

of just over half of the members to expire in two years and those of the remaining members to expire in one year. Subsequent appointments to the project advisory committee shall be by vote of a majority of the whole project advisory committee for two-year terms.

Sec. 2. Section 905.4, Code 1983, is amended by adding the following new subsection:

**NEW SUBSECTION. 10.** Establish a project advisory committee to act in an advisory capacity on matters pertaining to the planning, operation, and other pertinent functions of each project in the judicial district.

Sec. 3. Section 905.7, Code 1983, is amended by adding the following new subsection:

**NEW SUBSECTION. 7.** Provide for community participation in the planning and programming of the district department's community-based correctional program.

Approved May 6, 1983

---

**CHAPTER 90**  
**FINANCING OF PUBLIC PROJECT**  
*H.F. 377*

**AN ACT** relating to the financing of public projects through bonds, warrants, special assessments, and other obligations, by amending procedures for the issuance of bonds, warrants, special assessments, and other obligations, by providing for the registration of bonds or other obligations, by authorizing interim financing of projects, and making corresponding amendments to the Code.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Chapter 76, Code 1983, is amended by adding sections 2 through 6 of this Act.

Sec. 2. **NEW SECTION. 76.10 REGISTRATION OF PUBLIC BONDS.** Notwithstanding any other provision in the Code:

1. All public bonds or obligations issued before or after the effective date of this Act may be in registered form. An issuer of public bonds or obligations may designate for a term as agreed upon, one or more persons, corporations, partnerships or other associations located within or without the state to serve as trustee, transfer agent, registrar, depository or paying or other agent in connection with the public bonds or obligations and to carry out services and functions which are customary in such capacities or convenient or necessary to comply with the intent and provisions of this chapter.

2. An issuer of public bonds or obligations may provide for the immobilization of the bonds through the designation of a bond depository or through a book-entry system of registration.

3. Any designated trustee, transfer agent, registrar, depository or paying or other agent may serve in multiple capacities with respect to an issue of public bonds or obligations.

4. Public bonds or obligations or certificates of ownership of the public bonds or obligations may be issued in any form or pursuant to any system necessary to be in compliance with standards issued from time to time by the municipal securities rule-making board of the United

States, the American national standards institute, any other securities industry standard, or the requirements of section 103 of the Internal Revenue Code of 1954.

5. Registration or immobilization of a public bond or obligation does not disqualify it as a lawful investment for depository institutions, trustees, public bodies, or other investors regulated by law.

Sec. 3. NEW SECTION. 76.11 CONFIDENTIALITY OF BOND HOLDERS—EXCEPTIONS. Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the bonds are confidential records entitled to protection under section 9 of this Act. However, the issuer of the bonds or a state or federal agency may obtain information as necessary.

Sec. 4. NEW SECTION. 76.12 REPRODUCTION AND VALIDITY OF SIGNATURES.

1. A provision requiring that public bonds or obligations or certificates of ownership of public bonds or obligations issued by a public entity be executed or signed by particular public officers permits the signatures to be affixed by printing or other mechanical means. However, each instrument shall bear at least one original and manual signature, which may be the signature of any officer designated by law to execute the instrument or the signature of a registrar or trustee authenticating the instrument.

2. Public bonds and obligations are valid and binding if they bear the signature of the officials in office on the date of execution of the bonds, notwithstanding that any or all of the persons whose signatures appear on the public bonds or obligations have ceased to hold the office before the delivery of the public bonds or obligations. Reprinted or reissued bonds are valid and binding if they bear facsimilies of the signatures of either the public officials who executed the original issue of the bonds or the officials in office at the time of execution of the reprinted or reissued bonds.

Sec. 5. NEW SECTION. 76.13 INTERIM FINANCING.

1. A public body authorized to issue bonds may issue project notes in anticipation of the receipt of any of the following:

- a. Proceeds from the issuance of public bonds or obligations previously authorized.
- b. Proceeds to be received pursuant to law or agreement from any state or federal agency.
- c. Income or revenues from sources to be received and expended for the project during the project construction or acquisition period.
- d. Any combination of paragraphs a through c.

2. Notes shall be issued in the form and manner provided in a resolution of the governing body of the issuer. The resolution may set forth and appropriate the moneys anticipated by the notes.

