:

8 1. Determine locations in the state for multimodal
9 facilities. This determination shall be based, in part, on
10 the legislative findings in section 16B.3.

11 2. Develop, operate, and market multimodal facilities.

12 3. Provide financial incentives to encourage the
13 development and use of multimodal facilities.

14 Sec. 6. NEW SECTION. 16B.6 EXECUTIVE DIRECTOR --
15 RESPONSIBILITIES.

16 1. The governor, subject to confirmation by the senate,
17 shall appoint an executive director of the authority, who
18 shall serve at the pleasure of the governor. The executive
19 director shall be selected primarily for administrative
20 ability and knowledge in the fields of transportation and
21 public administration, without regard to political
22 affiliation. The executive director shall not, directly or
23 indirectly, exert influence to induce any other officers or
24 employees of the state to adopt a political view, or to favor
25 a political candidate for office.

26 2. The executive director shall advise the authority,
27 carry out all directives from the authority, and hire and
28 supervise the authority's staff pursuant to its directions.
29 All employees of the authority are exempt from the merit
30 system.

31 3. The executive director, as secretary of the authority,
32 shall keep a record of the proceedings of the authority and
33 shall be custodian of all books, documents, and papers filed
34 with the authority and of its minute book and seal. The
35 executive director shall have authority to cause to be made

1 copies of all minutes and other records and documents of the
2 authority and to give certificates under the seal of the
3 authority to the effect that such copies are true copies and
4 all persons dealing with the authority may rely upon such
5 certificates.

6 Sec. 7. NEW SECTION. 16B.7 ANNUAL REPORT.

7 1. The authority shall submit to the governor and to the
8 general assembly, not later than January 15 each year, a
9 complete report setting forth:

- 10 a. Its operations and accomplishments.
- 11 b. Its receipts and expenditures during the fiscal year,
12 in accordance with the classifications it establishes for its
13 operating and capital accounts.
- 14 c. Its assets and liabilities at the end of its fiscal
15 year and the status of reserve, special, and other funds.
- 16 d. A schedule of its bonds and notes outstanding at the
17 end of its fiscal year, together with a statement of the
18 amounts redeemed and issued during its fiscal year.
- 19 e. A statement of its proposed and projected activities.
- 20 f. Recommendations to the general assembly, as it deems
21 necessary.

22 2. The annual report shall identify performance goals of
23 the authority, and clearly indicate the extent of progress
24 during the reporting period, in attaining the goals.

25 Sec. 8. NEW SECTION. 16B.8 BONDS AND NOTES.

26 1. The authority may issue its negotiable bonds and notes
27 in principal amounts as, in the opinion of the authority, are
28 necessary to provide sufficient funds for achievement of its
29 corporate purposes, the payment of interest on its bonds and
30 notes, the establishment of reserves to secure its bonds and
31 notes, and all other expenditures of the authority incident to
32 and necessary or convenient to carry out its purposes and
33 powers. The bonds and notes shall be deemed to be investment
34 securities and negotiable instruments within the meaning of
35 and for all purposes of the uniform commercial code.

1 2. Bonds and notes issued by the authority are payable
2 solely and only out of the moneys, assets, or revenues of the
3 authority, and as provided in the agreement with bondholders
4 or noteholders pledging any particular moneys, assets, or
5 revenues. Bonds or notes are not an obligation of this state
6 or any political subdivision of this state other than the
7 authority within the meaning of any constitutional or
8 statutory debt limitations, but are special obligations of the
9 authority payable solely and only from the sources provided in
10 this chapter, and the authority shall not pledge the credit or
11 taxing power of this state or any political subdivision of
12 this state other than the authority, or make its debts payable
13 out of any moneys except those of the authority.

14 3. Bonds and notes must be authorized by a resolution of
15 the authority. However, a resolution authorizing the issuance
16 of bonds or notes may delegate to an officer of the authority
17 the power to negotiate and fix the details of an issue of
18 bonds or notes by an appropriate certificate of the authorized
19 officer.

20 4. Bonds shall:

21 a. State the date and series of the issue, be
22 consecutively numbered, and state on their face that they are
23 payable both as to principal and interest solely out of the
24 assets of the authority and do not constitute an indebtedness
25 of this state or any political subdivision of this state other
26 than the authority within the meaning of any constitutional or
27 statutory debt limit.

