

## CHAPTER 28J

### PORT AUTHORITIES

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#### 28J.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Authorized purposes*” means an activity that enhances, fosters, aids, provides, or promotes transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of a port authority.
2. “*Board*” means the board of directors of a port authority established pursuant to [section 28J.2](#).
3. “*City*” means the same as defined in [section 362.2](#).
4. “*Construction*” means alteration, creation, development, enlargement, erection, improvement, installation, reconstruction, remodeling, and renovation.
5. “*Contracting governmental agency*” means any governmental agency or taxing district of the state that, by action of its legislative authority, enters into an agreement with a port authority pursuant to [section 28J.17](#).
6. “*Cost*” as applied to a port authority facility means any of the following:
  - a. The cost of construction contracts, land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition or construction.
  - b. The cost of demolishing or removing any buildings or structures on land, including the cost of acquiring any lands to which those buildings or structures may be moved.
  - c. The cost of diverting a highway, interchange of a highway, and access roads to private property, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.
  - d. The cost of machinery, furnishings, equipment, financing charges, interest prior to and during construction and for no more than twelve months after completion of construction, engineering, and expenses of research and development with respect to a facility.

e. Legal and administrative expenses, plans, specifications, surveys, studies, estimates of cost and revenues, engineering services, and other expenses necessary or incident to determining the feasibility or practicability of acquiring or constructing a facility.

f. The interest upon the revenue bonds and pledge orders during the period or estimated period of construction and for twelve months thereafter, or for twelve months after the acquisition date, reserve funds as the port authority deems advisable in connection with a facility and the issuance of port authority revenue bonds and pledge orders.

g. The costs of issuance of port authority revenue bonds and pledge orders.

h. The cost of diverting a rail line, rail spur track, or rail spur track switch, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

i. The cost of relocating an airport's runways, terminals, and related facilities including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

7. "Facility" or "port authority facility" means real or personal property owned, leased, or otherwise controlled or financed by a port authority and related to or in furtherance of one or more authorized purposes.

8. "Governmental agency" means a department, division, or other unit of state government of this state or any other state, city, county, township, or other governmental subdivision, or any other public corporation or agency created under the laws of this state, any other state, the United States, or any department or agency thereof, or any agency, commission, or authority established pursuant to an interstate compact or agreement or combination thereof.

9. "Person" means the same as defined in [section 4.1](#).

10. "Pledge order" means a promise to pay out of the net revenues of a port authority, which is delivered to a contractor or other person in payment of all or part of the cost of a facility.

11. "Political subdivision" means a city, county, city-county consolidation, or multicounty consolidation, or combination thereof.

12. "Political subdivisions comprising the port authority" means the political subdivisions which created or participated in the creation of the port authority under [section 28J.2](#), or which joined an existing port authority under [section 28J.4](#).

13. "Port authority" means an entity created pursuant to [section 28J.2](#).

14. "Port authority revenue bonds" means revenue bonds and revenue refunding bonds issued pursuant to [section 28J.21](#).

15. "Public roads" means all public highways, roads, and streets in this state, whether maintained by the state or by a county or city.

16. "Revenues" means rental fees and other charges received by a port authority for the use or services of a facility, a gift or grant received with respect to a facility, moneys received with respect to the lease, sublease, sale, including installment sale or conditional sale, or other disposition of a facility, moneys received in repayment of and for interest on any loans made by the port authority to a person or governmental agency, proceeds of port authority revenue bonds for payment of principal, premium, or interest on the bonds authorized by the port authority, proceeds from any insurance, condemnation, or guarantee pertaining to the financing of the facility, and income and profit from the investment of the proceeds of port authority revenue bonds or of any revenues.

[2005 Acts, ch 150, §89](#)

### **28J.2 Creation and powers of port authority.**

1. Two or more political subdivisions may create a port authority under [this chapter](#) by resolution. If a proposal to create a port authority receives a favorable majority of the members of the elected legislative body of each of the political subdivisions, the port authority is created at the time provided in the resolution. The jurisdiction of a port authority includes the territory described in [section 28J.8](#).

2. A port authority created pursuant to [this section](#) may sue and be sued, complain, and defend in its name and has the powers and jurisdiction enumerated in [this chapter](#).

3. At the time a port authority is created pursuant to [this section](#), the political subdivisions comprising the port authority may restrict the powers granted the port authority pursuant

to [this chapter](#) by specifically adopting such restrictions in the resolution creating the port authority.

4. The political subdivisions comprising the port authority whose powers have been restricted pursuant to [subsection 3](#) may at any time adopt a resolution to grant additional powers to the port authority, so long as the additional powers do not exceed the powers permitted under [this chapter](#).

[2005 Acts, ch 150, §90; 2006 Acts, ch 1010, §16](#)

Referred to in [§28J.1, 28J.5, 28J.11, 28J.15, 427.1\(34\)](#)

### **28J.3 Appropriation and expenditure of public funds — dissolution.**

1. The political subdivisions comprising a port authority may appropriate and expend public funds to finance or subsidize the operation and authorized purposes of the port authority. A port authority shall control tax revenues allocated to the facilities the port authority administers and all revenues derived from the operation of the port authority, the sale of its property, interest on investments, or from any other source related to the port authority.

