

February 28, 1963.
Judiciary 1. *Pass 3/14*

House File 393 *Sub for*
By MOWRY (Buck). *57. 1378*
4/3

Passed House, Date *3-29-63*
Vote: Ayes *76* Nays *0*

Passed Senate, Date *4-3-63*
Vote: Ayes *40* Nays *0*

Approved *May 7, 1963*
Pass per conference committee Report 85-0

Passed on file 4/2
Rec. 5/1
amended Vote 4/16
eyes 36 nays 6

A BILL FOR

An Act relating to joint county-city or town buildings.

Be It Enacted by the General Assembly of the State of Iowa.

House of Representatives
to confer with
Senate
Senate Amendment 4/12
4/24, 32-14
Conference Committee
appointed, 4/24
Recommended the
Senate records.
4/29

1 Section 1. Any joint building or buildings acquired, owned,
2 erected, constructed, controlled or occupied in accordance with
3 the authorization contained in this Act shall be and are hereby
4 declared to be acquired, owned, erected, constructed, controlled
5 or occupied for a public purpose and as a matter of public need.

1 Sec. 2. Any county and any city or town which is the county
2 seat thereof, may incorporate an "Authority" for the purpose
3 of acquiring, constructing, furnishing, equipping, owning, im-
4 proving, altering, enlarging, operating or maintaining a public
5 building or buildings and the necessary site or sites therefor,
6 for the joint use of such county and city or town.

1 Sec. 3. The term "incorporating unit" as hereafter used in
2 this Act shall be deemed to mean the county or any such city or
3 town joining in such incorporation. The term "governing body"
4 as hereinafter used in this Act with relation to cities or towns
5 shall mean the city or town council, or board of aldermen and
6 with relation to counties shall mean the board of supervisors.

1 Sec. 4. The incorporation of such an authority shall be ac-
2 complished by the adoption of articles of incorporation by the
3 governing body of each incorporating unit. For such adoption,
4 the affirmative vote of the majority of the members elect of

5 each such governing body shall be required. The articles of
6 incorporation shall be executed for and on behalf of each incor-
7 porating unit by the following officers, to-wit: For the county,
8 by the chairman of the board of supervisors; for the city or town,
9 by its mayor and city clerk.

1 Sec. 5. The articles of incorporation shall set forth the
2 name of such authority; the name or names of the units incorpor-
3 ating the same; the purpose for which the authority is created;
4 the number, terms and manner of selection of its officers includ-
5 ing its governing body which shall be known as the "commission";
6 the powers and duties of the authority and of its officers; the
7 date upon which the authority shall become effective; the name
8 of the newspaper in which the articles of incorporation shall
9 be published; and any other matters consistent with this Act.

1 Sec. 6. Such authority shall be directed and governed by a
2 board of commissioners of three members, one to be elected by
3 the board of supervisors of the county, one to be elected by the
4 governing body of the city or town, and one to be elected by the
5 joint action of the board of supervisors of the county and the
6 governing body of the city or town, and if the said governing
7 bodies are unable to agree upon a choice for the third member
8 within sixty days of the election of the first member, then the
9 said third member shall be appointed by the governor. Said com-
10 missioners shall serve for six-year terms. Said board of com-
11 missioners shall designate one of their number as chairman, one
12 as secretary, and one as treasurer, and shall adopt bylaws and
13 rules of procedure and provide therein for regular meetings and
14 for the proper safekeeping of its records.

1 Sec. 7. No commissioner shall receive any compensation in

2 connection with his services as such commissioner. Each commis-
3 sioner, however, shall be entitled to reimbursement for any
4 necessary expenditures in connection with the performance of his
5 duties.

1 Sec. 8. The articles of incorporation shall be recorded in
2 the office of the county recorder and filed with the secretary
3 of state, and shall be published once in a newspaper designated
4 in said articles of incorporation and having a general circula-
5 tion within the county, and upon such recording and publication,
6 the authority shall be deemed to come into existence.

1 Sec. 9. Amendments may be made to the articles of incorpora-
2 tion if adopted by the governing body of each incorporating unit:
3 Provided, that no such amendment shall impair the obligation of
4 any bond or other contract. Each amendment shall be adopted,
5 executed, recorded and published in the same manner as above
6 specified for the original articles of incorporation.

