

ENACTED MAR 14 1978

SENATE FILE 2184

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 4-18-78 (p. 905) Passed House, Date \_\_\_\_\_

Vote: Ayes 72 Nays 5 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

*Referred to committee of 905 w. & 5/3 (p. 1227)*

### A BILL FOR

1 An Act to impose a tax upon freight line and equipment car  
2 companies and providing penalties for violations.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 2184

S-5585

- 1 Amend Senate File 2184 as follows:
- 2 1. By striking everything after the enacting
- 3 clause and inserting in lieu thereof the following new
- 4 section:
- 5 NEW SECTION: Sec. \_\_\_\_ Chapter four hundred
- 6 thirty-five (435), Code 1977, is repealed.
- 7 2. Title page, by striking lines 1 and 2 and
- 8 inserting in lieu thereof the following: "An Act
- 9 to repeal the property taxes on the railroad cars
- 10 of freight line and equipment car companies traveling
- 11 in or through the state".

S-5585 FILED & LOST (p. 904)  
APRIL 18, 1978

BY EDGAR H. HOLDEN

1 Section 1. NEW SECTION. DEFINITIONS. As used in this  
2 Act unless the context otherwise requires:

3 1. "Car company" means freight line and equipment car  
4 companies.

5 2. "Company" means a sole proprietorship, partnership,  
6 limited partnership, corporation or other business entity.

7 3. "Freight line company" means a company engaged in the  
8 business of operating cars not otherwise listed for taxation  
9 or taxed in this state for the transportation of freight over  
10 any railway line located within this state, if such line is  
11 not owned, leased or operated by such company.

12 4. "Equipment car company" means every company engaged  
13 in the business of furnishing or leasing cars to be used in  
14 the operation of any railway line located within this state,  
15 if such line is not owned, leased or operated by such company  
16 and the cars are not otherwise listed for taxation in this  
17 state.

18 5. "Car" means all railroad cars whether termed box, flat,  
19 coal, ore, tank, gondola, refrigerator or another name.

20 6. "Director" means the director of revenue.

21 7. "Department" means the department of revenue.

22 8. "Railway" means companies subject to taxation under  
23 chapter four hundred thirty-four (434) of the Code.

24 9. "Miles" or "mileage" means loaded and empty miles of  
25 each railroad car whether in intrastate or in interstate com-  
26 merce traveled in or through the state.

27 10. "Base year" means the calendar year immediately preced-  
28 ing the year in which the tax return is required to be filed  
29 under this Act.

30 Sec. 2. NEW SECTION. TAX IMPOSED. A tax is hereby imposed  
31 on the mileage of freight line and equipment car companies  
32 at a rate of three-fourths of one cent per mile and shall  
33 apply to all mileage traveled in or through this state during  
34 the base year. The cars of the car companies subject to this  
35 tax shall not be subject to a property tax.

1     Sec. 3. NEW SECTION. RETURNS. Each car company subject  
2 to taxation under this Act shall annually file a return on  
3 or before the first Monday in June. The return shall include  
4 a true and accurate statement of the miles traveled in or  
5 through this state during the base year on railway lines not  
6 owned or operated by the car company. The return shall also  
7 include the following:

- 8     1. The name of the car company.
- 9     2. The nature of the company and its business.
- 10    3. The address of the individual to be contacted concern-  
11 ing the return.
- 12    4. The railroad company for which the Iowa miles were  
13 traveled.
- 14    5. An attestation as to the accuracy of the return.

15     Sec. 4. NEW SECTION. PAYMENT OF TAX. The tax due shall  
16 be paid in full and shall accompany the return required to  
17 be filed by section three (3) of this Act. If payment does  
18 not accompany the return or payment is not in the amount shown  
19 due and payable on the return, the company shall be subject  
20 to interest at the rate of three-fourths of one percent per  
21 month or fraction thereof on the balance due.

22     Sec. 5. NEW SECTION. PENALTY. In case of failure to  
23 file a return with the department on or before the due date,  
24 unless it is shown that such failure was due to reasonable  
25 cause and not due to willful neglect, there shall be added  
26 to the amount required to be shown as tax on such return five  
27 percent of the amount of such tax if the failure is for not  
28 more than one month, with an additional five percent for each  
29 additional month or fraction thereof during which such failure  
30 continues, not exceeding twenty-five percent in the aggregate.  
31 If any person fails to remit the tax due with the filing of  
32 the return on or before the due date, or fails to pay the  
33 total amount of the tax due as shown on the return, there  
34 shall be added to the tax a penalty of five percent of the  
35 tax due unless it is shown that such failure was due to

1 reasonable cause. In case of willful failure to file a return  
2 with intent to evade tax, or in case of willfully filing a  
3 false return with intent to evade tax, in lieu of the penalty  
4 above provided, there shall be added to the amount required  
5 to be shown as tax on such return fifty percent of the amount  
6 of such tax. When penalties are applicable for failure to  
7 file a return and failure to pay the tax due or required on  
8 the return, the penalty provision for failure to file shall  
9 be in lieu of the penalty provision for failure to pay the  
10 tax due or required on the return except in the case of willful  
11 failure to file a return and willfully filing of a false  
12 return with intent to evade tax.

13 Sec. 6. NEW SECTION. DETERMINATION OF TAX DUE--LIMITATION.

14 The department shall have three years from the time the re-  
15 turn was filed or after the return became due, including any  
16 extensions of time for filing, whichever time is the later,  
17 to audit the return and determine its accuracy. If it is  
18 shown by the audit that additional tax is due, interest at  
19 the rate of three-fourths of one percent per month or fraction  
20 thereof shall be added to the additional tax shown to be due.

21 The period for determination of tax due shall be unlimited  
22 in the case of a false or fraudulent return with intent to  
23 evade tax or in the case of failure to file a return.

24 If it is shown that an overpayment was made, interest at  
25 the rate of three-fourths of one percent per month or fraction  
26 thereof shall be added to the overpayment with interest com-  
27 mencing sixty days after the date of payment.

