

MAR 22 1971

HOUSE FILE 466

Ways and Means, Pass 5/5
Sen. County Court: 5/19, Pass 5/26

By PRIEBE, DRAKE, BERGMAN,
REX, FREEMAN, PATTON,
WELDEN, MILLEN, NIELSEN,
KNOBLAUCH, SKINNER,
CHRISTENSEN, RODGERS,
MENDENHALL, WIRTZ, STROMER,
SCHROEDER, SIGLIN, and
EDELEN
(Kyhl, Arbuckle, Neu,
Palmer, and Potgeter)

Passed House, Date 5-17-71 Passed Senate, Date 6-15-71
Vote: Ayes 65 Nays 23 Vote: Ayes 42 Nays 1
Approved June 30, 1971

A BILL FOR

1 An Act to authorize counties operating county public hospitals
2 to issue revenue bonds.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Chapter three hundred forty-seven (347), Code
2 1971, is amended by adding the following new section:

3 "Any county having established a county public hospital
4 being operated under the provisions of this chapter may equip,
5 enlarge, and improve the county public hospital and acquire
6 the necessary lands, rights-of-way, and other property. For
7 the purpose of equipping, enlarging, and improving any county
8 public hospital, including the acquisition of the necessary
9 lands, rights-of-way, and other property, any county may,
10 pursuant to resolution of the board of supervisors of the
11 county and after it has been determined by the board of
12 hospital trustees to be advisable, issue and dispose of its
13 negotiable interest-bearing revenue bonds, payable solely
14 as to both principal and interest from the revenues derived
15 from the operation of the county public hospital. All the
16 bonds may bear the date, may mature at a time not exceeding
17 thirty years from their respective dates, may bear interest
18 at a rate not exceeding seven percent per annum payable
19 semiannually, may be in a form and payable at a place, and
20 may be subject to the redemption privileges stated on the
21 face or provided in the resolution.

22 After a resolution authorizing the revenue bonds has been
23 adopted, the county auditor shall publish notice of the adop-
24 tion in at least one newspaper of general circulation in the
25 county at least once each week for two consecutive weeks.
26 The notice shall identify the resolution by the date of its
27 adoption and shall specify the amount of bonds proposed to
28 be issued. If within twenty days following the date of the
29 first publication of the notice a petition is filed with the
30 county auditor signed by qualified voters of the county in
31 a number equal to or exceeding twenty percent of the total
32 number of votes cast in the county for governor at the last
33 preceding regular election at which a governor was elected,
34 then the bonds authorized by the resolution shall not be
35 issued until the proposition to issue the bonds is submitted

1 at an election throughout the county and approved by not less
2 than sixty percent of the votes cast for and against the
3 proposition. When any petition is filed, it shall be referred
4 to the board of supervisors at its next meeting. The board
5 of supervisors may either repeal the bond resolution or order
6 the election which shall be called and conducted in the manner
7 provided by chapter three hundred forty-five (345) of the
8 Code. If no petition is filed within the time provided or
9 if a petition is filed and the proposition of issuing the
10 bonds is approved at the election, then the board of
11 supervisors may proceed with the equipment, enlargement and
12 improvement of the county public hospital and the acquisition
13 of the necessary lands, rights-of-way, and other property
14 and the issuance of revenue bonds, as provided in this section.

15 Under no circumstances shall any revenue bonds issued under
16 the provisions of this section become an indebtedness of the
17 county. It shall be plainly stated on the face of each bond
18 that it does not constitute an indebtedness, but is payable
19 solely from revenues derived from the operation of the county
20 hospital. All the bonds shall be sold in a manner and upon
21 terms prescribed by the resolution authorizing the issuance
22 of the bonds, however no bonds shall be sold upon terms that
23 will result in an interest cost computed to maturity of the
24 bonds according to standard tables of bond values of more
25 than seven percent per annum. The resolution authorizing
26 the revenue bonds may contain any covenants determined by
27 the board of supervisors to be desirable in connection with
28 the use and application of the bond proceeds, the operation
29 of the county public hospital, and the custody and application
30 of the revenues from this operation. The sole remedy for
31 any breach or default of the terms of any bonds or proceedings
32 for their issuance shall be by mandamus in a court of competent
33 jurisdiction to compel performance and compliance therewith.