2. All revenues received by the port authority shall be held in a separate fund in a manner agreed to by the political subdivisions comprising the port authority. Revenues may be paid out only at the direction of the board of directors of the port authority.

3. A port authority shall comply with [section 331.341, subsections 1, 2, 4, and 5, and section 331.342](#), when contracting for public improvements.

4. Subject to making due provisions for payment and performance of any outstanding obligations, the political subdivisions comprising the port authority may dissolve the port authority, and transfer the property of the port authority to the political subdivisions comprising the port authority in a manner agreed upon between the political subdivisions comprising the port authority prior to the dissolution of the port authority.

[2005 Acts, ch 150, §91](#)

### **28J.4 Joining an existing port authority.**

1. A political subdivision which is contiguous to either a political subdivision which participated in the creation of the port authority or a political subdivision which proposes to join the port authority at the same time which is contiguous to a political subdivision which participated in the creation of the port authority may join the port authority by resolution.

2. If more than one such political subdivision proposes to join the port authority at the same time, the resolution of each such political subdivision shall designate the political subdivisions which are to be so joined.

3. Any territory or city not included in a port authority which is annexed to a city included within the jurisdiction of a port authority shall, on such annexation and without further proceedings, be annexed to and be included in the jurisdiction of the port authority.

4. Before a political subdivision is joined to a port authority, other than by annexation to a city, the political subdivisions comprising the port authority shall agree upon the terms and conditions pursuant to which such political subdivision is to be joined.

5. For the purpose of [this chapter](#), such political subdivision shall be considered to have participated in the creation of the port authority, except that the initial term of any director of the port authority appointed by a joining political subdivision shall be four years.

6. After each resolution proposing a political subdivision to join a port authority has become effective and the terms and conditions of joining the port authority have been agreed to, the board of directors of the port authority shall by resolution either accept or reject the proposal. Such proposal to join a port authority shall be effective upon adoption of the resolution by the board of directors of the port authority and thereupon the jurisdiction of the port authority includes the joining political subdivision.

[2005 Acts, ch 150, §92](#)

Referred to in [§28J.1](#)

### **28J.5 Membership of board of directors.**

1. A port authority created pursuant to [section 28J.2](#) shall be governed by a board of directors. Members of a board of directors of a port authority shall be divided among the

political subdivisions comprising the port authority in such proportions as the political subdivisions may agree and shall be appointed by the respective political subdivision's elected legislative body.

2. The number of directors comprising the board shall be determined by agreement between the political subdivisions comprising the port authority, and which number may be changed by resolution of the political subdivisions comprising the port authority.

3. A majority of the directors shall have been qualified electors of, or owned a business or been employed in, one or more political subdivisions within the area of the jurisdiction of the port authority for a period of at least three years preceding appointment.

4. The directors of a port authority first appointed shall serve staggered terms. Thereafter each successor director shall serve for a term of four years, except that any person appointed to fill a vacancy shall be appointed to only the unexpired term. A director is eligible for reappointment.

5. The board may provide procedures for the removal of a director who fails to attend three consecutive regular meetings of the board. If a director is so removed, a successor shall be appointed for the remaining term of the removed director in the same manner provided for the original appointment. The appointing body may at any time remove a director appointed by it for misfeasance, nonfeasance, or malfeasance in office.

6. The board may adopt bylaws and shall elect one director as chairperson and one director as vice chairperson, designate terms of office, and appoint a secretary who need not be a director.

7. A majority of the board of directors shall constitute a quorum for the purpose of holding a meeting of the board. The affirmative vote of a majority of a quorum shall be necessary for any action taken by the port authority unless the board determines that a greater number of affirmative votes is necessary for particular actions to be taken by the port authority. A vacancy in the membership of the board shall not impair the rights of a quorum to exercise all the rights and perform all the duties of the port authority.

8. Each director shall be entitled to receive from the port authority such sum of money as the board may determine as compensation for services as a director and reimbursement for reasonable expenses in the performance of official duties.

[2005 Acts, ch 150, §93](#)

#### **28J.6 Civil immunity of directors.**

A director of a port authority shall not be personally liable for any monetary damages that arise from actions taken in the performance of the director's official duties, except for acts or omissions that are not in good faith or that involve intentional misconduct, a knowing violation of law, or any transaction from which the director derived an improper personal benefit.

[2005 Acts, ch 150, §94](#)

#### **28J.7 Employees, advisory board, peace officers.**

1. A port authority shall employ and fix the qualifications, duties, and compensation of any employees and enter into contracts for any services that may be required to conduct the business of the port authority, and may appoint an advisory board, which shall serve without compensation.

2. An employee of a port authority is a public employee for the purposes of collective bargaining under [chapter 20](#).

3. a. A port authority may provide for the administration and enforcement of the laws of the state by employing peace officers who shall have all the powers conferred by law on peace officers of this state with regard to the apprehension of violators upon all property under its control within and without the port authority. The peace officers may seek the assistance of other appropriate law enforcement officers to enforce port authority rules and maintain order.

b. Peace officers employed by a port authority shall meet all requirements established for police officers under [chapter 400](#) and shall be considered police officers for the purposes of [chapter 411](#).

c. Peace officers employed by a port authority shall serve as a peace officer force with respect to the property, grounds, buildings, equipment, and facilities under the control of the port authority, to prevent hijacking of aircraft or watercraft, protect the property of the authority and the property of others located thereon, suppress nuisances and disturbances and breaches of the peace, and enforce laws and the rules of the port authority for the preservation of good order. Peace officers are vested with the same powers of arrest as peace officers under [section 804.7](#).

