

CHAPTER 419

MUNICIPAL SUPPORT OF PROJECTS

Referred to in §26.2, 76.6, 390.6, 423.4, 554.9109

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419.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “*Beginning businessperson*” means an individual with an aggregate net worth of the individual and the individual’s spouse and children of less than one hundred thousand dollars. Net worth means total assets minus total liabilities as determined in accordance with generally accepted accounting principles.

2. “*Bonds*” of a municipality includes bonds, notes or other securities.

3. “*Contracting party*” or “*other contracting party*” means any party to a sale contract or loan agreement except the municipality.

4. “*Corporation*” includes a corporation whether organized for profit or not for profit for which the secretary of state has issued a certificate of incorporation or a permit for the transaction of business within the state and further includes a cooperative association.

5. “*Equip*” means to install or place on or in any building or improvements or the site thereof equipment of any and every kind, including, without limiting the generality of the foregoing, machinery, utility service connections, building service equipment, fixtures, heating equipment, and air conditioning equipment and including, in the case of portable equipment used for pollution control, all such machinery and equipment which maintains a substantial connection with the building or improvement or the site thereof where installed, placed, or primarily based.

6. “*Governing body*” means the board, council or other body in which the legislative powers of the municipality are vested.

7. “*Lease*” includes a lease containing an option to purchase the project for a nominal sum upon payment in full, or provision therefor, of all bonds issued in connection with the project and all interest thereon and all other expenses incurred in connection with the project, and a lease containing an option to purchase the project at any time, as provided therein, upon payment of the purchase price which shall be sufficient to pay all bonds issued in connection with the project and all interest thereon and all other expenses incurred in connection with the project, but which payment may be made in the form of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the lessee providing for timely payments, including without limitation, interest thereon sufficient for such purposes and delivered to the municipality or to the trustee under the indenture pursuant to which the bonds were issued. A single lease may contain both of the foregoing options.

8. “*Lessee*” includes a single person, firm or corporation or any two or more persons, firms or corporations which shall lease the project as tenants-in-common or otherwise and which shall undertake rental payments and other monetary obligations under the lease of the project sufficient in the aggregate to satisfy the rental and other monetary obligations required by this chapter to be undertaken by the lessee of a project.

9. “*Loan agreement*” means an agreement providing for a municipality to loan the proceeds derived from the issuance of bonds pursuant to this chapter to one or more contracting parties to be used to pay the cost of one or more projects and providing for the

repayment of such loan by the other contracting party or parties, and which may provide for such loans to be secured or evidenced by one or more notes, debentures, bonds or other secured or unsecured debt obligations of the contracting party or parties, delivered to the municipality or to the trustee under the indenture pursuant to which the bonds were issued.

10. “*Mortgage*” shall include a deed of trust.

11. “*Municipality*” means any county, or any incorporated city in this state.

12. “*Project*” means all or any part of, or any interest in:

a. Land, buildings, or improvements, whether or not in existence at the time of issuance of the bonds issued under this chapter, which are suitable for the use of any of the following:

(1) A voluntary nonprofit hospital, clinic, or health care facility as defined in section 135C.1, subsection 7.

(2) One or more physicians for an office building to be used exclusively by professional health care providers, including appropriate ancillary facilities.

(3) A private college or university or a state institution governed under chapter 262 whether for the establishment or maintenance of the college or university or state institution.

(4) An industry or industries for the manufacturing, processing, or assembling of agricultural or manufactured products, even though the processed products may require further treatment before delivery to the ultimate consumer.

(5) A commercial enterprise engaged in storing, warehousing, or distributing products of agriculture, mining, or industry including but not limited to barge facilities and riverfront improvements useful and convenient for the handling and storage of goods and products.

(6) A facility for the generation of electrical energy through the use of a renewable energy source including but not limited to hydroelectric and wind generation facilities.

(7) A facility engaged in research and development activities.

(8) A national, regional, or divisional headquarters facility of a company that does multistate business.

(9) A museum, library, or tourist information center.

(10) A telephone company.

(11) A beginning businessperson for any purpose.

(12) A commercial amusement or theme park.