34 The board of hospital trustees shall fix rates, fees, and
35 charges for the services furnished by the county public

1 hospital so that the revenues of the county public hospital
2 will be at all times sufficient to provide for the payment
3 of the interest on and principal of all revenue bonds issued
4 under the provisions of this section, and for the payment
5 of all operating and maintenance expenses of the county public
6 hospital. If in any year, after payment of the accruing
7 interest on and principal due of any revenue bonds from the
8 revenues derived from the operation of the hospital, there
9 is a balance of revenues insufficient to pay the expenses
10 of operation and maintenance of the county public hospital,
11 the board of hospital trustees shall certify that fact to
12 the board of supervisors of the county. It shall be the duty
13 of the board of supervisors to make available from other
14 county funds the amount of the deficiency for paying the
15 expenses of operation and maintenance of the county public
16 hospital. The board of supervisors of the county shall levy
17 a tax not to exceed four mills, or six mills in counties with
18 a population of two hundred and twenty-five thousand
19 inhabitants or over, in any one year on all the taxable
20 property in the county in an amount sufficient for that
21 purpose. No general county funds or the proceeds of any taxes
22 shall be used or applied to the payment of the interest on
23 or principal of any revenue bonds issued under the provisions
24 of this section. General county funds or proceeds of taxes
25 may only be used and applied to pay the expenses of operation
26 and maintenance of the county public hospital which cannot
27 be paid from available revenue derived from such operation.
28 All contracts for construction work to be paid for in whole
29 or in part through the issuance of revenue bonds under the
30 provisions of this section shall be awarded by the board of
31 supervisors on competitive bidding following any advertisement
32 which may be prescribed by the board.
33 This section is an alternative and independent method for
34 the equipment, enlargement, and improvement of a county public
35 hospital, and for the issuance and sale of revenue bonds and

1 shall not be construed as limiting or superseding any other
2 method of equipping, enlarging, or improving a county public
3 hospital."

4 Sec. 2. Section three hundred forty-seven point seven
5 (347.7), unnumbered paragraph two (2), Code 1971, is amended
6 as follows:

7 No levy shall be made for the improvement, maintenance,
8 or replacements of the hospital until the hospital has been
9 constructed, staffed, and receiving patients. Whenever revenue
10 bonds are issued under the provisions of section 1 of this
11 Act, the tax of not to exceed one mill for the improvement,
12 maintenance, or replacements of the hospital, and four and
13 one-half mills for improvements and maintenance of hospitals
14 in counties having a population of two hundred twenty-five
15 thousand inhabitants or over, as herein authorized, shall
16 not be levied as long as any revenue bonds are outstanding.

17 Sec. 3. This Act, being deemed of immediate importance,
18 shall take effect and be in force from and after its publica-
19 tion in _____, a newspaper published in
20 _____, Iowa, and in _____, a news-
21 paper published in _____, Iowa.

22 EXPLANATION

23 Provisions in chapter 347A of the Code allow revenue bond-
24 ing for the construction of county hospitals. This bill adds
25 these same provisions to chapter 347 of the Code, and provides
26 county hospitals constructed and established under this chapter
27 with the opportunity to issue revenue bonds for the equipment,
28 enlargement, and improvement of county hospital facilities.

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House 19
May 7, 1971

HOUSE FILE 466

- 1 Amend House File 466 as follows:
- 2 1. Page 2, line 3, by inserting after the word
- 3 "having" the word "theretofore".
- 4 2. Page 2, line 7, by inserting after the word
- 5 "any" the word "such".
- 6 3. Page 2, line 12, by inserting after the
- 7 comma following the word "advisable" the words "from
- 8 time to time".
- 9 4. Page 2, by striking lines 15 through 21,
- 10 inclusive, and inserting in lieu thereof the following:
- 11 "from the operation of the county public hospital.
- 12 All such bonds may bear such date or dates, may mature
- 13 at such time or times not exceeding thirty years from
- 14 their respective dates, may bear interest at such rate
- 15 or rates not exceeding seven per cent per annum payable
- 16 semiannually, may be in such form and payable at such
- 17 place or places, and may be subject to such redemption
- 18 privileges as are stated on the face thereof and as
- 19 may be provided in the resolution."
- 20 5. Page 2, line 28, by striking the word "twenty"
- 21 and inserting in lieu thereof the word "thirty".
- 22 6. Page 2, line 31, by striking the word "twenty"
- 23 and inserting in lieu thereof the word "five".
- 24 7. Page 3, line 16, by inserting after the word
- 25 "section" the words "be or".
- 26 8. Page 3, line 17, by inserting after the word
- 27 "county" the words "within the purview of any
- 28 constitutional or statutory limitation or provision".
- 29 9. Page 3, line 18, by inserting after the word
- 30 "constitute" the word "such".
- 31 10. Page 4, line 3, by inserting after the word
- 32 "issued" the words "and outstanding".
- 33 11. Page 4, by striking lines 7 through 27,
- 34 inclusive, and inserting in lieu thereof the following:
- 35 "interest on and principal due of any revenue bonds
- 36 issued hereunder from the revenues derived from the
- 37 operation of such hospital, there be a balance of such
- 38 revenues insufficient to pay the expenses of operation
- 39 and maintenance of the county public hospital the
- 40 board of hospital trustees shall certify that fact as
- 41 soon as ascertained to the board of supervisors of
- 42 such county, and thereupon it shall be the duty of
- 43 such board of supervisors to make the amount of such
- 44 deficiency for paying the expenses of operation and
- 45 maintenance of the county public hospital available
- 46 from other county funds or, the board of supervisors
- 47 of such county shall levy a tax not to exceed one mill
- 48 in counties having a population of less than two
- 49 hundred twenty-five thousand inhabitants, or four and
- 50 one-half mills in counties having a population of two