4. If an employee of a political subdivision comprising the port authority is transferred to a comparable position with the port authority, the employee is entitled to suffer no loss in pay, pension, fringe benefits, or other benefits and shall be entitled to a comparable rank and grade as the employee's prior position. Sick leave, longevity, and vacation time accrued to such employees shall be credited to them as employees of the port authority. All rights and accruals of such employees as members of the Iowa public employees' retirement system pursuant to [chapter 97B](#) and the retirement system for police officers pursuant to [chapter 411](#) shall remain in force and shall be automatically transferred to the port authority.

[2005 Acts, ch 150, §95](#); [2006 Acts, ch 1030, §8](#)

#### **28J.8 Area of jurisdiction.**

1. The area of jurisdiction of a port authority shall include all of the territory of the political subdivisions comprising the port authority and, if the port authority owns or leases a railroad line or airport, the territory on which the railroad's line, terminals, and related facilities or the airport's runways, terminals, and related facilities are located, regardless of whether the territory is located in the political subdivisions comprising the port authority.

2. A political subdivision that has created a port authority or joined an existing port authority shall not be included in any other port authority.

[2005 Acts, ch 150, §96](#)

Referred to in [§28J.2](#)

#### **28J.9 Powers of port authority.**

A port authority may exercise all of the following powers:

1. Adopt bylaws for the regulation of the port authority's affairs and the conduct of the port authority's business.

2. Adopt an official seal.

3. Maintain a principal office and branch offices within the port authority's jurisdiction.

4. Acquire, construct, furnish, equip, maintain, repair, sell, exchange, lease, lease with an option to purchase, convey interests in real or personal property, and operate any property of the port authority in connection with transportation, recreational, governmental operations, or cultural activities in furtherance of an authorized purpose.

5. Straighten, deepen, and improve any channel, river, stream, or other watercourse or way which may be necessary or proper in the development of the facilities of the port authority.

6. Make available the use or services of any facility of the port authority to any person or governmental agency.

7. Issue bonds or pledge orders pursuant to the requirements and limitations in [section 28J.21](#).

8. Issue port authority revenue bonds beyond the limit of bonded indebtedness provided by law, payable solely from revenues as provided in [section 28J.21](#), for the purpose of providing funds to pay the costs of any facility or facilities of the port authority or parts thereof.

9. Apply to the proper authorities of the United States for the right to establish, operate, and maintain foreign trade zones and establish, operate, and maintain foreign trade zones and to acquire, exchange, sell, lease to or from, lease with an option to purchase, or operate facilities, land, or property in accordance with the federal Foreign Trade Zones Act, 19 U.S.C. §81a – 81u.

10. Enjoy and possess the same legislative and executive rights, privileges, and powers

granted cities under [chapter 364](#) and counties under [chapter 331](#), including the exercise of police power but excluding the power to levy taxes.

11. Maintain such funds as it considers necessary and adhere to the public funds investment standards of [chapter 12B](#), as applicable.

12. Direct port authority agents or employees, after at least five days' written notice, to enter upon lands within the port authority's jurisdiction to make surveys and examinations preliminary to location and construction of works for the port authority, without liability of the port authority or its agents or employees except for actual damages.

13. Promote, advertise, and publicize the port authority and its facilities, and provide information to shippers and other commercial interests.

14. Adopt bylaws, not in conflict with state or federal law, necessary or incidental to the performance of the duties of and the execution of the powers of the port authority under [this chapter](#).

15. Do any of the following in regard to interests in real or personal property, including machinery, equipment, plants, factories, offices, and other structures and facilities related to or in furtherance of any authorized purpose as the board in its sole discretion may determine:

a. Loan money to any person or governmental agency for the acquisition, construction, furnishing, or equipping of the property.

b. Acquire, construct, maintain, repair, furnish, or equip the property.

c. Sell to, exchange with, lease, convey other interests in, or lease with an option to purchase the same or any lesser interest in the property to the same or any other person or governmental agency.

d. Guarantee the obligations of any person or governmental agency.

e. Accept and hold as consideration for the conveyance of property or any interest therein such property or interests therein as the board may determine, notwithstanding any restrictions that apply to the investment of funds by a port authority.

16. Sell, lease, or convey other interests in real and personal property, and grant easements or rights-of-way over property of the port authority. The board shall specify the consideration and terms for the sale, lease, or conveyance of other interests in real and personal property. A determination made by the board under [this subsection](#) shall be conclusive. The sale, lease, or conveyance may be made without advertising and the receipt of bids.

