

28J.21 Issuance of revenue and refunding bonds and pledge orders.

1. A port authority may issue revenue bonds and pledge orders payable solely from the net revenues of the port authority including the revenues generated from a facility pursuant to section 28J.20. The revenue bonds may be issued in such principal amounts as, in the opinion of the port authority, are necessary for the purpose of paying the cost of one or more port authority facilities or parts thereof.

2. *a.* The resolution to issue the bonds must be adopted at a regular or special meeting of the board called for that purpose by a majority of the total number of members of the board. The board shall fix a date, time, and place of meeting at which it proposes to take action, and give notice by publication in the manner directed in section 331.305. The notice must include a statement of the date, time, and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose for which the revenue bonds will be issued, and the net revenues to be used to pay the principal and interest on the revenue bonds.

b. At the meeting, the board shall receive oral or written objections from any resident or property owner within the jurisdiction of the port authority. After all objections have been received and considered, the board, at the meeting or a date to which it is adjourned, may take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner within the jurisdiction of the port authority may appeal a decision of the board to take additional action in district court within fifteen days after the additional action is taken, but the additional action of the board is final and conclusive unless the court finds that the board exceeded its authority.

3. The board may sell revenue bonds or pledge orders at public or private sale and may deliver revenue bonds and pledge orders to the contractors, sellers, and other persons furnishing materials and services constituting a part of the cost of the port authority facility in payment therefor. The pledge of any net revenues of a port authority is valid and effective as to all persons including but not limited to other governmental bodies when it becomes valid and effective between the port authority and the holders of the revenue bonds or pledge orders.

4. A revenue bond is valid and binding for all purposes if it bears the signatures or a facsimile of the signature of the officer designated by the port authority. Port authority revenue bonds may bear dates, bear interest at rates not exceeding those permitted by chapter 74A, bear interest at a variable rate or rates changing from time to time in accordance with a base or formula, mature in one or more installments, be in registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the board authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the port authority deems advisable, consistent with this chapter, including provisions for creating and maintaining reserve funds, the issuance of additional revenue bonds ranking on a parity with such revenue bonds and additional revenue bonds junior and subordinate to such revenue bonds, and that such revenue bonds shall rank on a parity with or be junior and subordinate to any revenue bonds which may be then outstanding. Port authority revenue bonds are a contract between the port authority and holders and the resolution is a part of the contract.

5. The port authority may issue revenue bonds to refund revenue bonds, pledge orders, and other obligations which are by their terms payable from the net revenues of the same port authority, at lower, the same, or higher rates of interest. A port authority may sell refunding revenue bonds at public or private sale and apply the proceeds to the payment of the obligations being refunded, and may exchange refunding revenue bonds in payment and discharge of the obligations being refunded. The principal amount of refunding revenue bonds may exceed the principal amount of the obligations being refunded to the extent necessary to pay any premium due on the call of the obligations being refunded and to fund interest accrued and to accrue on the obligations being refunded.

6. The final maturity of any original issue of port authority revenue bonds shall not exceed forty years from

the date of issue, and the final maturity of port authority revenue bonds that refund outstanding port authority revenue bonds shall not be later than the later of forty years from the date of issue of the original issue of bonds or the date by which it is expected, at the time of issuance of the refunding bonds, that the useful life of all of the property refinanced with the proceeds of the bonds, other than interests in land, will have expired. Such bonds or notes shall be executed in a manner as the resolution may provide.

7. The port authority may contract to pay an amount not to exceed ninety-five percent of the engineer's estimated value of the acceptable work completed during the month to the contractor at the end of each month for work, material, or services. Payment may be made in warrants drawn on any fund from which payment for the work may be made. If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter 74A even if income from the sale of bonds which have been authorized and are applicable to the public improvement takes place after the fiscal year in which the warrants are issued. If the port authority arranges for the private sale of anticipatory warrants, the warrants may be sold and the proceeds used to pay the contractor. The warrants may also be used to pay other persons furnishing services constituting a part of the cost of the public improvement.

8. Port authority revenue bonds, pledge orders, and warrants issued under this section are negotiable instruments.

9. The board may issue pledge orders pursuant to a resolution adopted by a majority of the total number of supervisors, at a regular or special meeting, ordering their issuance and delivery in payment for all or part of the cost of a project. Pledge orders may bear interest at rates not exceeding those permitted by chapter 74A.

10. Except as provided in section 28J.20, the physical properties of the port authority shall not be pledged or mortgaged to secure the payment of revenue bonds, pledge orders, or refunding bonds, or the interest thereon.

11. The members of the board of the port authority and any person executing the bonds or pledge orders shall not be personally liable on the bonds or pledge orders or be subject to any personal liability or accountability by reason of the issuance thereof.

2005 Acts, ch 150, §109