1 Sec. 10. This Act being designed to effect a public use and
2 purpose, any incorporating unit may make donations of property,
3 real or personal, to the authority as they may deem proper and
4 appropriate in aiding the authority to effectuate the purpose
5 for its creation.

1 Sec. 11. Such authority shall be a body corporate with
2 power to sue and be sued in any court of this state, have a
3 seal and alter the same at its pleasure, make and execute con-
4 tracts, leases, deeds and other instruments necessary or con-
5 venient to the exercise of its powers. In addition, it shall
6 have and exercise the following public and essential governmental
7 powers and functions and all other powers incidental or neces-
8 sary to carry out and effectuate such express powers:

9 1. To select, locate and designate an area lying wholly
10 within the territorial limits of the county seat of the county
11 in which the authority is incorporated as the site or sites to
12 be acquired for the construction, alteration, enlargement, or
13 improvement of a building or buildings for the purposes set forth
14 in the Act. The site or sites selected shall be subject to ap-
15 proval by a majority of the members of each governing body of
16 the incorporating units.

17 2. To acquire the fee simple title to the real property
18 located within such area by purchase, gift, devise, or by the
19 exercise of the power of eminent domain, and title thereto shall
20 be taken in the corporate name of the authority.

21 3. To demolish, repair, alter or improve any building or
22 buildings within the designated area, and to construct a new
23 building or buildings and other facilities within said area, not-
24 withstanding the provisions of any other statute or statutes to
25 the contrary. To furnish and equip the same, and maintain and
26 operate such building or buildings and other facilities so as to
27 effectuate the purpose of this Act.

28 4. To construct, repair and install streets, sidewalks,
29 sewers, water pipes and other similar facilities and otherwise
30 improve the site.

31 5. To make provisions for offstreet parking facilities.

32 6. To operate, maintain, manage and to make and enter into
33 contracts for the operation, maintenance and management of such
34 buildings and other facilities and to provide rules and regu-
35 lations for the operation, maintenance and management thereof.

36 7. To employ technical, professional and clerical assistance
37 as may be necessary and expedient to accomplish the objects and

38 purposes of the authority, and the board of commissioners shall
39 fix the compensation therefor.

40 8. To lease all or any part or parts of such building,
41 buildings or other facilities to the incorporating units for
42 a period of time not to exceed fifty years, upon such rental
43 terms as may be agreed upon between the authority and the
44 incorporating units. The rentals specified in such leases shall
45 be subject to increase by agreement of the incorporating units
46 and the authority if necessary in order to provide funds to meet
47 obligations.

48 9. In the event there is space at any time in such building
49 or buildings not needed for a public purpose by the incorporating
50 units, the authority may rent such space to lessees either for
51 a nonpublic or public use, upon such terms and under such written
52 leases as the board of commissioners may determine.

53 10. To procure insurance of any and all kinds in connection
54 with said building or buildings to the same extent as might be
55 done by any owner or lessor of property.

56 11. To accept donations, contributions, capital grants or
57 gifts from any individuals, associations, municipal and private
58 corporations and the United States, or any agency or instrumen-
59 tality thereof, for or in aid of any of the purposes of this
60 Act and to enter into agreements in connection therewith.

61 12. To borrow money from time to time and, pursuant thereto,
62 to issue and sell revenue bonds in such amount or amounts, and
63 with such maturity dates not in excess of fifty years from date
64 of issue, as the board of commissioners may determine to provide
65 funds for the purpose of acquiring, constructing, demolishing,
66 improving, enlarging, equipping, furnishing, repairing, maintain-

67 ing and operating buildings and other facilities, and to acquire
68 and prepare sites necessary and convenient therefor, and to pay
69 all costs and expenses incident thereto, including, but without
70 in any way limiting the generality of the foregoing, architec-
71 tural, engineering, legal and financing expense; and to refund
72 and refinance, from time to time, revenue bonds so issued and
73 sold, as often as may be deemed to be advantageous by the board
74 of commissioners.

75 The foregoing enumerated powers are granted notwithstanding
76 the provisions of any statute to the contrary.

1 Sec. 12. Whenever and as often as the board of commissioners
2 decides to issue bonds as provided in this Act, it shall adopt
3 a resolution describing the area to be acquired, the nature of
4 the existing improvements thereon, the disposition to be made
5 of such improvements, and a general description of any new
6 buildings or other facilities to be constructed thereon.