17. Enter into an agreement with a political subdivision comprising the port authority for the political subdivision to exercise its right of eminent domain pursuant to [chapters 6A](#) and [6B](#) on behalf of the port authority. However, a condemnation exercised on behalf of a port authority pursuant to [this subsection](#) shall not take or disturb property or a facility belonging to a governmental agency, utility company, or common carrier, which property or facility is necessary and convenient in the operation of the governmental agency, utility company, or common carrier, unless provision is made for the restoration, relocation, or duplication of such property or facility, or upon the election of the governmental agency, utility company, or common carrier, for the payment of compensation, if any, at the sole cost of the port authority, provided that both of the following apply:

a. If a restoration or duplication proposed to be made under [this subsection](#) involves a relocation of the property or facility, the new facility and location shall be of at least comparable utilitarian value and effectiveness and shall not impair the ability of the utility company or common carrier to compete in its original area of operation.

b. If a restoration or duplication made under [this subsection](#) involves a relocation of the property or facility, the port authority shall acquire no interest or right in or to the appropriated property or facility, until the relocated property or facility is available for use and until marketable title thereto has been transferred to the utility company or common carrier.

18. a. Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of the duties of and the execution of powers of the port authority under [this chapter](#).

b. Except as provided in paragraph "c", when the cost of a contract for the construction of a building, structure, or other improvement undertaken by a port authority involves an



expenditure exceeding the competitive bid threshold in [section 26.3](#), or as established in [section 314.1B](#), and the port authority is the contracting entity, the port authority shall make a written contract after notice calling for bids for the award of the contract has been given by publication twice, with at least seven days between publications, in a newspaper of general circulation in the area of the port authority. Each such contract shall be let to the lowest responsive and responsible bidder. Every contract shall be accompanied by or shall refer to plans and specifications for the work to be done, prepared for and approved by the port authority, and signed by an authorized officer of the port authority and by the contractor.

c. The board of directors may provide criteria for the negotiation and award without competitive bidding of any contract as to which the port authority is the contracting entity for the construction of any building or structure or other improvement under any of the following circumstances:

(1) A real and present emergency exists that threatens damage or injury to persons or property of the port authority or other persons, provided that a statement specifying the nature of the emergency that is the basis for the negotiation and award of a contract without competitive bidding shall be signed by the officer of the port authority that executes that contract at the time of the contract's execution and shall be attached to the contract.

(2) A commonly recognized industry or other standard or specification does not exist and cannot objectively be articulated for the improvement.

(3) The contract is for any energy conservation measure as defined in [section 7D.34](#).

(4) With respect to material to be incorporated into the improvement, only a single source or supplier exists for the material.

(5) A single bid is received by the port authority after complying with the provisions of paragraph "b".

d. (1) If a contract is to be negotiated and awarded without competitive bidding for the reason set forth in paragraph "c", subparagraph (2), the port authority shall publish a notice calling for technical proposals at least twice, with at least seven days between publications, in a newspaper of general circulation in the area of the port authority. After receipt of the technical proposals, the port authority may negotiate with and award a contract for the improvement to the person making the proposal considered to be the most advantageous to the port authority.

(2) If a contract is to be negotiated and awarded without competitive bidding for the reason set forth in paragraph "c", subparagraph (4), construction activities related to the incorporation of the material into the improvement also may be provided without competitive bidding by the source or supplier of that material.

e. A purchase, exchange, sale, lease, lease with an option to purchase, conveyance of other interests in, or other contract with a person or governmental agency that pertains to the acquisition, construction, maintenance, repair, furnishing, equipping, or operation of any real or personal property, related to or in furtherance of economic development and the provision of adequate housing, shall be made in such manner and subject to such terms and conditions as may be determined in the board's discretion. This paragraph applies to all contracts that are subject to [this section](#), notwithstanding any other provision of law that might otherwise apply, including a requirement of notice, competitive bidding or selection, or for the provision of security. However, this paragraph shall not apply to a contract secured exclusively by or to be paid exclusively from the general revenues of the port authority. For the purposes of this paragraph, any revenues derived by the port authority under a lease or other agreement that, by its terms, contemplates the use of amounts payable under the agreement either to pay the costs of the improvement that is the subject of the contract or to secure obligations of the port authority issued to finance costs of such improvement, are excluded from general revenues.

19. Employ managers, superintendents, and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and any other consultants and independent contractors as are necessary in the port authority's judgment to carry out [this chapter](#), and fix the compensation thereof. All expenses thereof shall be payable from any available funds of the port authority or from funds appropriated for that purpose by the political subdivisions comprising the port authority.

20. Receive and accept from a governmental agency grants and loans for the construction

of a port authority facility, for research and development with respect to a port authority facility, or any other authorized purpose, and receive and accept aid or contributions from any source of moneys, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants, loans, aid, or contributions are made.

21. Engage in research and development with respect to a port authority facility.

22. Purchase fire and extended coverage and liability insurance for a port authority facility and for the principal office and branch offices of the port authority, insurance protecting the port authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the port authority may agree to provide under a resolution authorizing port authority revenue bonds, pledge orders, or in any trust agreement securing the same.

23. Charge, alter, and collect rental fees and other charges for the use or services of a port authority facility as provided in [section 28J.16](#).