(13) A housing unit or complex for persons who are elderly or persons with disabilities.

(14) A fair or exposition held in the state, other than the Iowa state fair, which is a member of the association of Iowa fairs.

(15) A sports facility.

(16) A facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code.

b. Pollution control facilities which are suitable for use by any industry, commercial enterprise or utility. “*Pollution control facilities*” means any land, buildings, structures, equipment, including portable equipment, pipes, pumps, dams, reservoirs, improvements, or other facilities useful for the purpose of reducing, preventing, or eliminating pollution of the water or air by reason of the operations of any industry, commercial enterprise or utility or for the disposal, including without limitation recycling, of solid waste. “*Improve*”, “*improving*” and “*improvements*” include any real property, personal property or mixed property of any and every kind that can be used or that will be useful in connection with a project, including but not limited to rights-of-way, roads, streets, sidings, trackage, foundations, tanks, structures, pipes, pipelines, reservoirs, utilities, materials, equipment, fixtures, machinery, furniture, furnishings, improvements, instrumentalities and other real, personal, or mixed property of every kind, whether above or below ground level.

c. Purposes that are eligible for financing from qualified midwestern disaster area bonds authorized under the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, together with any other financing necessary or desirable in connection with such purposes.

d. Purposes for which tax-exempt financing is authorized by the Internal Revenue Code, together with any other financing necessary or desirable in connection with such purposes.

13. “*Revenues*” of a project, or derived from a project, include payments under a lease

or sale contract and repayments under a loan agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of a lessee or contracting party delivered as herein provided.

14. “*Sale contract*” means a contract providing for the sale of one or more projects to one or more contracting parties and includes a contract providing for payment of the purchase price in one or more installments. If the sale contract permits title to the project to pass to the other contracting party or parties prior to payment in full of the entire purchase price, it shall also provide for the other contracting party or parties to deliver to the municipality or to the trustee under the indenture pursuant to which the bonds were issued one or more notes, debentures, bonds or other secured or unsecured debt obligations of such contracting party or parties providing for timely payments, including without limitation, interest thereon for the balance of the purchase price at or prior to the passage of such title.

[C66, 71, 73, 75, 77, 79, 81, §419.1; 81 Acts, ch 130, §1; 82 Acts, ch 1001, §1, ch 1049, §1, 2, ch 1132, §1]

83 Acts, ch 47, §1; 83 Acts, ch 182, §1; 84 Acts, ch 1266, §22; 94 Acts, ch 1162, §1; 96 Acts, ch 1129, §91; 2009 Acts, ch 100, §17, 21; 2012 Acts, ch 1023, §157; 2013 Acts, ch 90, §99

Referred to in §419.17, 419.18

[T] Subsection 12, paragraph c amended

419.2 Powers.

A municipality shall not have the power to operate any project financed under this chapter, as a business or in any manner except as specifically provided in this chapter. In addition to any other powers which it may now have, each municipality shall have the following powers:

1. To acquire, whether by construction, purchase, gift or lease, and to improve and equip, one or more projects. The projects shall be located within this state, may be located within or near the municipality, but shall not be located more than eight miles outside the corporate limits of the municipality, provided that ancillary improvements necessary or useful in connection with the main project may be located more than eight miles outside the corporate limits of the municipality or, in the case of a project which includes portable equipment for pollution control, that the situs of the principal place of business of the owner of such portable equipment is located within the municipality or not more than eight miles outside of the corporate limits of the municipality.

2. To lease to others one or more projects for such rentals and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter, but in no case shall the rentals be less than the average rental cost for like or similar facilities within the competitive commercial area.

3. To sell to others one or more projects for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter.

4. To enter into loan agreements with others with respect to one or more projects for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter.

5. To issue revenue bonds for the purpose of defraying the cost of any project and to secure payment of such bonds as provided in this chapter. However, in the case of a project suitable for the use of a beginning businessperson, the bonds may not exceed the aggregate principal amount of five hundred thousand dollars.

6. To grant easements for roads, streets, water mains and pipes, sewers, power lines, telephone lines, all pipe lines, and to all utilities.