7 The resolution shall set out the estimated cost of the project,
8 including the cost of acquiring and preparing the site therefor,
9 determine the period of usefulness and fix the amount of revenue
10 bonds to be issued, the date or dates of maturity, the dates
11 on which interest is payable, the sinking fund provisions and
12 all other details in connection with such bonds. The board
13 shall determine and fix the rate of interest of any revenue bonds
14 issued hereunder, in such resolution or in any supplemental reso-
15 lution adopted by the board prior to the issuance thereof. The
16 resolution, trust agreement or other contract entered into with
17 the bondholders may contain such covenants and restrictions con-
18 cerning the issuance of additional revenue bonds thereafter as
19 may be deemed necessary or advisable for the assurance of the pay-

20 ment of the bonds thereby authorized.

21 All bonds shall be issued in the name of the authority and
22 shall have, and are hereby declared to have, all the qualities
23 and incidents of negotiable instruments under the laws of this
24 state.

25 Bonds issued under this Act, whether original issue or issues,
26 or refunding, may be issued as serial or term bonds, shall be of
27 such denomination or denominations and form, including interest
28 coupons to be attached thereto, shall be payable at such place
29 or places and bear such date as the board of commissioners shall
30 fix by the resolution authorizing such bonds, and shall mature
31 within a period not to exceed fifty years, and may be redeemable
32 prior to maturity with or without premium, at the option of the
33 board of commissioners, upon such terms and conditions as the
34 board shall fix by the resolution authorizing the issuance of
35 such bonds. The board of commissioners may provide for the
36 registration of such bonds in the name of the owner as to the
37 principal alone or as to both principal and interest upon such
38 terms and conditions as the board may determine. All bonds is-
39 sued hereunder by any authority shall be sold at such price that
40 the interest cost to the commission of the proceeds of such
41 bonds shall not exceed five percent per annum, payable semi-
42 annually, computed to maturity and shall be sold in such manner
43 and at such time or times as the board of commissioners shall
44 determine.

45 Bonds issued by an authority, and the interest thereon,
46 shall be payable solely from the revenues derived from the opera-
47 tion, management or use of the buildings or other facilities ac-
48 quired or to be acquired by the authority, which revenues shall

49 include payments received under any leases or other contracts
50 for the use of the facilities, buildings, or space therein. All
51 bonds shall recite in the body thereof that the principal and
52 interest thereon are payable only from the revenues pledged to
53 pay the same and shall state on their face that it is not an
54 indebtedness of the authority or a claim against the property of
55 such authority.

56 The bonds shall be executed in the name of the commission
57 by the chairman of the board of commissioners or by such other
58 officer of the commission as the board, by resolution, may direct,
59 and be attested by the secretary, or by such other officer of the
60 commission as the board, by resolution, may direct, and shall be
61 sealed with the commission's corporate seal. In case any officer
62 whose signature appears on the bonds or coupons shall cease to be
63 such officer before delivery of such bonds, such signature shall
64 nevertheless be valid and sufficient for all purposes, the same as
65 if said officer had remained in office until such delivery.

66 In its discretion, the authority may, from time to time, as
67 often as it may deem to be advantageous, issue refunding bonds
68 to refund its bonds prior to their maturity, refund its outstand-
69 ing matured bonds, refund matured coupons evidencing interest
70 upon its outstanding bonds, refund interest at the coupon rate
71 upon its outstanding matured bonds that has accrued since the
72 maturity thereof, and refund its bonds which by their terms are
73 subject to call or redemption before maturity. All bonds re-
74 deemed or purchased in accordance with this Act shall forthwith
75 be canceled and shall not be used again.

76 To secure the payment of any or all revenue bonds and for
77 the purpose of setting forth the covenants and undertakings of

78 the authority in connection with the issuance of revenue bonds
79 and the issuance of any additional revenue bonds payable from
80 such revenue income to be derived from the operation, management
81 or use of the buildings or other facilities acquired or to be
82 acquired by the authority, the authority may execute and deliver
83 a trust agreement or agreements except that no lien upon any
84 physical property of the authority shall be created thereby.

