

28E.17 Transit policy — joint agreement — city debt.

1. It is the public policy of this state to encourage the establishment or acquisition of urban mass transit systems and the equipment, maintenance, and operation thereof by public agencies in cooperation with, and with the assistance of the urban mass transportation administration of the United States department of transportation, pursuant to the provisions of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. §5301 et seq., which requires unification or official coordination of local mass transportation services on an area-wide basis as a condition of such assistance.

2. An agreement between one or more cities and other public agencies for this purpose may be made and carried out without an election and the agency created thereby may jointly exercise through a board of trustees as provided by the agreement all the rights, powers, privileges and immunities of cities related to the provision of mass transportation services, except the authority to incur bonded indebtedness.

3. *a.* A city which is a party to a joint transit agency may issue general corporate purpose bonds for the support of a capital program for the joint agency in the following manner:

(1) The council shall give notice and conduct a hearing on the proposal in the manner set forth in [section 384.25](#). If a petition valid under [section 362.4](#) is filed with the clerk of the city prior to the hearing, asking that the question of issuing the bonds be submitted to the registered voters of the city, the council shall either by resolution declare the proposal abandoned or shall direct the county commissioner of elections to call a special election to vote upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in [section 384.26](#).

(2) If no petition is filed, or if a petition is filed and the proposition of issuing bonds is approved at the election, the council may proceed with the authorization and issuance of the bonds.

b. An agreement may provide for full or partial payment from transit revenues to the cities for meeting debt service on such bonds.

c. [This subsection](#) shall be construed as granting additional power without limiting the power already existing in cities, and as providing an alternative independent method for the carrying out of any project for the issuance and sale of bonds for the financing of a city's share of a capital expenditures project of a joint transit agency, and no further proceedings with respect to the authorization of the bonds shall be required.

[C75, §28G.1 – 28G.4; C77, 79, 81, §28E.17]

[95 Acts, ch 67, §53; 2008 Acts, ch 1032, §140; 2010 Acts, ch 1061, §6; 2025 Acts, ch 130, §2](#)

Subsection 3, paragraph a, subparagraph (1) amended