28 b. Be either registered, registered as to principal only,
29 or in coupon form, issued in denominations as the authority
30 prescribes, fully negotiable instruments under the laws of
31 this state, signed on behalf of the authority with the manual
32 or facsimile signature of the chairperson or vice chairperson,
33 attested by the manual or facsimile signature of the
34 secretary, have impressed or imprinted thereon the seal of the
35 authority or a facsimile of it, and the coupons attached shall

1 be signed with the facsimile signature of the chairperson or
2 vice chairperson, be payable as to interest at rates and at
3 times as the authority determines, be payable as to principal
4 at times over a period not to exceed fifty years from the date
5 of issuance, at places, and with reserved rights of prior
6 redemption, as the authority prescribes, be sold at prices, at
7 public or private sale, and in a manner as the authority
8 prescribes, and the authority may pay all expenses, premiums,
9 and commissions which it deems necessary or advantageous in
10 connection with the issuance and sale, and be issued under and
11 subject to the terms, conditions, and covenants providing for
12 the payment of the principal, redemption premiums, if any,
13 interest, and other terms, conditions, covenants, and
14 protective provisions safeguarding payment, not inconsistent
15 with this chapter, as are found to be necessary by the
16 authority for the most advantageous sale, which may include,
17 but are not limited to, covenants with the holders of the
18 bonds as to:

19 (1) Pledging or creating a lien, to the extent provided by
20 the resolution, on moneys or property of the authority or
21 moneys held in trust or otherwise by others to secure the
22 payment of the bonds.

23 (2) Providing for the custody, collection, securing,
24 investment, and payment of any moneys of or due to the
25 authority.

26 (3) The setting aside of reserves or sinking funds and the
27 regulation or disposition of them.

28 (4) Limitations on the purpose to which the proceeds of
29 sale of an issue of bonds then or thereafter to be issued may
30 be applied.

31 (5) Limitations on the issuance of additional bonds and on
32 the refunding of outstanding or other bonds.

33 (6) The procedure by which the terms of a contract with
34 the holders of bonds may be amended or abrogated, the amount
35 of bonds the holders of which must consent thereto, and the

1 manner in which consent may be given.

2 (7) The creation of special funds into which moneys of the
3 authority may be deposited.

4 (8) Vesting in a trustee properties, rights, powers, and
5 duties in trust as the authority determines, which may include
6 the rights, powers, and duties of the trustee appointed for
7 the holders of any issue of bonds pursuant to section 16B.10,
8 in which event the provisions of that section authorizing
9 appointment of a trustee by the holders of bonds shall not
10 apply, or limiting or abrogating the right of the holders of
11 bonds to appoint a trustee under that section, or limiting the
12 rights, duties, and powers of the trustee.

13 (9) Defining the acts or omissions which constitute a
14 default in the obligations and duties of the authority and
15 providing for the rights and remedies of the holders of bonds
16 in the event of a default. However, rights and remedies shall
17 be consistent with the laws of this state and other provisions
18 of this chapter.

19 (10) Any other matters which affect the security and
20 protection of the bonds and the rights of the holders.

21 5. The authority may issue its bonds for the purpose of
22 refunding any bonds or notes of the authority then
23 outstanding, including the payment of any redemption premiums
24 thereon and any interest accrued or to accrue to the date of
25 redemption of the outstanding bonds or notes. Until the
26 proceeds of bonds issued for the purpose of refunding
27 outstanding bonds or notes are applied to the purchase or
28 retirement of outstanding bonds or notes or the redemption of
29 outstanding bonds or notes, the proceeds may be placed in
30 escrow and be invested and reinvested in accordance with the
31 provisions of this chapter. The interest, income, and profits
32 earned or realized on an investment may also be applied to the
33 payment of the outstanding bonds or notes to be refunded by
34 purchase, retirement, or redemption. After the terms of the
35 escrow have been fully satisfied and carried out, any balance

1 of proceeds and interest earned or realized on the investments
2 may be returned to the authority for use by it in any lawful
3 manner. All refunding bonds shall be issued and secured and
4 subject to the provisions of this chapter in the same manner
5 and to the same extent as other bonds issued pursuant to this
6 chapter.

7 6. The authority may issue negotiable bond anticipation
8 notes and may renew them from time to time but the maximum
9 maturity of the notes, including renewals, shall not exceed
10 ten years from the date of issue of the original notes. Notes
11 are payable from any available moneys of the authority not
12 otherwise pledged, or from the proceeds of the sale of bonds
13 of the authority in anticipation of which the notes were
14 issued. Notes may be issued for any corporate purpose of the
15 authority. Notes shall be issued in the same manner as bonds,
16 and notes and the resolution authorizing them may contain any
17 provisions, conditions, or limitations, not inconsistent with
18 the provisions of this subsection, which the bonds or a bond
19 resolution of the authority may contain. Notes may be sold at
20 public or private sale. In case of default on its notes or
21 violation of any obligations of the authority to the
22 noteholders, the noteholders shall have all the remedies
23 provided in this chapter for bondholders. Notes shall be as
24 fully negotiable as bonds of the authority.