24. Perform all acts necessary or proper to carry out the powers expressly granted in [this chapter](#).

[2005 Acts, ch 150, §97](#); [2006 Acts, ch 1017, §17, 42, 43](#)

#### **28J.10 Participation of private enterprise.**

The port authority shall foster and encourage the participation of private enterprise in the development of the port authority facilities to the fullest extent practicable in the interest of limiting the necessity of construction and operation of the facilities by the port authority.

[2005 Acts, ch 150, §98](#)

#### **28J.11 Provisions do not affect other laws or powers.**

[This chapter](#) shall not do any of the following:

1. Impair a provision of law directing the payment of revenues derived from public property into sinking funds or dedicating those revenues to specific purposes.

2. Impair the powers of a political subdivision to develop or improve a port and terminal facility except as restricted by [section 28J.15](#).

3. Enlarge, alter, diminish, or affect in any way, a lease or conveyance made, or action taken prior to the creation of a port authority under [section 28J.2](#) by a city or a county.

4. Impair or interfere with the exercise of a permit for the removal of sand or gravel, or other similar permits issued by a governmental agency.

5. Impair or contravene applicable federal regulations.

[2005 Acts, ch 150, §99](#)

#### **28J.12 Conveyance, lease, or exchange of public property.**

A port authority may convey or lease, lease with an option to purchase, or exchange with any governmental agency or other port authority without competitive bidding and on mutually agreeable terms, any personal or real property, or any interest therein.

[2005 Acts, ch 150, §100](#)

#### **28J.13 Annual budget — use of rents and charges.**

The board shall annually prepare a budget for the port authority. Revenues received by the port authority shall be used for the general expenses of the port authority and to pay interest, amortization, and retirement charges on money borrowed. Except as provided in [section 28J.26](#), if there remains, at the end of any fiscal year, a surplus of such funds after providing for the above uses, the board shall pay such surplus into the general funds of the political subdivisions comprising the port authority as agreed to by the subdivisions.

[2005 Acts, ch 150, §101](#)

#### **28J.14 Secretary to furnish bond — deposit and disbursement of funds.**

Before receiving any revenues, the secretary of a port authority shall furnish a bond in such amount as shall be determined by the port authority with sureties satisfactory to the port authority, and all funds coming into the hands of the secretary shall be deposited by the secretary to the account of the port authority in one or more such depositories as shall be



qualified to receive deposits of county funds, which deposits shall be secured in the same manner as county funds are required to be secured. A disbursement shall not be made from such funds except in accordance with policies and procedures adopted by the port authority.

[2005 Acts, ch 150, §102](#)

**28J.15 Limitation on certain powers of political subdivisions.**

A political subdivision creating or participating in the creation of a port authority in accordance with [section 28J.2](#) shall not, during the time the port authority is in existence, exercise the rights and powers provided in [chapters 28A, 28K, and 384](#) relating to the political subdivision's authority over a port, wharf, dock, harbor or other facility substantially similar to that political subdivision's authority under a port authority granted under [this chapter](#).

[2005 Acts, ch 150, §103](#)

Referred to in [§28J.11](#)

**28J.16 Rentals or charges for use or services of facilities — agreements with governmental agencies.**

1. a. A port authority may charge, alter, and collect rental fees or other charges for the use or services of any port authority facility and contract for the use or services of a facility, and fix the terms, conditions, rental fees, or other charges for the use or services.

b. If the services are furnished in the jurisdiction of the port authority by a utility company or a common carrier, the port authority's charges for the services shall not be less than the charges established for the same services furnished by a utility company or common carrier in the port authority jurisdiction.

c. The rental fees or other charges shall not be subject to supervision or regulation by any other authority, commission, board, bureau, or governmental agency of the state and the contract may provide for acquisition of all or any part of the port authority facility for such consideration payable over the period of the contract or otherwise as the port authority determines to be appropriate, but subject to the provisions of any resolution authorizing the issuance of port authority revenue bonds or any trust agreement securing the bonds.

d. A governmental agency that has power to construct, operate, and maintain a port authority facility may enter into a contract or lease with a port authority for the use or services of a port authority facility as may be agreed to by the port authority and the governmental agency.

2. a. A governmental agency may cooperate with the port authority in the acquisition or construction of a port authority facility and shall enter into such agreements with the port authority as may be appropriate, which shall provide for contributions by the parties in a proportion as may be agreed upon and other terms as may be mutually satisfactory to the parties including the authorization of the construction of the facility by one of the parties acting as agent for all of the parties and the ownership and control of the facility by the port authority to the extent necessary or appropriate.

b. A governmental agency may provide funds for the payment of any contribution required under such agreements by the levy of taxes or assessments if otherwise authorized by the laws governing the governmental agency in the construction of the type of port authority facility provided for in the agreements, and may pay the proceeds from the collection of the taxes or assessments; or the governmental agency may issue bonds or notes, if authorized by law, in anticipation of the collection of the taxes or assessments, and may pay the proceeds of the bonds or notes to the port authority pursuant to such agreements.

c. A governmental agency may provide the funds for the payment of a contribution by the appropriation of moneys or, if otherwise authorized by law, by the issuance of bonds or notes and may pay the appropriated moneys or the proceeds of the bonds or notes to the port authority pursuant to such agreements.