House 20
May 7, 1971

51 hundred twenty-five thousand inhabitants or over, in
52 any one year on all the taxable property in said county
53 in an amount sufficient for that purpose, it being
54 conditioned that no general county funds or the proceeds
55 of any taxes shall ever be used or applied to the
56 payment of the interest on or principal of any revenue
57 bonds issued under the provisions of this section, but
58 that such general county funds or proceeds of taxes may
59 only be used and applied to pay such expenses of
60 operation and maintenance of the county public hospital
61 as cannot be paid from available revenues derived from
62 such operation."

63 12. Page 4, by striking lines 31 and 32 and insert-
64 ing in lieu thereof the following: "supervisors on
65 competitive bidding following such advertisement as
66 may be prescribed by such board."

67 13. Page 5, by striking lines 10 through 21,
68 inclusive, and inserting in lieu thereof the following:
69 "bonds are issued and outstanding under the provisions
70 of section 1 of this Act, the authority contained in
71 section 1 of this Act to levy the tax to pay operating
72 and maintenance expenses, when and as therein provided,
73 shall be in lieu of and not in addition to the authority
74 contained in this section to levy the tax of not to
75 exceed one mill for the improvement, maintenance and
76 replacements of the hospital and of not to exceed four
77 and one-half mills for improvements and maintenance of
78 the hospital in counties having a population of two
79 hundred twenty-five thousand inhabitants or over.

80 Sec. 3. Section three hundred forty-seven point
81 thirteen (347.13), subsection nine (9), Code 1971, is
82 amended by inserting in line 6 after the word 'year'
83 the following: ', subject to the provisions of
84 Section 1 of this Act.'

85 Sec. 4. This Act, being deemed of immediate
86 importance, shall take effect and be in force from
87 and after its publication in the Algona Kossuth County
88 Advance, a newspaper published in Algona, Iowa, and in
89 The Spirit Lake Beacon, a newspaper published in
90 Spirit Lake, Iowa."

Filed - *Adopted as amended 5/17*
May 6, 1971

By HOLDEN of Scott
District 75

1 Amend House File 466 as follows:

2 1. Page 2, line 3, by inserting after the word
3 "county" the words "of twenty thousand or more in pop-
4 ulation and".

5 2. Page 5, by adding the following new section after
6 line 3:

7 "Sec. ____ Chapter three hundred forty-seven (347),
8 Code 1971, is amended by adding the following new sec-
9 tion:

10 Any county of less than twenty thousand in population
11 may issue revenue bonds of the same type and for the same
12 purposes as provided in section one (1) of this Act only
13 if a proposition to issue the bonds is submitted at an
14 election throughout the county and approved by not less
15 than sixty percent of the votes for and against the
16 proposition. The election shall be called and conducted
17 in the manner provided by chapter three hundred forty-
18 five (345) of the Code on order of the board of super-
19 visors after a resolution authorizing the revenue bonds
20 has been adopted by the board of supervisors and notice
21 published by the county auditor in at least one news-
22 paper of general circulation in the county at least
23 once each week for two consecutive weeks. The notice
24 shall specify the amount of bonds proposed to be issued
25 and shall identify the resolution by the date of its
26 adoption."

Filed - *Lost 5/17*
May 12, 1971

By TROWBRIDGE of Floyd, District 9

1 Amend the Holden amendment to House File 466
2 filed May 6, 1971, by striking all of lines 22 and 23.

Filed - *Adopted 5/17*
May 10, 1971

By PRIEBE of Kossuth, District 6
BERGMAN of Osceola, District 3
EDELLEN of Emmet, District 5

1 Amend the Trowbridge amendment to House File 466
2 filed May 12, 1971, and found on page 1476 of the House
3 Journal, by inserting the word "first" after the word
4 "the" in line 2.

Filed - *Adopted 5/17*
May 13, 1971

By TROWBRIDGE of Floyd
District 9

1 Amend House File 466 as amended and passed by the House,
2 page 5, by striking all of section 4.

Filed and Lost
June 15, 1971

By POTGETER