85 The resolution shall provide for the creation of a sinking
86 fund account into which shall be payable from the revenues of
87 such project, from month to month as such revenues are collected,
88 such sums in excess of the cost of maintenance and operation of
89 the project and the cost of administration of the authority,
90 as will be sufficient to comply with the covenants of the bond
91 resolution and sufficient to pay the accruing interest and
92 retire the bonds at maturity. The board of commissioners, in
93 such resolution, may provide for such other accounts as it may
94 deem necessary for the sale of the bonds. The moneys in said
95 accounts shall be applied in the manner provided by the resolu-
96 tion, the trust agreement or other contract with the bondholders.

97 No bond issued under this Act shall constitute a debt of
98 the authority or of any public body within the meaning of any
99 statutory or constitutional limitation as to debt.

100 From and after the issuance of bonds as herein provided it
101 shall be the duty of the board of commissioners to establish
102 and fix rates, rentals, fees and charges for the use of any and
103 all buildings or space therein or other facilities owned and
104 operated by the authority, sufficient at all times to pay main-
105 tenance and operation costs and to pay the accruing interest and
106 retire the bonds at maturity and to make all payments to all

107 accounts created by any bond resolution and to comply with all
108 covenants of any bond resolution.

1 Sec. 13. Whenever, and as often as an incorporating unit en-
2 ters into a lease with the authority, the governing body of
3 such incorporating unit shall provide by ordinance or resolution,
4 as the case may be, for the levy and collection of a direct
5 annual tax sufficient to pay the annual rent payable under such
6 lease as and when it becomes due and payable. Such tax shall
7 be levied and collected in like manner with the other taxes of
8 such incorporating unit and shall be in addition to all other
9 taxes now or hereafter authorized to be levied by that incor-
10 porating unit. This tax shall not be included within any statu-
11 tory limitation of rate or amount for that incorporating unit
12 but shall be excluded therefrom and be in addition thereto
13 and in excess thereof. The fund realized from such tax levy
14 shall be set aside for the payment of the annual rent and shall
15 not be disbursed for any other purpose until the annual rental
16 has been paid in full.

1 Sec. 14. The provisions of chapter twenty-three (23) of the
2 Code shall apply hereto, and an authority created hereunder shall
3 be considered as a municipality for the purposes of said chapter
4 twenty-three (23).

1 Sec. 15. All leases, contracts, deeds of conveyance, bonds,
2 or any other instruments in writing on behalf of the authority,
3 shall be executed in the name of the authority by the chairman
4 and secretary of the authority, or by such other officers as
5 the board of commissioners, by resolution, may direct, and the
6 seal of the authority shall be affixed thereto.

1 Sec. 16. All property owned by any authority shall be exempt

2 from taxation by the state or any taxing unit therein.

1 Sec. 17. When all bonds issued pursuant to the provisions
2 of this Act shall have been retired, then the authority may con-
3 vey the title to the property owned by the authority to the in-
4 corporating units in accordance with the provisions therefor
5 contained in the articles of incorporation, or, if there be no
6 such provisions, then in accordance with any agreement adopted
7 by the respective governing bodies of the incorporating units,
8 and the authority.

1 Sec. 18. This Act being necessary for or desirable for and
2 intended to secure the public convenience and welfare, the pro-
3 visions of this Act shall be liberally construed to give effect
4 to the provisions hereof.

1 Sec. 19. The provisions of sections three hundred sixty-
2 eight point nineteen (368.19) to three hundred sixty-eight point
3 twenty-three (368.23), inclusive, of the Code shall not be
4 applicable to any authority created by this Act.

1 Sec. 20. Sections three hundred sixty-eight point fifty
2 (368.50) to three hundred sixty-eight point fifty-three (368.53),
3 inclusive, Code 1962, are hereby repealed.

EXPLANATION OF HOUSE FILE 393

This bill would provide for the joint ownership, use, construction, management, maintenance and control of public buildings, and the necessary sites therefor, by counties and county seat cities or towns through incorporated authorities; investing said authorities with all powers needful for such purposes and further authorizing them to execute contracts for leasing said buildings and parts thereof for both public and private purposes; to provide for the issuance of revenue bonds by such authorities and to provide other powers, rights and duties of the authorities.

The provisions of sections 368.50 to 368.53, inclusive, of the 1962 Code are unworkable, there being no provisions of implementation and therefore are repealed by this act and the provisions herein are in substitution therefor. The act would meet specifications of attorney of bonding companies in the issuance of self-liquidating revenue bonds.