3. The resolution may provide that to the extent issued in anticipation of public bonds or obligations, notes shall be paid from the proceeds of the issuance of public bonds or obligations. To the extent issued in anticipation of bonds, note proceeds shall be expended only for the purposes for which the bond proceeds may be expended.

4. Notes shall not be issued in anticipation of public bonds or obligations in an amount greater than the authorized amount of the public bonds or obligations and moneys appropriated for the same purposes.

5. a. Notes may be sold at public or private sale and bear interest at rates set by the governing body of the issuer at the time of their issuance notwithstanding chapter 74A.

b. The authority of a public body to issue project notes under this section is in addition to any other authority of the public body to issue other obligations as otherwise provided by law.

Sec. 6. NEW SECTION. 76.14 DEFINITION. As used in this chapter, unless the context otherwise requires, "public bond or obligation" means any obligation issued by or on behalf of the state, an agency of the state, or a political subdivision of the state.

Sec. 7. Section 76.3, Code 1983, is amended to read as follows:

**76.3 TAX LIMITATIONS.** Tax limitations in any law or proposition for the issuance of bonds or obligations, including any law or proposition for the issuance of bonds or obligations in anticipation of levies or collections of taxes or both, shall be based on the latest equalized actual valuation then existing and shall only restrict the amount of bonds or obligations which may be issued. For the sole purpose of computing the amount of bonds which may be issued as a result of the application of ~~any such a~~ tax limitation, all interest on the bonds or obligations in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds or obligations and interest ~~shall~~ does not operate to further restrict the amount of bonds or obligations which may be issued, and in certifying the annual levies to the county auditor or auditors ~~such~~ the first annual levy of taxes shall be sufficient to pay all principal of and interest on ~~said~~ the bonds or obligations becoming due prior to the next succeeding annual levy and the full amount of ~~such~~ the first annual levy shall be entered for collection by ~~said~~ the auditor or auditors, as provided in this chapter.

Sec. 8. Section 76.6, Code 1983, is amended to read as follows:

**76.6 PLACE OF PAYMENT.** The principal and interest of all public bonds or obligations of a public corporation in this state are payable at the office of the treasurer or public official charged with the duty of making payment, unless the proceedings of the governing body authorizing the issuance of the public bonds or obligations provide that the public bonds or obligations and interest ~~thereon may also be on the public bonds or obligations~~ are payable at one or more banks or trust companies within or without the state of Iowa, or as ~~may be~~ otherwise provided by chapter 419, or by mail, wire transfer, or similar means.

Sec. 9. Section 68A.7, Code 1983, is amended by adding the following new subsection:

**NEW SUBSECTION.** Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.

Sec. 10. Section 74.1, subsection 4, Code 1983, is amended to read as follows:

4. ~~The procedures of this~~ This chapter also apply ~~applies~~ to anticipatory warrants, ~~pledge orders~~, improvement certificates, anticipatory certificates or similar obligations payable from special assessments against benefited properties, or payable from charges, fees or other operating income from a publicly owned enterprise or utility.

Sec. 11. Section 74A.3, Code 1983, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** The interest rates authorized by this section to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness.

Sec. 12. Chapter 74A, Code 1983, is amended by adding the following new section:

**NEW SECTION. 74A.8 INTEREST RATE ON ISSUE DATE.** An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively.

Sec. 13. Section 75.2, Code 1983, is amended to read as follows:

75.2 NOTICE OF SALE. When public bonds are offered for sale, the official or officials in charge of ~~such~~ the bond issue shall, by advertisement published ~~for two or more successive weeks in~~ at least one twice at unspecified intervals one of which shall be not less than four nor more than twenty days before the sale in a newspaper located in the county or a county contiguous to the place of sale, give notice of the time and place of sale of ~~said~~ the bonds, the amount to be offered for sale, and any further information which ~~may be deemed~~ the official or officials deem pertinent.

Sec. 14. Section 75.3, Code 1983, is amended to read as follows:

75.3 SEALED AND OPEN BIDS. Sealed bids may be received at any time prior to the calling for open bids, if open bids are provided for in the notice of sale. After the sealed bids are all filed, the official or officials shall call for open bids, if open bids are provided for in the notice of sale. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. If open bids are not permitted in the notice of sale, sealed bids may be received until it is announced that all sealed bids shall be opened. The official or officials shall then open any sealed bids that ~~may~~ have been filed and they shall note in the minutes the substance of the best sealed bid.