28 The railway companies, submitting mileage pertaining to  
29 the car companies subject to the tax imposed by this Act,  
30 shall make available, at the department's request, their books  
31 or records to ascertain the correct mileage.

32 Car companies submitting returns under this Act shall also  
33 make available, at the department's request, their books or  
34 records to ascertain the correct mileage.

35 Sec. 7. NEW SECTION. REFUNDS. If any tax, penalty or

1 interest has been paid which was not due under the provisions  
2 of this Act, then such amount plus any interest imposed as  
3 a result of section six (6) of this Act shall be credited  
4 against any tax due or to become due under this Act from the  
5 car company which made the erroneous payment or shall be  
6 refunded to such car company by the department. A claim for  
7 refund or credit that has not been filed with the department  
8 within three years after the tax payment upon which a refund  
9 or credit is claimed became due or one year after such tax  
10 payment was made, whichever time is the later, shall not be  
11 allowed by the director.

12 Sec. 8. NEW SECTION. DEPOSIT OF FUNDS. All revenues  
13 arising from the tax imposed under this Act shall be credited  
14 to the general fund of the state.

15 Sec. 9. NEW SECTION. STATUTES APPLICABLE TO TAX. All  
16 the provisions of section four hundred twenty-two point twenty-  
17 six (422.26), as amended by Acts of the Sixty-seventh General  
18 Assembly, 1977 Session, chapter one hundred twenty-one (121),  
19 section one (1), and sections four hundred twenty-two point  
20 twenty-eight (422.28) to four hundred twenty-two point thirty  
21 (422.30) of the Code, consistent with the provisions of this  
22 Act, shall be applicable to car companies subject to the tax  
23 imposed under section two (2) of this Act.

24 Sec. 10. Section four hundred twenty-seven A point one  
25 (427A.1), subsection one (1), paragraph h, Code 1977, is  
26 amended to read as follows:

27 h. Property assessed by the department of revenue pursuant  
28 to sections 428.24 to 428.29, or chapters 433, four hundred  
29 thirty-four (434) and four hundred thirty-six (436) of the  
30 Code to 438.

31 Sec. 11. Section four hundred forty-three point twenty-  
32 two (443.22), Code 1977, is amended to read as follows:

33 443.22 UNIFORM ASSESSMENTS MANDATORY. All assessors and  
34 assessing bodies, including the department of revenue having  
35 authority over the assessment of property for tax purposes,

1 shall comply with the provisions of sections 428.4, 428.29,  
2 434.15, 435-7, 438.13, 441.21, 441.45 and 443.5. The  
3 department of revenue having authority over such assessments,  
4 shall exercise its powers and perform its duties under section  
5 421.17 and other applicable laws so as to require the uniform  
6 and consistent application of said section.

7 Sec. 12. Chapter four hundred thirty-five (435), Code  
8 1977, is repealed.

9 Sec. 13. The provisions of this Act are effective for  
10 all taxes due on or before the first Monday in June, 1978,  
11 and thereafter.

12 Sec. 14. This Act, being deemed of immediate importance,  
13 shall take effect and be in force from and after its publica-  
14 tion in The Titonka Topic, a newspaper published in Titonka,  
15 Iowa, and in The Bancroft Register, a newspaper published  
16 in Bancroft, Iowa.

17 EXPLANATION

18 This bill repeals the property taxes on the railroad cars  
19 of freight line and equipment car companies traveling in or  
20 through the state. The bill imposes a tax at a rate of three-  
21 fourths of one cent per per mile traveled in or through the  
22 state by the cars of freight line and equipment car companies.

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## SENATE CLIP SHEET

APRIL 17, 1978

SENATE FILE 2134

S-5547

1 Amend Senate File 2134 as follows:

2 1. Page 1, line 24, by striking the words "and  
3 empty".

4 2. Page 1, line 32, by striking the words "three-  
5 fourths of one" and inserting in lieu thereof the  
6 words "one and one-fourth".

7 3. Page 1, line 35, by inserting after the words  
8 "property tax" the words ", nor shall the rental of  
9 such cars be subject to any sales or use tax".

10 4. Page 4, by striking lines 12, 13 and 14 and  
11 inserting in lieu thereof the following:

12 "Sec. \_\_\_\_ NEW SECTION. DEPOSIT OF FUNDS. All  
13 revenues collected from the tax imposed under this  
14 Act shall be credited to the railroad assistance fund  
15 established pursuant to section three hundred twenty-  
16 seven H point eighteen (327H.18) of the Code. All  
17 taxes paid after the due date, including penalty and  
18 interest shall also be credited to the railroad  
19 assistance fund except as otherwise provided in this  
20 section. All moneys refunded under the provisions  
21 of this Act shall be paid from the railroad assistance  
22 fund. There is appropriated from the general fund  
23 of the state to the railroad assistance fund for the  
24 fiscal year beginning July 1, 1978 and for each  
25 succeeding fiscal year the sum of one million seven  
26 hundred thousand (1,700,000) dollars. If the revenues  
27 collected, including interest and penalties, less  
28 any refunds made for taxes payable on or before the  
29 first Monday of June of the preceding fiscal year  
30 exceed eight hundred thousand (800,000) dollars such  
31 excess, not to exceed the amount of the appropriation  
32 made under this section, shall be transferred to the  
33 general fund of the state."

34 5. Amend the title, line 2, by inserting after  
35 the word "companies" the words ", making an  
36 appropriation".

S-5547 FILED *Adopted 4/18 (p. 903)*  
APRIL 13, 1978

BY COMMITTEE ON BUDGET  
WILLIAM D. PALMER, CHAIRPERSON

SENATE FILE 2134

S-5461

1 Amend Senate File 2134 as follows:

2 1. Page 1, line 35, by inserting after the words  
3 "property tax" the words ", nor shall the rental of such  
4 cars be subject to any sales or use tax".