25 7. A copy of each pledge agreement by or to the authority,
26 including without limitation each bond resolution, indenture
27 of trust or similar agreement, or any revisions or supplements
28 to it shall be filed with the secretary of state and no
29 further filing or other action under chapter 554, article 9 of
30 the uniform commercial code, or any other law of the state
31 shall be required to perfect the security interest in the
32 collateral or any additions to it or substitutions for it, and
33 the lien and trust so created shall be binding from and after
34 the time made against all parties having claims of any kind in
35 tort, contract, or otherwise against the pledgor.

1 8. Neither the members of the authority nor any person
2 executing its bonds, notes, or other obligations, shall be
3 liable personally on the bonds, notes, or other obligations,
4 or be subject to any personal liability or accountability by
5 reason of the issuance of the authority's bonds or notes.

6 Sec. 9. NEW SECTION. 16B.9 RESERVE FUNDS AND
7 APPROPRIATIONS.

8 1. The authority may create and establish one or more
9 special funds, to be known as "bond reserve funds", and shall
10 pay into each bond reserve fund any moneys appropriated and
11 made available by the state for the purpose of the fund, any
12 proceeds of sale of notes or bonds to the extent provided in
13 the resolutions of the authority authorizing their issuance,
14 and any other moneys which may be available to the authority
15 for the purpose of the fund from any other sources. All
16 moneys held in a bond reserve fund, except as otherwise
17 provided in this chapter, shall be used as required solely for
18 the payment of the principal of bonds secured in whole or in
19 part by the fund or of the sinking fund payments with respect
20 to the bonds, the purchase or redemption of the bonds, the
21 payment of interest on the bonds, or the payments of any
22 redemption premium required to be paid when the bonds are
23 redeemed prior to maturity.

24 2. Moneys in a bond reserve fund shall not be withdrawn
25 from it at any time in an amount that will reduce the amount
26 of the fund to less than the bond reserve fund requirement
27 established for the fund, as provided in this section, except
28 for the purpose of making, with respect to bonds secured in
29 whole or in part by the fund, payment when due of principal,
30 interest, redemption premiums, and the sinking fund payments
31 with respect to the bonds for the payment of which other
32 moneys of the authority are not available. Any income or
33 interest earned by, or incremental to, a bond reserve fund due
34 to the investment of it may be transferred by the authority to
35 other funds or accounts of the authority to the extent the

1 transfer does not reduce the amount of that bond reserve fund
2 below the bond reserve fund requirement for it.

3 3. The authority shall not at any time issue bonds,
4 secured in whole or in part by a bond reserve fund if, upon
5 the issuance of the bonds, the amount in the bond reserve fund
6 will be less than the bond reserve fund requirement for the
7 fund, unless the authority at the time of issuance of the
8 bonds deposits in the fund from the proceeds of the bonds
9 issued or from other sources an amount which, together with
10 the amount then in the fund, will not be less than the bond
11 reserve fund requirement for the fund. For the purposes of
12 this section, the term "bond reserve fund requirement" means,
13 as of any particular date of computation, an amount of money,
14 as provided in the resolutions of the authority authorizing
15 the bonds with respect to which the fund is established, equal
16 to not more than ten percent of the outstanding principal
17 amount of bonds of the authority secured in whole or in part
18 by the fund.

19 4. To assure the continued operation and solvency of the
20 authority for the carrying out of its corporate purposes,
21 provision is made in subsection 1 for the accumulation in each
22 bond reserve fund of an amount equal to the bond reserve fund
23 requirement for the fund. In order to further assure
24 maintenance of the bond reserve funds, the chairperson of the
25 authority board shall, on or before July 1 of each calendar
26 year, make and deliver to the governor the chairperson's
27 certificate stating the sum, if any, required to restore each
28 bond reserve fund to the bond reserve fund requirement for
29 that fund. Within thirty days after the beginning of the
30 session of the general assembly next following the delivery of
31 the certificate, the governor may submit to both houses
32 printed copies of a budget including the sum, if any, required
33 to restore each bond reserve fund to the bond reserve fund
34 requirement for that fund. Any sums appropriated by the
35 general assembly and paid to the authority pursuant to this

1 section shall be deposited by the authority in the applicable
2 bond reserve fund.