Sec. 15. Section 75.5, Code 1983, is amended to read as follows:

75.5 SELLING PRICE. ~~No~~ All public bond shall bonds issued under this chapter may be sold for at a price not less than ninety-eight percent of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds.

Sec. 16. Section 75.9, Code 1983, is amended to read as follows:

75.9 EXCHANGE OF BONDS. ~~Nothing in this~~ This chapter shall be deemed to ~~does not~~ prevent the exchange of bonds for legal indebtedness evidenced by bonds, warrants, ~~or judgments as, or otherwise as~~ provided by law. Bonds shall not be exchanged for notes issued pursuant to section 76.13 in anticipation of the issuance of bonds.

Sec. 17. Section 75.10, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

75.10 DENOMINATIONS OF BONDS. Notwithstanding any contrary provision in the Code, public bonds may be in one or more denominations as provided by the proceedings of the governing body authorizing their issuance.

Sec. 18. Section 296.2, Code 1983, is amended to read as follows:

296.2 PETITION FOR ELECTION. Before ~~such~~ indebtedness can be contracted in excess of one and one-quarter percent of the assessed value of the taxable property, a petition signed by a number equal to twenty-five percent of those voting at the last election of school officials shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose or purposes for which the indebtedness is to be created, and that the ~~necessary schoolhouse or schoolhouses~~ purpose or purposes cannot be built and equipped, or that sufficient land cannot be purchased to add to a site already owned, accomplished within the limit of one and one-quarter percent of the valuation. The petition may request the calling of an election on one or more propositions and a proposition may include one or more purposes.

Sec. 19. Section 296.3, Code 1983, is amended to read as follows:

296.3 ELECTION CALLED. The president of the board of directors on receipt of a petition under section 296.2 ~~shall~~, within ten days after considering the suggestions of the area education agency board, or the board of a district contiguous to the district for which the petition is received, under section 297.7, subsection 3, shall call a meeting of the board which shall

call the election, fixing the time of the election, which may be at the time and place of holding the regular school election, unless the board determines by unanimous vote that the proposition or propositions requested by a petition to be submitted at an election are grossly unrealistic or contrary to the needs of the school district. The decision of the board may be appealed to the state board of public instruction as provided in chapter 290. The president shall notify the county commissioner of elections of the time of the election.

Sec. 20. Chapter 364, Code 1983, is amended by adding after section 364.13 the following new sections:

**NEW SECTION. 364.13A SPECIAL ASSESSMENTS—LIEN AND PRECEDENCE.** A special assessment levied pursuant to section 364.11 or 364.12, including all interest and penalties is a lien against the benefited property from the date of filing the schedule of assessments until the assessment is paid. Special assessments have equal precedence with ordinary taxes and are not divested by judicial sale.

**NEW SECTION. 364.13B SPECIAL ASSESSMENTS—PROCEDURES FOR LEVY.** The procedures for making and levying a special assessment pursuant to this chapter and for an appeal of the assessment are the same procedures as provided in sections 384.59 through 384.67 and sections 384.72 through 384.75.

Sec. 21. Section 384.24, subsection 3, paragraph o, Code 1983, is amended to read as follows:

o. The rehabilitation and improvement of parks already owned, including the removal, replacement and planting of trees thereon in the parks, and facilities, equipment, and improvements commonly found in city parks.

Sec. 22. Section 384.28, Code 1983, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** Definitions of city enterprises, essential corporate purposes, and general corporate purposes are not mutually exclusive and shall be liberally construed. The detailing of examples is not intended to modify or restrict the meaning of general words used. If a project or activity may be reasonably construed to be included in more than one classification, the council may elect at any time between the classifications and the procedures respectively applicable to each classification.

Sec. 23. Section 384.37, subsection 5, Code 1983, is amended to read as follows:

5. "Lot" means a lot, part of lot, tract, or parcel of land under one ownership, including improvements, against which a separate assessment is made. Two or more contiguous lots, tracts, or parcels upon which a single improvement has been erected by a common owner are one lot for purposes of this part under common ownership may be treated as one lot for purposes of this division if such lots the parcels bear common improvements or if the council finds that the parcels have been assembled into a single unit for the purpose of use or development.