HOUSE FILE 393

1 Amend House File 393, section 11, by striking lines 49,
2 50, 51 and 52 and inserting in lieu thereof the following:
3 "or buildings not needed for the public purpose for which
4 constructed, the authority may then rent such space to other
5 lessees for a public use upon such terms and under such
6 written leases as the board of commissioners may determine
7 but in no event shall such property be leased for any non-
8 public use."

Filed and adopted
April 3, 1963.

By SHAFF.

1 Amend House File 393 as follows:
 2 1. By inserting as a new section following section 4 the
 3 following:
 4 "The governing body of each incorporating unit may adopt such
 5 articles only after the proposition for establishment of an
 6 authority has been approved by a majority of the votes cast by
 7 the electors of each governing unit for and against such proposi-
 8 tion at a general, primary, or special election. The proposition
 9 voted upon shall also state the nature of the joint building or
 10 buildings to be acquired by the authority which shall be limited
 11 to a county courthouse-city hall and/or a joint county-city jail,
 12 whether existing county or municipal buildings will continue to
 13 be occupied by the municipality or county upon acquisition of
 14 the joint building or buildings or whether existing municipal
 15 or county buildings will be disposed of. If the existing municip-
 16 al or county buildings are to be disposed of, the proposition
 17 shall contain the method of disposition. A notice of the election
 18 provided for by this section shall be published once each week
 19 for at least four (4) weeks immediately prior to the date set
 20 for such election in some newspaper published in the county.
 21 Such notice shall state the time the proposition will be voted
 22 upon, and the form in which the proposition will be submitted.
 23 A copy of the proposition to be submitted shall be posted at
 24 each polling place during the day of election."
 25 2. By inserting in line 4 of section 9 after the word "be"
 26 the words "submitted to a vote of the people,".
 27 3. By striking from section 11 lines 21 through 27 and insert-
 28 ing in lieu thereof the following:
 29 "3. To demolish, repair, alter or improve any building or
 30 buildings within the designated area if such demolition, re-
 31 pair, alternation or improvement does not cost more than ten
 32 thousand (10,000) dollars. The authority may furnish, equip,
 33 maintain and operate such building or buildings and other facili-
 34 ties so as to effectuate the purpose of this Act. The authority
 35 may demolish, repair, alter, or improve existing buildings or
 36 construct a new building or buildings and other facilities within
 37 said area in addition to the buildings authorized by the initial
 38 election if the cost of a single project exceeds ten thousand
 39 (10,000) dollars only after such proposal has been approved by
 40 the voters in the same manner as provided in this Act for the
 41 establishment of the authority."
 42 4. Further amend by renumbering the sections in conformity
 43 with this amendment.

*Vote 4/6
 axes 27
 move 11
 adopted 4/16*

Filed
 April 15, 1963.

By Buck.

CONFERENCE COMMITTEE REPORT
 ON HOUSE FILE 393

*Adopted
 5/1*

TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE:

We, the undersigned members of the conference committee appointed to consider the differences between the Senate and the House on House File 393, an act relating to joint county-city or town buildings, beg leave to report and make the following recommendations:

1. That the Senate recede from their amendments.
2. Amend House File 393 by inserting after section 11 the following:
 "Sec. 12. After the incorporation of said Authority, and before the sale of an original issue of revenue bonds as provided in this Act, the Authority shall submit to the legal voters of said city or town and county, at a general, primary or special election called for that purpose, the question whether such "Authority" shall issue and sell revenue bonds (stating the amount) for any of the purposes provided in section two (2) of this Act. An affirmative vote of a majority of the votes cast on said proposition shall be required to authorize the issuance and sale of said revenue bonds. A notice of the election shall be published once each week for at least four weeks in some newspaper published in the county. Such notice shall name the time when such question shall be submitted, and a copy of the question to be submitted shall be posted at each polling place during the day of election."
3. Further amend by renumbering the balance of the sections.

IRVING D. LONG, *Chairman*.
 ROBERT R. RIGLER.
 VERNON H. KYHL.
 CLIFFORD M. VANCE.
On the Part of the Senate.

MAURICE E. BARINGER, *Chairman*.
 CHESTER O. HOUGEN.
 HAROLD O. FISCHER.
 SCOTT SWISHER.
On the Part of the House.