S-5461 FILED *Out of order 4/18 (903)* BY RICHARD F. DRAKE  
APRIL 3, 1978 BERL E. PRIEBE

SENATE FILE 2184

S-5431

1 Amend Senate File 2184 as follows:  
2 1. Page 1, by striking lines 24 through 32 and  
3 inserting in lieu thereof the following:  
4 "9. "Miles" or "mileage" means loaded miles of  
5 each railroad car whether in intrastate or in inter-  
6 state commerce traveled in or through the state.  
7 10. "Base year" means the calendar year immediately  
8 preceding the year in which the tax return is required  
9 to be filed under this Act.  
10 Sec. 2. NEW SECTION. TAX IMPOSED. A tax is hereby  
11 imposed on the mileage of freight line and equipment car  
12 companies at a rate of one cent per mile and shall"

S-5431 FILED *Out of order*  
MARCH 29, 1978 *4/18 (p. 903)*

BY E. KEVIN KELLY

SENATE FILE 2184

S-5459

1 Amend Senate File 2184 as follows:  
Div. A 2 1. Page 1, line 32, by striking the words "three-  
3 fourths of".  
4 2. Page 4, by striking lines 12, 13 and 14 and  
5 inserting in lieu thereof the following:  
6 "Sec. \_\_\_\_ . NEW SECTION. DEPOSIT OF FUNDS. All  
7 revenues collected from the tax imposed under this  
8 Act shall be credited to the railroad assistance fund  
9 established pursuant to section three hundred twenty-  
10 seven H point eighteen (327H.18) of the Code. All  
11 taxes paid after the due date, including penalty and  
12 interest shall also be credited to the railroad  
13 assistance fund except as otherwise provided in this  
Div. B 14 section. All moneys refunded under the provisions  
15 of this Act shall be paid from the railroad assistance  
16 fund. There is appropriated from the general fund  
17 of the state to the railroad assistance fund for the  
18 fiscal year beginning July 1, 1978 and for each  
19 succeeding fiscal year the sum of one million seven  
20 hundred thousand (1,700,000) dollars. If the revenues  
21 collected, including interest and penalties, less  
22 any refunds made for taxes payable on or before the  
23 first Monday of June of the preceding fiscal year  
24 exceeds eight hundred thousand (800,000) dollars such  
25 excess, not to exceed the amount of the appropriation  
26 made under this section, shall be transferred to the  
27 general fund of the state."  
28 3. Amend the title, line 2, by inserting after  
29 the word "companies" the words ", making an  
30 appropriation"

S-5459 FILED  
APRIL 3, 1978 *Out of order 4/18 (903)*

BY BERL E. PRIEBE  
RICHARD F. DRAKE  
DAVID M. READINGER  
WILLIAM D. PALMER

SENATE FILE 2184  
FISCAL NOTE

DATE: April 3, 1978  
REQUESTED BY: Senator Richard Drake

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In compliance with a written request received April 3, 19 78, there is hereby submitted a Fiscal Note for Senate File 2184 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

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Senate File 2184, An Act to impose a tax upon freight line and equipment car companies and providing penalties for violations.

This bill repeals the property taxes on the railroad cars of freight line and equipment car companies traveling in or through the state. The bill imposes a tax at a rate of three-fourths of one cent per mile traveled in or through the state by the cars of freight line and equipment car companies.

Based upon current miles traveled (200,000,000) of cars which would be subject to the proposed tax, revenues generated from tax should total about \$1,500,000. This compares to present revenues from the Equipment Car Tax of slightly over \$100,000.

SOURCE: DEPARTMENT OF REVENUE

FILED  
APRIL 3, 1978

DENNIS C. PROUTY  
LEGISLATIVE FISCAL BUREAU



3247

1 Section 1. NEW SECTION. DEFINITIONS. As used in this  
2 Act unless the context otherwise requires:

3 1. "Car company" means freight line and equipment car  
4 companies.

5 2. "Company" means a sole proprietorship, partnership,  
6 limited partnership, corporation or other business entity.

7 3. "Freight line company" means a company engaged in the  
8 business of operating cars not otherwise listed for taxation  
9 or taxed in this state for the transportation of freight over  
10 any railway line located within this state, if such line is  
11 not owned, leased or operated by such company.

12 4. "Equipment car company" means every company engaged  
13 in the business of furnishing or leasing cars to be used in  
14 the operation of any railway line located within this state,  
15 if such line is not owned, leased or operated by such company  
16 and the cars are not otherwise listed for taxation in this  
17 state.

18 5. "Car" means all railroad cars whether termed box, flat,  
19 coal, ore, tank, gondola, refrigerator or another name.

20 6. "Director" means the director of revenue.

21 7. "Department" means the department of revenue.

22 8. "Railway" means companies subject to taxation under  
23 chapter four hundred thirty-four (434) of the Code.

\* 24 9. "Miles" or "mileage" means loaded miles of each railroad  
25 car whether in intrastate or in interstate commerce traveled  
26 in or through the state.

27 10. "Base year" means the calendar year immediately preced-  
28 ing the year in which the tax return is required to be filed  
29 under this Act.

30 Sec. 2. NEW SECTION. TAX IMPOSED. A tax is hereby imposed  
31 on the mileage of freight line and equipment car companies  
32 at a rate of one and one-fourth cent per mile and shall apply  
33 to all mileage traveled in or through this state during the  
34 base year. The cars of the car companies subject to this  
35 tax shall not be subject to a property tax, nor shall the

1 rental of such cars be subject to any sales or use tax.

2       Sec. 3. NEW SECTION. RETURNS. Each car company subject  
3 to taxation under this Act shall annually file a return on  
4 or before the first Monday in June. The return shall include  
5 a true and accurate statement of the miles traveled in or  
6 through this state during the base year on railway lines not  
7 owned or operated by the car company. The return shall also  
8 include the following:

- 9       1. The name of the car company.
- 10       2. The nature of the company and its business.
- 11       3. The address of the individual to be contacted concern-  
12 ing the return.
- 13       4. The railroad company for which the Iowa miles were  
14 traveled.
- 15       5. An attestation as to the accuracy of the return.