Sec. 24. Section 384.63, unnumbered paragraph 2, Code 1983, is amended to read as follows:

The council shall, by resolution, provide that the deficiencies for the lots specially benefited by a public improvement shall be certified to the county treasurer, who shall record them in a separate book entitled "Special Assessment Deficiencies", and to the appropriate city official charged with the responsibility of issuing building permits, who shall notify the council when a private improvement is subsequently constructed on any lot subject to a deficiency. Certification to the county treasurer shall include a legal description of each lot. The council shall establish by ordinance a period of amortization for a public improvement for which there are deficiencies, based upon the useful life of the public improvement, but not to exceed ten years shall commence with the adoption of the resolution of necessity and extend for the same period for which installments of assessments for the project are made payable. Deficiencies

may be assessed only during the period of amortization, which shall also be certified to the county treasurer and the city official charged with the responsibility of issuing building permits. Certification to the county treasurer shall include a legal description of each lot. When a private improvement is constructed on a lot subject to a deficiency, during the period of amortization, the council shall, by resolution, assess a pro rata portion of the deficiency on that lot, in the same proportion to the total deficiency on that lot as the number of ~~full calendar years remaining in the period of amortization is to the total number of years in the period of amortization~~ future installments of special assessments remaining to be paid is to the total number of installments of assessments for the project, subject to the twenty-five percent limitation of section 384.62. A deficiency assessment becomes a lien on the property and is payable in the same manner, and subject to the same interest and penalties as the other special assessments. The council shall direct the clerk to certify a deficiency assessment to the county treasurer, and to send a notice of the deficiency assessment by certified mail to each owner, as provided in section 384.60, subsection 5, but publication of the notice is not required. An owner may appeal from the amount of the assessment within thirty days of the date notice is mailed. County officials shall collect a deficiency assessment, commencing in the year following the assessment, in the manner provided for the collection of other special assessments. Upon collection, the county treasurer shall make the appropriate credit entries in the "Special Assessment Deficiencies" book, and shall credit the amounts collected as provided for other special assessments on the same public improvement, or to the city, to the extent that the deficiency has been previously paid from other city funds.

Sec. 25. Section 384.65, subsection 1, Code 1983, is amended to read as follows:

1. The first installment of each assessment, or the total amount if less than fifty dollars, is due and payable on July 1 next succeeding the date of the levy, unless the assessment is filed with the county ~~auditor~~ treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of acceptance of the work by the council to the first day of December following the due date.

Sec. 26. Section 384.83, subsection 2, Code 1983, is amended to read as follows:

2. a. Before the governing body institutes proceedings for the issuance of revenue bonds, it shall fix a time and place of meeting at which it proposes to take action and give notice by publication in the manner directed in section 362.3. The notice must include a statement of the time and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose or purposes for which the revenue bonds will be issued, and the city utility, combined utility system, city enterprise, or combined city enterprise whose net revenues will be used to pay the revenue bonds and interest ~~thereon~~ on them. The governing body shall at the meeting receive oral or written objections from any resident or property owner of the city. After all objections have been received and considered, the governing body may, at the meeting or any adjournment ~~thereof~~ of the meeting, take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner of the city may appeal a decision of the governing body to take additional action to the district court of the county in which any part of the city is located within fifteen days after the additional action is taken, but the additional action of the governing body is final and conclusive unless the court finds that the governing body exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal in connection with the issuance of revenue bonds are in lieu of those contained in chapter 23 or any other law.

b. Separate purposes may be incorporated in a single notice of intention to institute proceedings or separate purposes may be incorporated in separate notices and, after an opportunity for filing objections, the governing body may include in a single issue of revenue bonds any number or combination of purposes.

Sec. 27. Section 384.84, subsection 1, Code 1983, is amended to read as follows:

1. The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise may establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise and, ~~whenever~~ when revenue bonds or pledge orders are issued and outstanding pursuant to this division, shall establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise, and to leave a balance of net revenues sufficient at all times to pay the principal of and interest on the revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of principal and interest, and a sufficient portion of net revenues must be pledged for that purpose. Rates must be established by ordinance of the council or by resolution of the trustees, published in the same manner as an ordinance. All rates or charges for the services of sewer systems, sewage treatment, solid waste collection, solid waste disposal, or any of these, if not paid as provided by ordinance of council, or resolution of trustees, ~~constitute are~~ are a lien upon the premises served by any of these services ~~upon certification to the county auditor that the rates or charges are owing.~~ The rates or charges lien has equal precedence with ordinary taxes, may be certified to the county auditor and collected in the same manner as taxes, and is not divested by a judicial sale.