3 5. All amounts paid over to the authority by the state
4 pursuant to the provisions of this section shall constitute
5 and be accounted for as advances by the state to the authority
6 and, subject to the rights of the holders of any bonds or
7 notes of the authority theretofore or thereafter issued, shall
8 be repaid to the state without interest from all available
9 operating revenues of the authority in excess of amounts
10 required for the payment of bonds, notes, or obligations of
11 the authority, the bond reserve fund and operating expenses.

12 6. The authority shall cause to be delivered to the
13 legislative fiscal committee within ninety days of the close
14 of its fiscal year its annual report certified by an
15 independent certified public accountant, who may be the
16 accountant or a member of the firm of accountants who
17 regularly audits the books and accounts of the authority,
18 selected by the authority. In the event that the principal
19 amount of any bonds or notes deposited in a bond reserve fund
20 is withdrawn for payment of principal or interest thereby
21 reducing the amount of that fund to less than the bond reserve
22 fund requirement, the authority shall immediately notify the
23 general assembly of this event, and shall thereafter take
24 steps to restore such bond reserve to the bond reserve fund
25 requirement for that fund from any amounts available, other
26 than principal of a bond issue, which are not pledged to the
27 payment of other bonds or notes.

28 Sec. 10. NEW SECTION. 16B.10 REMEDIES OF BONDHOLDERS AND
29 NOTEHOLDERS.

30 1. If the authority defaults in the payment of principal
31 or interest on an issue of bonds or notes after they become
32 due, whether at maturity or upon call for redemption, and the
33 default continues for a period of thirty days, or if the
34 authority fails or refuses to comply with the provisions of
35 this chapter, or defaults in an agreement made with the

1 holders of an issue of bonds or notes, the holders of twenty-
2 five percent in aggregate principal amount of bonds or notes
3 of the issue then outstanding, by instrument filed in the
4 office of the clerk of the county in which the principal
5 office of the authority is located, and proved or acknowledged
6 in the same manner as a deed to be recorded, may appoint a
7 trustee to represent the holders of the bonds or notes for the
8 purposes provided in this section.

9 2. The authority or any trustee appointed under the
10 indenture under which the bonds are issued may, and upon
11 written request of the holders of twenty-five percent in
12 aggregate principal amount of the issue of bonds or notes then
13 outstanding shall:

14 a. Enforce all rights of the bondholders or noteholders,
15 including the right to require the authority to carry out its
16 agreements with the holders and to perform its duties under
17 this chapter.

18 b. Bring suit upon the bonds or notes.

19 c. By action require the authority to account as if it
20 were the trustee of an express trust for the holders.

21 d. By action enjoin any acts or things which are unlawful
22 or in violation of the rights of the holders.

23 e. Declare all the bonds or notes due and payable, and if
24 all defaults are made good, then, with the consent of the
25 holders of twenty-five percent of the aggregate principal
26 amount of the issue of bonds or notes then outstanding, annul
27 the declaration and its consequences.

28 The bondholders or noteholders, to the extent provided in
29 the resolution by which the bonds or notes were issued or in
30 their agreement with the authority, may enforce any of the
31 remedies in paragraphs "a" to "e" or the remedies provided in
32 those agreements for and on their own behalf.

33 3. The trustee shall also have and possess all powers
34 necessary or appropriate for the exercise of functions
35 specifically set forth or incident to the general

1 representation of bondholders or noteholders in the
2 enforcement and protection of their rights.

3 4. Before declaring the principal of bonds or notes due
4 and payable, the trustee shall first give thirty days' notice
5 in writing to the governor, to the authority, and to the
6 attorney general of the state.

7 5. The district court has jurisdiction of any action by
8 the trustee on behalf of bondholders or noteholders. The
9 venue of the action shall be in the county in which the
10 principal office of the authority is located.

11 Sec. 11. NEW SECTION. 16B.11 MONEYS OF THE AUTHORITY.

12 1. Moneys of the authority from whatever source derived,
13 except as otherwise provided in this chapter, shall be paid to
14 the authority and shall be deposited in a bank or other
15 financial institution designated by the authority. The moneys
16 shall be withdrawn on the order of the person authorized by
17 the authority. Deposits shall, if required by the authority,
18 be secured in the manner determined by the authority. The
19 auditor of state and the auditor's legally authorized
20 representatives may periodically examine the accounts and
21 books of the authority, including its receipts, disbursements,
22 contracts, leases, sinking funds, investments, and any other
23 records and papers relating to its financial standing, and the
24 authority shall not be required to pay a fee for the
25 examination.