7. To issue revenue bonds for the purpose of retiring existing indebtedness of any private or state of Iowa college or university or of any person who incurred the indebtedness to finance a project for any private or state of Iowa college or university, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness of a private or state of Iowa college or university or of any person

who incurred the indebtedness to finance a project for a private or state of Iowa college or university shall be deemed a "project" for the purposes of this chapter.

8. To issue revenue bonds for the purpose of retiring any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital shall be deemed a "project" for the purposes of this chapter.

9. To issue revenue bonds for the purpose of retiring any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for the payments and upon the terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code is a "project" for the purposes of this chapter.

[C66, 71, 73, 75, §419.2; C77, 79, §419.2, 419.7; C81, §419.2; 82 Acts, ch 1049, §3]

94 Acts, ch 1162, §2; 2010 Acts, ch 1069, §138, 139

419.3 Bonds as limited obligations.

1. All bonds issued by a municipality, under the authority of this chapter, shall be limited obligations of the municipality. The principal of and interest on such bonds shall be payable solely out of the revenues derived from the project to be financed by the bonds so issued under the provisions of this chapter including debt obligations of the lessee or contracting party obtained from or in connection with the financing of a project. Bonds and interest coupons issued under authority of this chapter shall never constitute an indebtedness of the municipality, within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers. Such limitation shall be plainly stated on the face of each such bond.

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 with this chapter; all as shall be provided in the proceedings of the governing body 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 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 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. 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. If any of the officers whose signatures appear on the bonds or coupons cease to be officers before the delivery of the bonds, such signatures are, nevertheless, valid and sufficient for all purposes, the same as if the officers had remained in office until delivery.

3. Unless otherwise provided in the proceedings of the governing body whereunder the

bonds are authorized to be issued, bonds issued under the provisions of this chapter shall be subject to the general provisions of law, presently existing or that may hereafter be enacted, respecting the execution and delivery of the bonds of a municipality and respecting the retaining of options of redemption in proceedings authorizing the issuance of municipal securities.

4. Any bonds, issued under the authority of this chapter, may be sold at public sale in such manner, at such price and at such time or times as may be determined by the governing body to be most advantageous. The municipality may pay all expenses, premiums and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale and issuance thereof.

5. All bonds, issued under the authority of this chapter and all interest coupons applicable thereto, shall be construed to be negotiable instruments, even though they are payable solely from a specified source.

[C66, 71, 73, 75, 77, 79, 81, §419.3]

83 Acts, ch 90, §28

Referred to in §419.6

419.4 Pledge of revenues.

1. The principal of and interest on any bonds, issued under authority of this chapter, shall be secured by a pledge of the revenues out of which such bonds shall be made payable. They may be secured by a mortgage covering all or any part of the project from which the revenues so pledged may be derived or by a pledge of the lease, sale contract or loan agreement with respect to such project or by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the lessee or contracting party.

2. a. The proceedings under which the bonds are authorized to be issued under the provisions of this chapter, and any mortgage given to secure the same, may contain any agreements and provisions customarily contained in instruments securing bonds, including but not limited to:

(1) Provisions respecting custody of the proceeds from the sale of the bonds including their investment and reinvestment until used to defray the cost of the project.

(2) Provisions respecting the fixing and collection of rents or payment with respect to any project covered by such proceedings or mortgage.

(3) The terms to be incorporated in the lease, sale contract, or loan agreement with respect to such project.

(4) The maintenance and insurance of such project.

(5) The creation, maintenance, custody, investment and reinvestment and use of special funds from the revenues of such project.

(6) The rights and remedies available in case of a default to the bond holders or to any trustee under the lease, sale contract, loan agreement or mortgage.

b. (1) A municipality shall have the power to provide that proceeds from the sale of bonds and special funds from the revenues of the project shall be invested and reinvested in such securities and other investments as shall be provided in the proceedings under which the bonds are authorized to be issued including:

(a) Obligations issued or guaranteed by the United States.

(b) Obligations issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(c) Obligations issued or guaranteed by any state of the United States, or the District of Columbia, or any political subdivision of any such state or district.

(d) Prime commercial paper.

(e) Prime finance company paper.