3. When the contribution of any governmental agency is to be made over a period of time from the proceeds of the collection of special assessments, the interest accrued and to accrue before the first installment of the assessments is collected, which is payable by the governmental agency on the contribution under the terms and provisions of the agreements, shall be treated as part of the cost of the improvement for which the assessments are levied,

and that portion of the assessments that is collected in installments shall bear interest at the same rate as the governmental agency is obligated to pay on the contribution under the terms and provisions of the agreements and for the same period of time as the contribution is to be made under the agreements. If the assessment or any installment thereof is not paid when due, it shall bear interest until the payment thereof at the same rate as the contribution and the county auditor shall annually place on the tax list and duplicate the interest applicable to the assessment and the penalty thereon as otherwise authorized by law.

4. A governmental agency, pursuant to a favorable vote in an election regarding issuing bonds to provide funds to acquire, construct, or equip, or provide real estate and interests in real estate for a port authority facility, whether or not the governmental agency at the time of the election had the authority to pay the proceeds from the bonds or notes issued in anticipation of the bonds to the port authority as provided in [this section](#), may issue such bonds or notes in anticipation of the issuance of the bonds and pay the proceeds of the bonds or notes to the port authority in accordance with an agreement with the port authority; provided, that the legislative authority of the governmental agency finds and determines that the port authority facility to be acquired or constructed in cooperation with the governmental agency will serve the same public purpose and meet substantially the same public need as the facility otherwise proposed to be acquired or constructed by the governmental agency with the proceeds of the bonds and notes.

[2005 Acts, ch 150, §104](#)

Referred to in [§28J.9](#)

#### **28J.17 Contracts, arrangements, and agreements.**

1. *a.* A port authority may enter into a contract or other arrangement with a person, railroad, utility company, corporation, governmental agency including sewerage, drainage, conservation, conservancy, or other improvement districts in this or other states, or the governments or agencies of foreign countries as may be necessary or convenient for the exercise of the powers granted by [this chapter](#). The port authority may purchase, lease, or acquire land or other property in any county of this state and in adjoining states for the accomplishment of authorized purposes of the port authority, or for the improvement of the harbor and port facilities over which the port authority may have jurisdiction including development of port facilities in adjoining states. The authority granted in [this section](#) to enter into contracts or other arrangements with the federal government includes the power to enter into any contracts, arrangements, or agreements that may be necessary to hold and save harmless the United States from damages due to the construction and maintenance by the United States of work the United States undertakes.

*b.* A political subdivision that has participated in the creation of a port authority, or is within, or adjacent to a political subdivision that is within the jurisdiction of a port authority, may enter into an agreement with the port authority to accomplish any of the authorized purposes of the port authority. The agreement may set forth the extent to which the port authority shall act as the agent of the political subdivision.

2. A port authority may enter into an agreement with a contracting governmental agency, whereby the port authority or the contracting governmental agency undertakes, and is authorized by the port authority or a contracting governmental agency, to exercise any power, perform any function, or render any service, on behalf of the port authority or a contracting governmental agency, which the port authority or the contracting governmental agency is authorized to exercise, perform, or render.

[2005 Acts, ch 150, §105](#)

Referred to in [§28J.1](#)

#### **28J.18 Revenue bonds are lawful investments.**

Port authority revenue bonds issued pursuant to [this chapter](#) are lawful investments of banks, credit unions, trust companies, savings associations, deposit guaranty associations, insurance companies, trustees, fiduciaries, trustees or other officers having charge of the bond retirement funds or sinking funds of port authorities and governmental agencies, taxing districts of this state, the pension and annuity retirement system, the Iowa public employees'

retirement system, the police and fire retirement systems under [chapters 410 and 411](#), or a revolving fund of a governmental agency of this state, and are acceptable as security for the deposit of public funds under [chapter 12C](#).

[2005 Acts, ch 150, §106; 2012 Acts, ch 1017, §43; 2013 Acts, ch 90, §19](#)

#### **28J.19 Property tax exemption.**

A port authority shall be exempt from and shall not be required to pay taxes on real property belonging to a port authority that is used exclusively for an authorized purpose as provided in [section 427.1, subsection 34](#).

[2005 Acts, ch 150, §107](#)

#### **28J.20 Loans for acquisition or construction of facility — sale of facility — power to encumber property.**

1. With respect to the financing of a facility for an authorized purpose, under an agreement whereby the person to whom the facility is to be leased, subleased, or sold, or to whom a loan is to be made for the facility, is to make payments sufficient to pay all of the principal of, premium, and interest on the port authority revenue bonds issued for the facility, the port authority, in addition to other powers under [this chapter](#), may do any of the following:

a. Make loans for the acquisition or construction of the facility to such person upon such terms as the port authority may determine or authorize including secured or unsecured loans; and enter into loan agreements and other agreements, accept notes and other forms of obligation to evidence such indebtedness and mortgages, liens, pledges, assignments, or other security interests to secure such indebtedness, which may be prior or subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests, or liens or encumbrances, and take actions considered appropriate to protect such security and safeguard against losses, including, without limitation, foreclosure and the bidding upon and purchase of property upon foreclosure or other sale.