16       Sec. 4. NEW SECTION. PAYMENT OF TAX. The tax due shall  
17 be paid in full and shall accompany the return required to  
18 be filed by section three (3) of this Act. If payment does  
19 not accompany the return or payment is not in the amount shown  
20 due and payable on the return, the company shall be subject  
21 to interest at the rate of three-fourths of one percent per  
22 month or fraction thereof on the balance due.

23       Sec. 5. NEW SECTION. PENALTY. In case of failure to  
24 file a return with the department on or before the due date,  
25 unless it is shown that such failure was due to reasonable  
26 cause and not due to willful neglect, there shall be added  
27 to the amount required to be shown as tax on such return five  
28 percent of the amount of such tax if the failure is for not  
29 more than one month, with an additional five percent for each  
30 additional month or fraction thereof during which such failure  
31 continues, not exceeding twenty-five percent in the aggregate.  
32 If any person fails to remit the tax due with the filing of  
33 the return on or before the due date, or fails to pay the  
34 total amount of the tax due as shown on the return, there  
35 shall be added to the tax a penalty of five percent of the

1 tax due unless it is shown that such failure was due to  
2 reasonable cause. In case of willful failure to file a return  
3 with intent to evade tax, or in case of willfully filing a  
4 false return with intent to evade tax, in lieu of the penalty  
5 above provided, there shall be added to the amount required  
6 to be shown as tax on such return fifty percent of the amount  
7 of such tax. When penalties are applicable for failure to  
8 file a return and failure to pay the tax due or required on  
9 the return, the penalty provision for failure to file shall  
10 be in lieu of the penalty provision for failure to pay the  
11 tax due or required on the return except in the case of willful  
12 failure to file a return and willfully filing of a false  
13 return with intent to evade tax.

14 Sec. 6. NEW SECTION. DETERMINATION OF TAX DUE--LIMITATION.

15 The department shall have three years from the time the re-  
16 turn was filed or after the return became due, including any  
17 extensions of time for filing, whichever time is the later,  
18 to audit the return and determine its accuracy. If it is  
19 shown by the audit that additional tax is due, interest at  
20 the rate of three-fourths of one percent per month or fraction  
21 thereof shall be added to the additional tax shown to be due.

22 The period for determination of tax due shall be unlimited  
23 in the case of a false or fraudulent return with intent to  
24 evade tax or in the case of failure to file a return.

25 If it is shown that an overpayment was made, interest at  
26 the rate of three-fourths of one percent per month or fraction  
27 thereof shall be added to the overpayment with interest com-  
28 mencing sixty days after the date of payment.

29 The railway companies, submitting mileage pertaining to  
30 the car companies subject to the tax imposed by this Act,  
31 shall make available, at the department's request, their books  
32 or records to ascertain the correct mileage.

33 Car companies submitting returns under this Act shall also  
34 make available, at the department's request, their books or  
35 records to ascertain the correct mileage.

1       Sec. 7. NEW SECTION. REFUNDS. If any tax, penalty or  
2 interest has been paid which was not due under the provisions  
3 of this Act, then such amount plus any interest imposed as  
4 a result of section six (6) of this Act shall be credited  
5 against any tax due or to become due under this Act from the  
6 car company which made the erroneous payment or shall be  
7 refunded to such car company by the department. A claim for  
8 refund or credit that has not been filed with the department  
9 within three years after the tax payment upon which a refund  
10 or credit is claimed became due or one year after such tax  
11 payment was made, whichever time is the later, shall not be  
12 allowed by the director.

13       Sec. 8. NEW SECTION. DEPOSIT OF FUNDS. All revenues  
14 collected from the tax imposed under this Act shall be credited  
15 to the railroad assistance fund established pursuant to section  
16 three hundred twenty-seven H point eighteen (327H.18) of the  
17 Code. All taxes paid after the due date, including penalty  
18 and interest shall also be credited to the railroad assistance  
19 fund except as otherwise provided in this section. All moneys  
20 refunded under the provisions of this Act shall be paid from  
21 the railroad assistance fund. There is appropriated from  
22 the general fund of the state to the railroad assistance fund  
23 for the fiscal year beginning July 1, 1978 and for each  
24 succeeding fiscal year the sum of one million seven hundred  
25 thousand (1,700,000) dollars. If the revenues collected,  
26 including interest and penalties, less any refunds made for  
27 taxes payable on or before the first Monday of June of the  
28 preceding fiscal year exceed eight hundred thousand (800,000)  
29 dollars such excess, not to exceed the amount of the  
30 appropriation made under this section, shall be transferred  
31 to the general fund of the state.

32       Sec. 9. NEW SECTION. STATUTES APPLICABLE TO TAX. All  
33 the provisions of section four hundred twenty-two point twenty-  
34 six (422.26), as amended by Acts of the Sixty-seventh General  
35 Assembly, 1977 Session, chapter one hundred twenty-one (121),

1 section one (1), and sections four hundred twenty-two point  
2 twenty-eight (422.28) to four hundred twenty-two point thirty  
3 (422.30) of the Code, consistent with the provisions of this  
4 Act, shall be applicable to car companies subject to the tax  
5 imposed under section two (2) of this Act.

6 Sec. 10. Section four hundred twenty-seven A point one  
7 (427A.1), subsection one (1), paragraph h, Code 1977, is  
8 amended to read as follows:

9 n. Property assessed by the department of revenue pursuant  
10 to sections 428.24 to 428.29, or chapters 433, four hundred  
11 thirty-four (434) and four hundred thirty-six (436) of the  
12 Code to 438.

13 Sec. 11. Section four hundred forty-three point twenty-  
14 two (443.22), Code 1977, is amended to read as follows:

15 443.22 UNIFORM ASSESSMENTS MANDATORY. All assessors and  
16 assessing bodies, including the department of revenue having  
17 authority over the assessment of property for tax purposes,  
18 shall comply with the provisions of sections 428.4, 428.29,  
19 434.15, ~~435-77~~, 438.13, 441.21, 441.45 and 443.5. The  
20 department of revenue having authority over such assessments,  
21 shall exercise its powers and perform its duties under section  
22 421.17 and other applicable laws so as to require the uniform  
23 and consistent application of said section.