(f) Bankers' acceptances drawn on and accepted by banks organized under the laws of any state or of the United States.

(g) Repurchase agreements fully secured by obligations issued or guaranteed by the United States or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(h) Certificates of deposit issued by banks organized under the laws of any state or of the United States; whether or not such investment or reinvestment is authorized under any other law of this state. The municipality shall also have the power to provide that such proceeds or funds or investments and the amounts payable under the lease, sale contract, or loan agreement shall be received, held and disbursed by one or more banks or trust companies located in or out of the state of Iowa.

(2) A municipality shall also have the power to provide that the project and improvements shall be constructed by the municipality, lessee, the lessee's designee, the contracting party, or the contracting party's designee, or any one or more of them on real estate owned by the municipality, the lessee, the lessee's designee, the contracting party, or the contracting party's designee, as the case may be, and that the bond proceeds shall be disbursed by the trustee bank or banks, trust company or trust companies, during construction upon the estimate, order or certificate of the lessee, the lessee's designee, the contracting party, or the contracting party's designee.

c. In making such agreements or provisions as provided in this subsection, a municipality shall not have the power to obligate itself, except with respect to the project and the application of the revenues therefrom, and shall not have the power to incur a pecuniary liability or a charge upon its general credit or against its taxing powers.

3. The proceedings authorizing any bonds under the provisions of this chapter, or any mortgage securing such bonds, may provide that if there is a default in the payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or mortgage, the payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents and payments and to apply the revenues from the project in accordance with such proceedings or the provisions of such mortgage.

4. Any mortgage, made under the provisions of this chapter, to secure bonds issued thereunder, may also provide that if there is a default in the payment thereof or a violation of any agreement contained in the mortgage, it may be foreclosed and sold under proceedings in equity or in any other manner permitted by law. Such mortgage may also provide that any trustee under such mortgage or the holder of any bonds secured thereby may become the purchaser at any foreclosure sale if the trustee or holder is the highest bidder therefor.

[C66, 71, 73, 75, 77, 79, 81, §419.4]

2012 Acts, ch 1021, §71; 2013 Acts, ch 30, §83, 84

Referred to in §419.6

[T] Subsection 2, paragraph a, subparagraph (5) amended

[T] Subsection 2, paragraph b amended

419.5 Determination of rent.

1. Prior to entering into a lease, sale contract or loan agreement with respect to any project, the governing body must determine the amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance such project; the amount necessary to be paid each year into any reserve funds which the governing body may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project; and unless the terms of the lease, sale contract or loan agreement provide that the lessee or contracting party shall maintain the project and carry all proper insurance with respect thereto, the estimated cost of maintaining the project in good repair and keeping it properly insured.

2. The determination and findings of the governing body, required to be made by subsection 1 of this section, shall be set forth in the proceedings under which the proposed bonds are to be issued; provided, however, that the foregoing amounts need not be expressed in dollars and cents in the lease, sale contract or loan agreement or in the proceedings under which the bonds are authorized to be issued, but may be set forth in the form of a formula or formulas. Prior to the issuance of the bonds authorized by this chapter the municipality shall enter into a lease, sale contract or loan agreement with respect to the project which shall require the lessee or contracting party to complete the project and which shall provide for payment to the municipality of such rentals or payments as, upon the basis of such determinations and findings, will be sufficient to pay the principal of and interest

on the bonds issued to finance the project; to build up and maintain any reserves deemed advisable, by the governing body, in connection therewith and unless the lease, sale contract or loan agreement obligates the lessee or contracting party to pay for the maintenance and insurance on the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

[C66, 71, 73, 75, 77, 79, 81, §419.5]
Referred to in §419.11

419.6 Refunding bonds.

Any bonds, issued under the provisions of this chapter and at any time outstanding, may at any time and from time to time be refunded by a municipality by the issuance of its refunding bonds in such amount as the governing body may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be so refunded, any unpaid interest thereon and any premiums and commissions necessary to be paid in connection therewith. Any such refunding may be effected whether the bonds to be refunded shall have matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof for the payment of the bonds to be refunded thereby, or by exchange of the refunding bonds for the bonds to be refunded thereby, but the holders of any bonds to be so refunded shall not be compelled, without their consent, to surrender their bonds for payment or exchange prior to the date on which they are payable by maturity date, option to redeem or otherwise, or if they are called for redemption, prior to the date on which they are by their terms subject to redemption by option or otherwise. All refunding bonds, issued under authority of this chapter, shall be payable solely from the revenues out of which the bonds to be refunded thereby are payable and shall be subject to the provisions contained in section 419.3 and may be secured in accordance with the provisions of section 419.4.