Sec. 28. Section 419.3, subsection 2, Code 1983, is amended to read as follows:

2. The bonds referred to in subsection 1 of this section may be executed and delivered at any time and from time to time; be in such form and denominations; without limitation as to the denomination of any bond, any other law to the contrary notwithstanding; be of such tenor; be fully registered, registrable as to principal or in bearer form; be transferable; be payable in such installments and at such time or times, not exceeding thirty years from their date; be payable at such place or places in or out of the state of Iowa; bear interest at such rate or rates, payable at such place or places in or out of the state of Iowa; be evidenced in such manner and may contain other provisions not inconsistent ~~herewith~~ with this chapter; all as shall be provided in respect of the foregoing or other matters in the proceedings of the governing body ~~whereunder~~ where the bonds are authorized to be issued. The governing body may provide for the exchange of coupon bonds for fully registered bonds and of fully registered bonds for coupon bonds and for the exchange of any such bonds after issuance for bonds of larger or smaller denominations, all in ~~such~~ the manner as may be provided in the proceedings authorizing their issuance, provided the bonds in changed form or denominations shall be exchanged for the surrendered bonds in the same aggregate principal amounts and in such manner that no overlapping interest is paid, and ~~such~~ the bonds in changed form or denominations shall bear interest at the same rate or rates and shall mature on the same date or dates as the bonds for which they are exchanged. ~~Where any~~ If an exchange is made under this section, the bonds surrendered by the holders at the time of the exchange shall be canceled or held by a trustee for subsequent exchanges in accordance with this section. The exchange shall be made only at the request of the holders of the bonds to be surrendered, and the governing body may require all expenses incurred in connection with the exchange to be paid by the holders. ~~In case~~ If any of the officers whose signatures appear on the bonds or coupons ~~shall cease to be officers before the delivery of such~~ the bonds, such signatures ~~shall be~~, nevertheless, ~~be~~ valid and sufficient for all purposes, the same as if ~~they~~ the officers had remained in office until delivery.

Sec. 29. Section 419.16, Code 1983, is amended to read as follows:

419.16 INTENT OF LAW. In order to provide available alternatives to enable municipalities to accomplish the purposes of this chapter in the manner deemed most advisable by the ~~their governing body bodies~~, it is the intent of this chapter that a lessee or contracting party under a sale contract or loan agreement is not required to be the eventual user of a project, provided, that ~~any sublessee or assignee shall assume all of the obligations of the lessee or contracting party under the lease, sale contract or loan agreement, the lessee or contracting party remains primarily liable for all of its obligations under the lease, sale contract or loan agreement,~~ and the use of the project is consistent with the purposes of this chapter.

Sec. 30. Section 554.9403, subsection 6, Code 1983, is amended to read as follows:

6. If the debtor is a transmitting utility (section 554.9401, subsection 5), and a filed financing statement so states, or if a filed financing statement relates to a lien, pledge, or security interest incident to bonds issued under chapter 419 and the filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under section 554.9402, subsection 6, remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

Approved May 6, 1983

## CHAPTER 91

### LIMITS ON FILING SCHOOL DISTRICT REORGANIZATION PETITIONS

*H.F. 477*

**AN ACT** to prohibit the filing of school district reorganization petitions with an area education agency within six months after the occurrence of certain conditions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 275.12, subsection 1, Code 1983, is amended to read as follows:

1. A petition describing the boundaries, or accurately describing the area included therein by legal descriptions, of the proposed district, which boundaries or area described shall conform to plans developed or the petition shall request change of the plan, shall be filed with the area education agency administrator of the area education agency in which the greatest number of electors reside. However, the area education agency administrator shall not accept a petition if any of the school districts affected have approved the issuance of general obligation bonds at an election pursuant to section 296.6 during the preceding six-month period. ~~Such~~ The petition shall be signed by voters in each existing school district or portion affected or portion thereof equal in number to at least twenty percent of the number of eligible voters or four hundred voters, whichever is the smaller number. School districts district or portion affected or portion thereof shall be defined to mean that means the area to be included in the plan of the proposed new school district.

Sec. 2. Section 275.17, Code 1983, is amended to read as follows:

275.17 **REFILING FILING A PETITION.** If an area education agency board does not approve the change in boundaries of school districts in accordance with a petition, an identical a