

28A.18 Bonds and notes payable from revenue.

1. *a.* The bonds issued by the board pursuant to [this subchapter](#) shall be authorized by resolution of the board and shall be either term or serial bonds, shall bear the date, mature at the time, not exceeding forty years from their respective dates, bear interest at the rate, not exceeding the rate permitted under [chapter 74A](#) or the rate authorized by another state within the greater metropolitan area, whichever rate is lower, payable monthly or semiannually, be in the denominations, be in the form, either coupon or fully registered, shall carry the registration, exchangeability and interchangeability privileges, be payable in the medium of payment and at the place, within or without the state, be subject to the terms of redemption and be entitled to the priorities on the revenues, rates, fees, rentals, or other charges or receipts of the authority as the resolution may provide. The bonds shall be executed either by manual or facsimile signature by the officers as the authority shall determine, provided that the bonds shall bear at least one signature which is manually executed on the bond, and the coupons attached to the bonds shall bear the facsimile signature of the officer as designated by the authority and the bonds shall have the seal of the authority, affixed, imprinted, reproduced, or lithographed on the bond, all as may be prescribed in a resolution.

b. The bonds shall be sold at public sale or private sale at the price as the authority shall determine to be in the best interests of the authority provided that the bonds shall not be sold at less than ninety-eight percent of the par value of the bond, plus accrued interest and provided that the net interest cost shall not exceed that permitted by applicable state law. Pending the preparation of definitive bonds, interim certificates or temporary bonds may be issued to the purchaser of the bonds, and may contain the terms and conditions as the board may determine.

2. *a.* The board, after the issuance of bonds, may borrow moneys for the purposes for which the bonds are to be issued in anticipation of the receipt of the proceeds of the sale of the bonds and within the authorized maximum amount of the bond issue. Any loan shall be paid within three years after the date of the initial loan. Bond anticipation notes shall be issued for all moneys so borrowed under [this section](#), and the notes may be renewed, but all the renewal notes shall mature within the time above limited for the payment of the initial loan. The notes shall be authorized by resolution of the board and shall be in the denominations, shall bear interest at the rate not exceeding the maximum rate permitted by the resolution authorizing the issuance of the bonds, shall be in the form and shall be executed in the manner, all as the authority prescribes.

b. The notes shall be sold at public or private sale or, if the notes are renewal notes, they may be exchanged for notes outstanding on the terms as the board determines. The board may retire any notes from the revenues derived from its metropolitan facilities or from other moneys of the authority which are lawfully available or from a combination of revenues and other available moneys, in lieu of retiring them by means of bond proceeds. However, before the retirement of the notes by any means other than the issuance of bonds, the board shall amend or repeal the resolution authorizing the issuance of the bonds, in anticipation of the proceeds of the sale of the notes, so as to reduce the authorized amount of the bond issue by the amount of the notes so retired. The amendatory or repealing resolution shall take effect upon its passage.

3. Any resolution authorizing the issuance of any bonds may contain provisions which shall be part of the contract with the holders of the bonds, as to:

a. The pledging of all or any part of the revenues, rates, fees, rentals, or other charges or receipts of the authority derived by the authority from all or any of its metropolitan facilities.

b. The construction, improvement, operations, extensions, enlargement, maintenance, repair, or lease of metropolitan facilities and the duties of the authority with reference to the facilities.

c. Limitations on the purposes to which the proceeds of the bonds, or of any loan or grant by the federal government or the state government or the county or any city in the county, may be applied.

d. The fixing, charging, establishing, and collecting of rates, fees, rentals, or other charges

for use of the services and facilities of the metropolitan facilities of an authority, or any part of the facilities.

e. The setting aside of reserves or sinking funds or repair and replacement funds or other funds and the regulation and disposition of the funds.

f. Limitations on the issuance of additional bonds.

g. The terms and provisions of any deed of trust, mortgage, or indenture securing the bonds or under which the bonds may be issued.

h. Any other or additional agreements with the holders of the bonds as are customary and proper and which in the judgment of the authority will make the bonds more marketable.

4. The board of the authority may enter into any deeds of trust, mortgages, indentures, or other agreements, with any bank or trust company or any other lender within or without the state as security for the bonds, and may assign and pledge all or any of the revenues, rates, fees, rentals, or other charges or receipts of the authority. The deeds of trust, mortgages, indentures, or other agreements may contain the provisions as may be customary in the instruments, or, as the board may authorize, including, but without limitation, provisions as to:

a. The construction, improvement, operation, leasing, maintenance, and repair of the metropolitan facilities and duties of the board with reference to the facilities.

b. The application of funds and the safeguarding and investment of funds on hand or on deposit.

c. The appointment of consulting engineers or architects and approval by the holders of the bonds.

d. The rights and remedies of the trustee and the holders of the bonds.

e. The terms and provisions of the bonds or the resolution authorizing the issuance of the bonds.

5. Any of the bonds issued pursuant to [this section](#) are negotiable instruments, and have all the qualities and incidents of negotiable instruments and are exempt from state taxation.

[91 Acts, ch 198, §17](#)

CS91, §330B.18

C93, §28A.18

[2008 Acts, ch 1032, §139](#); [2016 Acts, ch 1011, §121](#)

Code editor directive applied