24 Sec. 12. Chapter four hundred thirty-five (435), Code  
25 1977, is repealed.

26 Sec. 13. The provisions of this Act are effective for  
27 all taxes due on or before the first Monday in June, 1978,  
28 and thereafter.

29 Sec. 14. This Act, being deemed of immediate importance,  
30 shall take effect and be in force from and after its publica-  
31 tion in The Titonka Topic, a newspaper published in Titonka,  
32 Iowa, and in The Bancroft Register, a newspaper published  
33 in Bancroft, Iowa.

34 EXPLANATION

35 This bill repeals the property taxes on the railroad cars

1 of freight line and equipment car companies traveling in or  
2 through the state. The bill imposes a tax at a rate of three-  
3 fourths of one cent per per mile traveled in or through the  
4 state by the cars of freight line and equipment car companies.

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SF 2184  
mg/slc/33c

1 Amend Senate File 2184 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 5, by inserting after line 23 the follow-  
4 ing:

5 "Sec. \_\_\_\_ . NEW SECTION. ESTABLISHMENT OF  
6 AUTHORITY.

7 1. The Iowa railroad car authority is established,  
8 and constituted a public instrumentality and agency  
9 of the state exercising public and essential  
10 governmental functions, established to undertake  
11 programs which assist in attainment of an adequate  
12 supply of railroad cars in the state. The powers  
13 of the authority shall be vested in and exercised  
14 by the state transportation commission.

15 2. The net earnings of the authority, beyond that  
16 necessary for retirement of its notes, bonds or other  
17 obligations, or to implement the public purposes and  
18 programs herein authorized, shall not inure to the  
19 benefit of any person other than the state. Upon  
20 termination of the existence of the authority, title  
21 to all property owned by the authority, including  
22 any such net earnings of the authority, shall vest  
23 in the state. The state reserves the right at any  
24 time to alter, amend, repeal, or otherwise change  
25 the structure, organization, programs or activities  
26 of the authority, including the power to terminate  
27 the authority, except that no law shall ever be passed  
28 impairing the obligation of any contract or contracts  
29 entered into by the authority to the extent that any  
30 such law would contravene article one (I), section  
31 twenty-one (21) of the Constitution of the state of  
32 Iowa or article one (I), section ten (10) of the  
33 Constitution of the United States.

34 Sec. \_\_\_\_ . NEW SECTION. LEGISLATIVE FINDINGS.  
35 The general assembly finds and declares as follows:

36 1. The establishment of the railroad car authority  
37 is in all respects for the benefit of the people of  
38 the state of Iowa, for the improvement of the state  
39 rail transportation system, and for the promotion  
40 of the economy of the state, which are public purposes.

41 2. The authority will be performing an essential  
42 governmental function in the exercise of the powers  
43 and duties conferred upon it by this chapter.

44 3. There exists a serious shortage of safe and  
45 efficient railroad cars to move Iowa produced  
46 agricultural and manufactured goods and to move raw  
47 materials into the state.

48 4. This shortage creates waste, interferes with  
49 the distribution, increases delays and increases  
50 costs.

- 1 5. One major cause of this condition has been
- 2 recurrent shortages of funds in private channels.
- 3 6. These shortages have contributed to reductions
- 4 in the purchases of new equipment by railroad
- 5 companies.
- 6 7. The ordinary operations of private enterprise
- 7 have not in the past corrected these shortages.
- 8 8. A stable supply of railroad cars in the state
- 9 is necessary for efficient rail transportation of
- 10 Iowa products.
- 11 9. All of the purposes stated in this section
- 12 are public purposes and uses for which public moneys
- 13 may be borrowed, expended, advanced, loaned or granted.
- 14 Sec. \_\_\_\_ . NEW SECTION. GENERAL POWERS. The
- 15 authority has all of the general powers needed to
- 16 carry out its purposes and duties, and exercise its
- 17 specific powers, including but not limited to the
- 18 power to:
- 19 1. Issue its negotiable bonds and notes in a
- 20 manner provided in sections two hundred twenty point
- 21 twenty-six (220.26) to two hundred twenty point thirty
- 22 (220.30) of the Code, in order to finance its programs.
- 23 2. Sue and be sued in its own name.
- 24 3. Have and alter a corporate seal.
- 25 4. Make and alter bylaws for its management
- 26 consistent with the provisions of this chapter.
- 27 5. Make and execute agreements, contracts and
- 28 other instruments, with any public or private entity.
- 29 All political subdivisions, rail companies, other
- 30 public agencies and state departments and agencies
- 31 may enter into contracts and otherwise cooperate with
- 32 the authority.
- 33 6. Acquire, hold, improve, mortgage, lease and
- 34 dispose of real and personal property, including,
- 35 but not limited to, the power to sell at public or
- 36 private sale, with or without public bidding, any
- 37 such property, mortgage loan, or other obligation
- 38 held by it.
- 39 7. Procure insurance against any loss in connection
- 40 with its operations and property interests.
- 41 8. Fix and collect fees and charges for its
- 42 services.
- 43 9. Subject to any agreement with bondholders or
- 44 noteholders, invest or deposit moneys of the authority
- 45 in any manner determined by the authority,
- 46 notwithstanding the provisions of chapter four hundred
- 47 fifty-two (452), four hundred fifty-three (453) or
- 48 four hundred fifty-four (454) of the Code.
- 49 10. Accept appropriations, gifts, grants, loans,
- 50 or other aid from public or private entities. A

1 record of all gifts or grants, stating the type,  
2 amount and donor, shall be clearly set out in the  
3 authority's annual report along with the record of  
4 other receipts.

5 11. Provide technical assistance and counseling  
6 related to the authority's purposes, to public and  
7 private entities.

8 12. In cooperation with other local, state or  
9 federal governmental agencies, conduct research  
10 studies, develop estimates of unmet railroad car  
11 needs, and gather and compile data useful to facilitate  
12 decision making.

13 13. Cooperate in development of, and initiate  
14 railroad transportation.