b. Sell the facility under terms as the port authority may determine, including sale by conditional sale or installment sale, under which title may pass prior to or after completion of the facility or payment or provisions for payment of all principal of, premium, and interest on the revenue bonds, or at any other time provided in the agreement pertaining to the sale, and including sale under an option to purchase at a price which may be a nominal amount or less than true value at the time of purchase.

c. Grant a mortgage, lien, or other encumbrance on, or pledge or assignment of, or other security interest with respect to, all or any part of the facility, revenues, reserve funds, or other funds established in connection with the bonds or with respect to a lease, sublease, sale, conditional sale or installment sale agreement, loan agreement, or other agreement pertaining to the lease, sublease, sale, or other disposition of a facility or pertaining to a loan made for a facility, or a guaranty or insurance agreement made with respect thereto, or an interest of the port authority therein, or any other interest granted, assigned, or released to secure payments of the principal of, premium, or interest on the bonds or to secure any other payments to be made by the port authority, which mortgage, lien, encumbrance, pledge, assignment, or other security interest may be prior or subordinate to or on a parity with any other mortgage, assignment, or other security interest, or lien or encumbrance.

d. Contract for the acquisition or construction of the facility or any part thereof and for the leasing, subleasing, sale, or other disposition of the facility in a manner determined by the port authority in its sole discretion, without necessity for competitive bidding or performance bonds.

e. Make appropriate provision for adequate maintenance of the facility.

2. With respect to a facility referred to in [this section](#), the authority granted by [this section](#) is cumulative and supplementary to all other authority granted in [this chapter](#). The authority granted by [this section](#) does not alter or impair a similar authority granted elsewhere in [this chapter](#) for or with respect to other facilities.

[2005 Acts, ch 150, §108; 2006 Acts, ch 1010, §17](#)

Referred to in [§28J.21](#)

**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](#)

Referred to in [§28J.1, 28J.9](#)

### **28J.22 Bonds may be secured by trust agreement.**

1. In the discretion of the port authority, a port authority revenue bond issued under [this chapter](#) may be secured by a trust agreement between the port authority and a corporate trustee that may be any trust company or bank having the powers of a trust company within this or any other state.

2. The trust agreement may pledge or assign revenues of the port authority to be received for payment of the revenue bonds. The trust agreement or any resolution providing for the issuance of revenue bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including covenants setting forth the duties of the port authority in relation to the acquisition of property, the construction, improvement, maintenance, repair, operation, and insurance of the port authority facility in connection with which the bonds are authorized, the rentals or other charges to be imposed for the use or services of any port authority facility, the custody, safeguarding, and application of all moneys, and provisions for the employment of consulting engineers in connection with the construction or operation of any port authority facility.

3. A bank or trust company incorporated under the laws of this state, that may act as the depository of the proceeds of bonds or of revenues, shall furnish any indemnifying bonds or may pledge any securities that are required by the port authority. The trust agreement may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing similar bonds. The trust agreement may contain any other provisions that the port authority determines reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement may be treated as a part of the cost of the operation of the port authority facility.

[2005 Acts, ch 150, §110](#)



**28J.23 Remedy of holder of bond or coupon — statute of limitations.**

1. The sole remedy for a breach or default of a term of a port authority revenue bond or pledge order is a proceeding in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by [this chapter](#) and of the terms of the resolution authorizing the issuance of the revenue bonds or pledge orders, or to obtain the appointment of a receiver to take possession of and operate the port authority, and to perform the duties required by [this chapter](#) and the terms of the resolution authorizing the issuance of the port authority revenue bonds or pledge orders.

2. An action shall not be brought which questions the legality of port authority revenue bonds or pledge orders, the power of a port authority to issue revenue bonds or pledge orders, or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds or pledge orders, from and after fifteen days from the time the bonds or pledge orders are ordered issued by the port authority.

[2005 Acts, ch 150, §111](#)

**28J.24 Bonds are payable solely from revenues and funds pledged for payment.**

Port authority revenue bonds and pledge orders issued under [this chapter](#) do not constitute a debt, or a pledge of the faith and credit, of the state or a political subdivision of the state, and the holders or owners of the bonds or pledge orders shall not have taxes levied by the state or by a taxing authority of a governmental agency of the state for the payment of the principal or of interest on the bonds or pledge orders, but the bonds and pledge orders are payable solely from the revenues and funds pledged for their payment as authorized by [this chapter](#), unless the notes are issued in anticipation of the issuance of bonds or pledge orders or the bonds and pledge orders are refunded by refunding bonds issued under [this chapter](#), which bonds, pledge orders, or refunding bonds shall be payable solely from revenues and funds pledged for their payment as authorized by those sections. All of the bonds or pledge orders shall contain a statement to the effect that the bonds or pledge orders, as to both principal and interest, are not debts of the state or a political subdivision of the state, but are payable solely from revenues and funds pledged for their payment.