26 2. The authority may contract with holders of its bonds or
27 notes as to the custody, collection, security, investment, and
28 payment of moneys of the authority, of moneys held in trust or
29 otherwise for the payment of bonds or notes, and to carry out
30 the contract. Moneys held in trust or otherwise for the
31 payment of bonds or notes or in any way to secure bonds or
32 notes and deposits of the moneys may be secured in the same
33 manner as moneys of the authority, and banks and trust
34 companies may give security for the deposits.

35 3. Subject to the provisions of any contract with

1 bondholders or noteholders and to the approval of the director
2 of revenue and finance, the authority shall prescribe a system
3 of accounts.

4 4. The authority shall submit to the governor, the auditor
5 of state, the department of management, and the department of
6 revenue and finance, within thirty days of its receipt by the
7 authority, a copy of the report of every external examination
8 of the books and accounts of the authority other than copies
9 of the reports of examinations made by the auditor of state.

10 Sec. 12. NEW SECTION. 16B.12 LIMITATION OF LIABILITY.

11 Neither the members of the authority, nor persons acting in
12 its behalf, while acting within the scope of their employment
13 or agency, are subject to personal liability resulting from
14 carrying out the powers and duties given in this chapter.

15 Sec. 13. NEW SECTION. 16B.13 ASSISTANCE BY STATE
16 OFFICERS, AGENCIES, AND DEPARTMENTS.

17 State officers and state departments and agencies may
18 render services to the authority within their respective
19 functions as requested by the authority.

20 Sec. 14. NEW SECTION. 16B.14 LIBERAL INTERPRETATION.

21 This chapter, being necessary for the welfare of this state
22 and its inhabitants, shall be liberally construed to effect
23 its purposes.

24 EXPLANATION

25 This bill creates a multimodal authority in new Code
26 chapter 16B.

27 The bill provides that a multimodal authority is
28 established and shall be governed by a nine-member board with
29 seven voting members and two ex officio, nonvoting members.
30 The bill provides that members of the authority shall be
31 appointed for staggered six-year terms. The bill provides
32 that the governor, subject to confirmation by the senate,
33 shall appoint an executive director for primarily
34 administrative ability and knowledge in the fields of
35 transportation and public administration. The bill provides

1 that the executive director shall advise the authority, carry
2 out all directives from the authority, hire and supervise the
3 authority's staff pursuant to its directions, and serve as
4 secretary of the authority.

5 The bill provides legislative findings relating to the
6 necessity for multimodal facilities in the state and the
7 requirements for locating such facilities.

8 The bill provides the authority with general powers
9 relating to the ability to issue bonds and notes; to sue and
10 be sued; to have and alter a corporate seal; to make and alter
11 bylaws; to make and execute agreements, contracts, and other
12 instruments; to acquire, hold, improve, mortgage, lease, and
13 dispose of real and personal property; to procure insurance
14 against any loss in connection with its operations and
15 property interests; to fix and collect fees and charges;
16 subject to an agreement with bondholders or noteholders, to
17 invest or deposit moneys of the authority in a manner
18 determined by the authority; to accept appropriations, gifts,
19 grants, loans, or other aid from public or private entities;
20 to provide technical assistance and counseling related to the
21 authority's purposes; to conduct, in cooperation with other
22 entities, research studies, develop estimates of unmet needs,
23 and gather and compile data; to cooperate in development of
24 and initiate demonstration projects; to contract with
25 architects, engineers, attorneys, accountants, finance
26 experts, and other advisors; and to adopt administrative
27 rules.

28 The bill provides that the authority shall determine
29 locations in the state for multimodal facilities; develop,
30 operate, and market multimodal facilities; and provide
31 financial incentives to encourage the development and use of
32 multimodal facilities.

33 The bill provides that the authority shall submit an annual
34 report to the governor and the general assembly not later than
35 January 15 of each year.

1 The bill provides the authority with the ability to issue
2 bonds and notes, create and establish bond reserve funds, and
3 provides remedies for bondholders and noteholders.

4 The bill provides a method for the authority to follow in
5 handling the moneys of the authority.

6 The bill limits liability of members of the authority, and
7 persons acting in its behalf, while acting within the scope of
8 their employment.

9 The bill provides that state officers and state departments
10 and agencies may render services to the authority within their
11 respective functions as requested by the authority.

12 The bill provides for the liberal interpretation of new
13 Code chapter 16B.

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