15 14. Contract with architects, engineers, attorneys,  
16 accountants, railroad companies, railroad car  
17 manufacturers, and other advisors. However, the  
18 authority may enter into contracts or agreements for  
19 such services with local, state or federal governmental  
20 agencies.

21 15. Make, alter and repeal rules consistent with  
22 the provisions of this chapter, and subject to chapter  
23 seventeen A (17A) of the Code.

24 Sec. \_\_\_\_ . NEW SECTION. STAFF.

25 1. The executive director of the authority shall  
26 be the director of transportation of this state.

27 2. The executive director shall advise the  
28 authority on matters relating to rail transportation  
29 and railroad car purchases, carry out all directives  
30 from the authority, and hire and supervise the  
31 authority's staff pursuant to its directions and under  
32 the provisions of chapter nineteen A (19A) of the  
33 Code and the staff shall be considered to be a part  
34 of the state department of transportation.

35 3. The executive director, as secretary of the  
36 authority, shall keep a record of the proceedings  
37 of the authority and shall be custodian of all books,  
38 documents and papers filed with the authority and  
39 of its minute book and seal. He shall have authority  
40 to cause to be made copies of all minutes and other  
41 records and documents of the authority and to give  
42 certificates under the seal of the authority to the  
43 effect that such copies are true copies and all persons  
44 dealing with the authority may rely upon such  
45 certificates.

46 Sec. \_\_\_\_ . NEW SECTION. BONDING LIMIT AND PURPOSES.

47 The railroad car authority may issue bonds in amounts  
48 not to exceed an aggregate outstanding principal of  
49 thirty million dollars. Records of bonds, reports,  
50 accounts, fund, lease purchase agreements, bonding

1 and exemptions of competitive bid laws shall be  
 2 applicable to the railroad car authority in the same  
 3 manner as applicable to the housing authority under  
 4 chapter two hundred twenty (220) of the Code. Bonds  
 5 may be issued for the purchase of railroad cars and  
 6 other railroad rolling stock to be leased to shippers  
 7 in the state of Iowa and to other shippers when the  
 8 rolling stock is not needed by Iowa shippers or when  
 9 this will promote the economy of the state. In order  
 10 to maintain flexibility in meeting shipper requirements  
 11 the emphasis shall be on short-term lease agreements,  
 12 and no leases shall be longer than one year. Revenue  
 13 of the lease agreements shall be used to amortize  
 14 all bonds issued by the railroad car authority. Bonds  
 15 issued under the authority of this Act shall not  
 16 constitute a general obligation of the state or its  
 17 political subdivisions."

18 2. Renumber sections and correct internal  
 19 references in conformance with this amendment.

H-6537 FILED  
 MAY 4, 1978

BY EVANS of Grundy  
 WEST of Marshall  
 BROCKETT of Marshall  
 MILLEN of Van Buren  
 STROMER of Hancock  
 SHIMANEK of Jones  
 SCHROEDER of Pottawattamie  
 HANSEN of O'Brien  
 CLARK of Lee  
 TOFTE of Winneshiek  
 CRABB of Crawford  
 BENNETT of Ida  
 THOMPSON of Polk  
 TAUKE of Dubuque  
 DAGGETT of Taylor  
 LAGESCHULTE of Bremer  
 PELTON of Clinton  
 CONLON of Muscatine  
 PELLETT of Cass  
 HARBOR of Mills  
 HALVORSON of Clayton  
 KREWSON of Polk  
 HARVEY of Scott  
 CLARK of Cerro Gordo  
 LINDEEN of Henry  
 SMALLEY of Polk  
 STEPHENS of Plymouth  
 SCHNEKLOTH of Scott  
 BRANSTAD of Winnebago  
 LIND of Black Hawk  
 MENKE of O'Brien  
 GENTLEMAN of Polk  
 JUNKER of Woodbury  
 EGENES of Story  
 HOFFMANN of Muscatine

H-6654

1 Amend Senate File 2184 as amended, passed and re-  
2 printed by the Senate as follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Section 1. NEW SECTION. SHORT TITLE. This Act  
6 may be referred to and cited as the "Iowa Railway  
7 Improvement Authority Act".

8 Sec. 2. NEW SECTION. DECLARATION OF NECESSITY  
9 AND PURPOSE--LIBERAL CONSTRUCTION. The purpose of  
10 this Act is to benefit the people of the state of  
11 Iowa and to improve their general health, welfare  
12 and prosperity and the economic and commercial  
13 development of the state. It is essential that the  
14 people and businesses of this state have access to  
15 adequate railway transportation facilities. It is  
16 essential that railway corporations operating within  
17 the state be provided with appropriate additional  
18 means to assist in the maintenance and improvement  
19 of railway transportation facilities. It is the  
20 purpose of this Act to provide a measure of assistance  
21 and alternative methods to enable railway corporations  
22 operating in the state to provide additional facilities  
23 and to maintain and improve existing facilities to  
24 insure a safe, economical and efficient railway service  
25 in the state. It is the intent of the legislature  
26 by the passage of this Act to create a state authority  
27 to lend money to railway corporations and to authorize  
28 the state authority to acquire, construct, reconstruct,  
29 repair, alter, improve, extend, own, lease and dispose  
30 of properties to promote the general health, welfare  
31 and prosperity of the people of this state. It is  
32 also intended that such state authority is vested  
33 with all powers to enable the state authority to  
34 accomplish its stated purpose. It is not intended  
35 by this Act that the state authority shall itself  
36 be authorized to operate any such railway facilities.  
37 This Act shall be liberally construed to accomplish  
38 the legislative intentions.

39 Sec. 3. NEW SECTION. DEFINITIONS. For purposes  
40 of this Act, unless the context otherwise requires:

41 1. "Authority" means the state railway improvement  
42 finance authority created by this Act.

43 2. "Commission" means the state transportation  
44 commission.

45 3. "Railroad corporation" means a railroad  
46 corporation as defined in section three hundred twenty-  
47 seven D point two (327D.2) of the Code.