[2005 Acts, ch 150, §112](#)

**28J.25 Funds and property held in trust — use and deposit of funds.**

All revenues, funds, properties, and assets acquired by the port authority under [this chapter](#), whether as proceeds from the sale of port authority revenue bonds, pledge orders, or as revenues, shall be held in trust for the purposes of carrying out the port authority's powers and duties, shall be used and reused as provided in [this chapter](#), and shall at no time be part of other public funds. Such funds, except as otherwise provided in a resolution authorizing port authority revenue bonds or in a trust agreement securing the same, or except when invested pursuant to [section 28J.26](#), shall be kept in depositories selected by the port authority in the manner provided in [chapter 12C](#), and the deposits shall be secured as provided in that chapter. The resolution authorizing the issuance of revenue bonds or pledge orders, or the trust agreement securing such bonds or pledge orders, shall provide that any officer to whom, or any bank or trust company to which, such moneys are paid shall act as trustee of such moneys and hold and apply them for the purposes hereof, subject to such conditions as [this chapter](#) and such resolution or trust agreement provide.

[2005 Acts, ch 150, §113](#)

**28J.26 Investment of excess funds.**

1. If a port authority has surplus funds after making all deposits into all funds required by the terms, covenants, conditions, and provisions of outstanding revenue bonds, pledge orders, and refunding bonds which are payable from the revenues of the port authority and after complying with all of the requirements, terms, covenants, conditions, and provisions of the proceedings and resolutions pursuant to which revenue bonds, pledge orders, and refunding bonds are issued, the board may transfer the surplus funds to any other fund of the port authority in accordance with [this chapter](#) and [chapter 12C](#), provided that a transfer shall not be made if it conflicts with any of the requirements, terms, covenants, conditions,

or provisions of a resolution authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the port authority which are then outstanding.

2. [This section](#) does not prohibit or prevent the board from using funds derived from any other source which may be properly used for such purpose, to pay a part of the cost of a facility.

[2005 Acts, ch 150, §114](#)

Referred to in [§28J.13, 28J.25](#)

### **28J.27 Change in location of public way, railroad, or utility facility — vacation of highway.**

1. When a port authority changes the location of any portion of any public road, railroad, or utility facility in connection with the construction of a port authority facility, the port authority shall reconstruct at such location as the governmental agency having jurisdiction over such road, railroad, or utility facility finds most favorable. The construction of such road, railroad, or utility facility shall be of substantially the same type and in as good condition as the original road, railroad, or utility facility. The cost of such reconstruction, relocation, or removal and any damage incurred in changing the location of any such road, railroad, or utility facility shall be paid by the port authority as a part of the cost of the port authority facility.

2. When the port authority finds it necessary that a public highway or portion of a public highway be vacated by reason of the acquisition or construction of a port authority facility, the port authority may request the director of transportation to vacate such highway or portion in accordance with [chapter 306](#) if the highway or portion to be vacated is on the state highway system, or if the highway or portion to be vacated is under the jurisdiction of a county, the port authority shall petition the board of supervisors of that county, in the manner provided in [chapter 306](#), to vacate such highway or portion. The port authority shall pay to the county, as a part of the cost of such port authority facility, any amounts required to be deposited with a court in connection with proceedings for the determination of compensation and damages and all amounts of compensation and damages finally determined to be payable as a result of such vacation.

3. The port authority may adopt bylaws for the installation, construction, maintenance, repair, renewal, relocation, and removal of railroad or utility facilities in, on, over, or under any port authority facility. Whenever the port authority determines that it is necessary that any such facility installed or constructed in, on, over, or under property of the port authority pursuant to such bylaws be relocated, the utility company owning or operating such facility shall relocate or remove them in accordance with the order of the port authority. The cost and expenses of such relocation or removal, including the cost of installing such facility in a new location, the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be paid by the port authority as a part of the cost of the port authority facility. In case of any such relocation or removal of such facilities, the railroad or utility company owning or operating them, its successors, or assigns may maintain and operate such facilities, with the necessary appurtenances, in the new location in, on, over, or under the property of the port authority for as long a period and upon the same terms as the railroad or utility company had the right to maintain and operate such facilities in their former location.

[2005 Acts, ch 150, §115; 2015 Acts, ch 29, §114](#)

### **28J.28 Final actions to be recorded — annual report — confidentiality of information.**

1. All final actions of the port authority shall be recorded and the records of the port authority shall be open to public examination and copying pursuant to [chapter 22](#). Not later than the first day of April every year, a port authority shall submit a report to the director of the economic development authority detailing the projects and activities of the port authority during the previous calendar year. The report shall include, but not be limited to, all aspects of those projects and activities, including the progress and status of the projects and their costs, and any other information the director determines should be included in the report.

2. Financial and proprietary information, including trade secrets, submitted to a port authority or the agents of a port authority in connection with the relocation, location, expansion, improvement, or preservation of a business or nonprofit corporation is not a public record subject to [chapter 22](#). Any other information submitted under those circumstances is not a public record subject to [chapter 22](#) until there is a commitment in writing to proceed with the relocation, location, expansion, improvement, or preservation.

3. Notwithstanding [chapter 21](#), the board of directors of a port authority, when considering information that is not a public record under [this section](#), may close a meeting during the consideration of that information pursuant to a vote of the majority of the directors present on a motion stating that such information is to be considered. Other matters shall not be considered during the closed session.

[2005 Acts, ch 150, §116; 2011 Acts, ch 118, §85, 89](#)

**28J.29 Provisions to be liberally construed.**

[This chapter](#) shall be liberally construed to effect the chapter's purposes.

[2005 Acts, ch 150, §117](#)