[C66, 71, 73, 75, 77, 79, 81, §419.6]

419.7 Application of proceeds limited.

The proceeds from the sale of any bonds, issued under authority of this chapter, shall be applied only for the purpose for which the bonds were issued and if, for any reason, any portion of such proceeds shall not be needed for the purpose for which the bonds were issued, such unneeded portion of said proceeds shall be applied to the payment of the principal or the interest on said bonds. The cost of any project shall be deemed to include the actual cost of acquiring a site or the cost of the construction of any part of a project which may be constructed including architects' and engineers' fees, the purchase price of any part of a project that may be acquired by purchase, all expenses in connection with the authorization, sale and issuance of the bonds to finance such acquisition, an amount to be held as a bond reserve fund, and the interest on such bonds for a reasonable time prior to construction, during construction and for not exceeding six months after completion of construction.

[C66, 71, 73, 75, 77, 79, 81, §419.7]

419.8 No payment by municipality. Repealed by 2009 Acts, ch 100, § 20, 21.

419.9 Public hearing.

Prior to the issuance of any bonds under authority of this chapter, the municipality shall conduct a public hearing on the proposal to issue said bonds. Notice of intention to issue the bonds, specifying the amount and purpose thereof and the time and place of hearing, shall be published at least once not less than fifteen days prior to the date fixed for the hearing in a newspaper published and having a general circulation within the municipality. If there is no newspaper published therein, the notice shall be published in a newspaper published in the county and having a general circulation in the municipality. At the time and place fixed for the public hearing the governing body of the municipality shall give all local residents who appear at the hearing an opportunity to express their views for or against the proposal to issue the bonds and at the hearing, or any adjournment thereof, shall adopt a resolution determining whether or not to proceed with the issuance of the bonds.

[C66, 71, 73, 75, 77, 79, 81, §419.9]

419.10 Default.

In case of a default in the payment of any revenue bonds, issued pursuant to the provisions of this chapter, the municipality which defaulted in such payment shall be precluded from entering into any activity of its own except to release the property for some industrial activity.

[C66, 71, 73, 75, 77, 79, 81, §419.10]

419.11 Tax equivalent to be paid — assessment procedure — appeal.

1. a. Any municipality acquiring, purchasing, constructing, reconstructing, improving, or extending any industrial buildings, buildings used as headquarters facilities or pollution control facilities, as provided in this chapter, shall annually pay out of the revenue from such industrial buildings, buildings used as headquarters facilities or pollution control facilities to the state of Iowa and to the city, school district, and any other political subdivision, authorized to levy taxes, a sum equal to the amount of tax, determined by applying the tax rate of the taxing district to the assessed value of the property, which the state, county, city, school district, or other political subdivision would receive if the property were owned by any private person or corporation, any other statute to the contrary notwithstanding.

b. For purposes of arriving at such tax equivalent, the property shall be valued and assessed by the assessor in whose jurisdiction the property is located, in accordance with chapter 441, but the municipality, the lessee on behalf of the municipality, and such other persons as are authorized by chapter 441 shall be entitled to protest any assessment and take appeals in the same manner as any taxpayer. Such valuations shall be included in any summation of valuations in the taxing district for all purposes known to the law. Income from this source shall be considered under the provisions of section 384.16, subsection 1, paragraph “a”, subparagraph (2).

2. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this chapter so provide, the municipality may agree to cooperate with the lessee of a project in connection with any administrative or judicial proceedings for determining the validity or amount of any such payments and may agree to appoint or designate and reserve the right in and for such lessee to take all action which the municipality may lawfully take in respect of such payments and all matters relating thereto, provided, however, that such lessee shall bear and pay all costs and expenses of the municipality thereby incurred at the request of such lessee or by reason of any such action taken by such lessee in behalf of the municipality. Any lessee of a project which has paid, as rentals additional to those required to be paid pursuant to section 419.5, the amounts required by subsection 1, paragraph “a”, to be paid by the municipality shall not be required to pay any such taxes to the state or to any such county, city, school district or other political subdivision, any other statute to the contrary notwithstanding. To the extent that any lessee or contracting party pays taxes on a project or part thereof, the municipality shall not be required to pay the tax equivalent herein provided, and to such extent the lessee or contracting party shall not be required to pay amounts to the municipality for such purpose.

3. This section shall not be applicable to any municipality acquiring, purchasing, constructing, reconstructing, improving, or extending any buildings for the purpose of establishing, maintaining, or assisting any private or state of Iowa college or university, nor to any municipality in connection with any project for the benefit of a voluntary nonprofit hospital, clinic, or health care facility, the property of which is otherwise exempt under the provisions of chapter 427. The payment, collection, and apportionment of the tax equivalent shall be subject to the provisions of chapters 445, 446 and 447.

[C66, 71, 73, 75, 77, 79, 81, §419.11]

2010 Acts, ch 1069, §145; 2011 Acts, ch 34, §94

419.12 Purchase.

The municipality may accept any bona fide offer to purchase which is sufficient to pay all the outstanding bonds, interest, taxes, special levies, and other costs that have been incurred.

[C66, 71, 73, 75, 77, 79, 81, §419.12]

419.13 Exception to budget law and certain bond provisions.

The provisions of sections 73A.12 to 73A.16 shall not apply to bonds issued under the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §419.13]

419.14 Eminent domain not available.

No land acquired by a municipality by the exercise of condemnation through eminent domain can be used to effectuate the purposes of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §419.14]

Referred to in §419.17

419.15 Limitation of actions.

No action shall be brought questioning the legality of any contract, lease, mortgage, proceedings or bonds executed in connection with any project or improvements authorized by this chapter from and after three months from the time the bonds are ordered issued by the proper authority.

[C66, 71, 73, 75, 77, 79, 81, §419.15]

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 their governing 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 the use of the project is consistent with the purposes of this chapter.

[C75, 77, 79, 81, §419.16]

83 Acts, ch 90, §29

419.17 Revenue bonds issued.

1. Cities may also issue revenue bonds for projects located within a qualified urban renewal area or an area designated a revitalization area pursuant to sections 404.1 to 404.7. The revenue bonds shall be issued pursuant to the provisions of this chapter and all provisions of this chapter shall apply, except that:

a. The term “*project*” as defined in section 419.1 includes land, buildings, or improvements which are suitable for use as residential property or for the use of a commercial enterprise or nonprofit organization which the governing body finds is consistent with the urban renewal plan for a qualified urban renewal area or the revitalization plan, as the case may be.

b. The provisions of section 419.14 shall not apply to projects within a qualified urban renewal area.

2. The power to issue revenue bonds pursuant to this section is in addition to other powers granted cities to aid qualified urban renewal areas and revitalization areas.

3. The term “*qualified urban renewal area*” means an urban renewal area designated as such pursuant to chapter 403 before July 1, 1979.

[C81, §419.17]

2009 Acts, ch 100, §18, 21

Referred to in §404.3

[P] Chapter 404 applies to all cities including special charter cities; 79 Acts, ch 84, §12

419.18 Grain and soybean storage facilities — bonds issued.

In order to provide greater sources of financing and to encourage an increase in the capacity of grain and soybean storage facilities within the state, cities and counties may issue revenue bonds, to be originally purchased by financial institutions or other bond purchasers which are located within the city or county issuing the bonds, to finance the acquisition of grain and soybean storage facilities which may be located anywhere within the state. The revenue bonds shall be issued pursuant to this chapter and all provisions of this chapter shall apply except that the term “*project*” as defined in section 419.1 includes on-farm grain and soybean storage facilities, which facilities may include the grain or soybean drying and

aerating equipment, and the project need not be located within the city or county issuing the revenue bonds.

[82 Acts, ch 1208, §1]