48 4. "Railroad facilities" means structures,  
49 fixtures, buildings and equipment (except rolling  
50 stock) permanently located within the state of Iowa

Page 21 necessary or useful to any railway corporation in  
2 providing railroad transportation services, including,  
3 but not limited to, roadbeds, track, trestles, depot,  
4 switching and signalling equipment and all necessary,  
5 useful and related equipment and appurtenances and  
6 all lands and rights-of-way necessary or convenient  
7 as a site or sites for any of the foregoing.

8 5. "Project costs" as applied to railway facilities  
9 financed under the provisions of this Act means the  
10 sum total of all reasonable or necessary costs  
11 incidental to the acquisition, construction,  
12 reconstruction, repair, alteration, improvement and  
13 extension of such railway facilities including, but  
14 not limited to, the cost of studies and surveys,  
15 plans, specifications, architectural and engineering  
16 services, legal, organization, marketing or other  
17 special services, financing, acquisition, demolition,  
18 construction, equipment and site development of new  
19 and rehabilitated buildings and facilities, rehabilita-  
20 tion, reconstruction, repair or remodeling of existing  
21 buildings and facilities and all other necessary and  
22 incidental expenses including, but not limited to,  
23 an initial bond and interest reserve together with  
24 interest on bonds issued to finance such railway  
25 facilities to a date six months subsequent to the  
26 estimated date of completion.

27 6. "Department" means the Iowa state department  
28 of transportation.

29 7. "Director" means the director of the state  
30 department of transportation.

31 Sec. 4. NEW SECTION. IOWA RAILWAY IMPROVEMENT  
32 FINANCE AUTHORITY. There is created an Iowa railway  
33 improvement finance authority responsible for planning,  
34 regulation and improvement of railroad financing as  
35 provided by law.

36 Sec. 5. NEW SECTION. GOVERNING BOARD. The  
37 governing board of the authority shall be the state  
38 transportation commission created by section three  
39 hundred seven point five (307.5) of the Code.

40 All rules and laws which are applicable to the  
41 commission as governing body of the department of  
42 transportation shall be applicable to the commission  
43 as governing board for the authority to the extent  
44 applicable.

45 Any payment for compensation and expenses of the  
46 commission as governing board for the authority shall  
47 be paid from funds of the authority.

48 Sec. 6. NEW SECTION. ORGANIZATION. The director  
49 of transportation shall be executive director of the  
50 authority. The executive director shall receive such

Page 31 compensation as fixed by the commission. The executive  
2 director or other person designated by the commission,  
3 shall keep a record of the proceedings thereof and  
4 shall be custodian of all books, documents and papers  
5 filed with the authority, the minute books or journal  
6 thereof and its official seal. Said executive director  
7 or other person, may cause copies to be made of all  
8 minutes and other records and documents of the  
9 commission or authority and may give certificates  
10 under the official seal of the authority to the effect  
11 that such copies are true and accurate copies. The  
12 commission may delegate by resolution to one or more  
13 of its members or to its executive director such  
14 powers and duties as it may deem proper. Each member  
15 of the commission shall execute a surety bond in the  
16 penal sum of fifty thousand dollars. The executive  
17 director shall execute a surety bond in the penal  
18 sum of one hundred thousand dollars or, in lieu  
19 thereof, the chairperson of the commission shall  
20 execute a blanket bond covering each member, the  
21 executive director and the employees of the authority.  
22 Each surety bond to be conditioned upon the faithful  
23 performance of the duties of the office or offices  
24 covered, to be executed by a surety company authorized  
25 to transact business in this state as surety and to  
26 be approved by the attorney general and filed in the  
27 office of the secretary of state. The cost of each  
28 such bond shall be paid by the commission from funds  
29 accruing to the authority.

30 Sec. 7. NEW SECTION. POWERS OF THE AUTHORITY.

31 The authority shall have the following powers to be  
32 exercised by the commission together with all  
33 incidental powers necessary for the performance of  
34 the authority's responsibilities:

- 35 1. To have perpetual succession as a body politic  
36 and corporate.
- 37 2. To adopt by-laws for the regulation of its  
38 affairs and the conduct of its business.
- 39 3. To sue and be sued and to prosecute and defend,  
40 at law or in equity, in any court having jurisdiction  
41 of the subject matter and of the parties.
- 42 4. To have and to use a corporate seal and to  
43 alter the same at pleasure.
- 44 5. To determine the location and construction  
45 of any railway facility to be financed under the  
46 provisions of this Act and to construct, reconstruct,  
47 renovate, replace, maintain, repair, operate and lease  
48 the same, to enter into contracts for any and all  
49 of such purposes.
- 50 6. To enter into contracts for the operation and

Page 41 management of a railroad facility.

2 7. To designate a railroad corporation as its  
3 agent to determine the location and construction of  
4 a railway facility undertaken by such railroad  
5 corporation under the provisions of this Act and as  
6 agent of the authority, to construct, reconstruct,  
7 renovate, replace, maintain, repair, operate and lease  
8 the same and as agent of the authority, to enter into  
9 contracts for any and all of such purposes including  
10 contracts for the management and operation of such  
11 railway facility.

12 8. To lease to a railway corporation any or all  
13 of the railway facilities upon such terms and  
14 conditions as the members of the commission shall  
15 deem proper, and to charge and collect rent and  
16 terminate any such lease upon the failure of the  
17 lessee to comply with any of the obligations of the  
18 lease.

19 9. The commission may include in any such lease  
20 provisions that the lessee shall have options to renew  
21 the terms of the lease for such period or periods  
22 and at such rent as shall be determined by the  
23 directing body or to purchase any or all of the railway  
24 facilities or that upon payment of all of the  
25 indebtedness incurred by the authority for the  
26 financing of such railway facilities the authority  
27 may convey any or all of the railway facilities to  
28 the lessee or lessees upon terms and considerations  
29 acceptable to the commission.

30 10. To issue bonds, notes or other obligations  
31 for any of its corporate purposes and to refund the  
32 same, all as provided for in this Act. However, total  
33 outstanding issuance of bonds, notes, or other  
34 obligations shall not exceed one hundred million  
35 dollars at any one time.

36 11. Generally to fix and revise from time to time  
37 and charge and collect rates, rents, fees and charges  
38 for the use of any railway facility or any portion  
39 of such facilities and to contract with any person,  
40 firm or corporation or other body public or private  
41 in respect to such facilities.

42 12. To employ consulting engineers, architects,  
43 attorneys, accountants, construction and financial  
44 experts, superintendents, managers and such other  
45 employees and agents as may be necessary in the  
46 commission's judgment and to fix their compensation.

47 13. To receive and accept from any public agency  
48 loans or grants for or in aid of project costs, and  
49 to receive and accept grants, gifts or other  
50 contributions from any source.

14. To mortgage all or any portion of its railway facilities and the site or sites whether then owned or thereafter acquired, for the benefit of the holders of bonds issued to finance such railway facility or any portion of any facility.

15. To make loans to any railway corporation for the cost of a railway facility in accordance with an agreement between the authority and such railway corporation; provided that no such loan shall exceed the total project cost of such railway facility as determined by such railway corporation and approved by the commission.

16. To make loans to a railway corporation to refund outstanding obligations, mortgages or advances issued, made or given by such railway corporation for the cost of a railway facility including the function of issuing bonds and making loans to a railway corporation to refinance indebtedness incurred for railway facilities undertaken and completed prior to or after the enactment of this Act when the commission finds that such financing is in the public interest.

17. To do all things necessary and convenient to carry out the purposes of this Act. The authority shall have no power to operate any railway facility as a business other than as a lessor. Any lease of the railway facility or loan agreement with a railway corporation entered into pursuant to the provisions of this Act shall be for a term not shorter than the longest maturity of any bonds issued to finance such railway facility or any portion of a railway facility and shall provide for payment to the authority of rentals or other sums adequate to pay principal and interest on such bonds as the same fall due and to create and maintain such reserves and accounts for depreciation as the members of the commission shall determine to be necessary.

Sec. 8. NEW SECTION. ACQUISITION OF PROPERTY. The authority is authorized and empowered directly or by or through a railway corporation, as its agent, to acquire by purchase, lease, gift, devise or otherwise such lands, structures, property, real or personal, rights-of-way, franchises, easements, and other interests in lands including lands lying under water and riparian rights which are located within or without the state as it may deem necessary or convenient for the construction or acquisition or operation of a railway facility, upon such terms as may be considered by the commission to be reasonable, and to take title in the name of the authority or

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Page 61 in the name of such railway corporation as its agent.  
2       Sec. 9. NEW SECTION. BONDS. Bonds of the  
3 authority may be issued as serial bonds or as term  
4 bonds or a combination of both types. All bonds  
5 issued by the authority shall be payable solely out  
6 of the revenues and receipts derived from the leasing  
7 or sale by the authority of its railway facilities  
8 or as may be designated in the proceedings of the  
9 commission under which the bonds shall be authorized  
10 to be issued by the commission, or derived from any  
11 loan agreement between the authority and a railway  
12 corporation with respect to railway facilities.  
13 Such bonds may be executed and delivered by the  
14 authority at any time and from time to time, may be  
15 in such form and denominations and of such terms and  
16 maturities, may be in fully registered form or in  
17 bearer form registrable either as to principal or  
18 interest or both, may bear such conversion privileges  
19 and be payable in such installments and at such time  
20 or times not exceeding forty years from the date of  
21 issuance, may be payable at such place or places  
22 whether within or without the state of Iowa, may bear  
23 interest at such rate or rates per annum as shall  
24 be determined by the members of the commission and  
25 without regard to any interest rate limitation  
26 appearing in any other law. Bonds shall be payable  
27 at such time or times and at such place and evidenced  
28 in such manner, and may be executed by such officers  
29 of the authority, either manually or by facsimile.  
30 Coupon bonds shall have attached interest coupons  
31 bearing the facsimile signature of the treasurer of  
32 the authority, and may contain such provisions not  
33 inconsistent with this Act, as provided in the  
34 proceedings of the commission. The bonds shall be  
35 authorized to be issued or shall be in a trust  
36 indenture as authorized by the authority. If deemed  
37 advisable by the authority there may be retained in  
38 the proceedings or the trust indenture under which  
39 any bonds are authorized to be issued, an option to  
40 redeem all or any part as may be specified in such  
41 proceedings or in such trust indenture. Redemption  
42 shall be at a price after notice on such terms and  
43 conditions as may be set forth in the proceedings  
44 or in such trust indenture, and as may be briefly  
45 recited in the face of the bonds. Nothing in this  
46 Act shall be construed to confer on the authority  
47 the right or option to redeem any bonds except as  
48 may be provided in the proceedings or in such trust  
49 indenture under which they shall be issued. Any bonds  
50 of the authority may be sold at public or private

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Page 71 sale for such price and in such manner and from time  
2 to time as may be determined by the members of the  
3 authority. The commission may pay all expenses,  
4 premiums and commissions which its members may deem  
5 necessary or advantageous in connection with the  
6 issuance of the bonds. Issuance by the authority  
7 of one or more series of bonds for one or more purposes  
8 shall not preclude the authority from issuing other  
9 bonds in connection with the same railway facility  
10 or any other railway facility or any other purpose.  
11 The proceedings under which bonds may be issued shall  
12 recognize and protect any prior pledge or mortgage  
13 made for any prior issue of bonds.

14 Any bonds of the authority at any time outstanding  
15 may at any time be refunded by the authority by the  
16 issuance of its refunding bonds in such amount as  
17 the members of the commission may deem necessary but  
18 not exceeding an amount sufficient to refund the  
19 principal of the bonds so to be refunded, together  
20 with any unpaid interest premiums, commissions, service  
21 fees and other expenses necessary to be paid. Any  
22 refunding may be effected whether the bonds to be  
23 refunded have matured or shall mature, either by sale  
24 of the refunding bonds and the application of the  
25 proceeds for the payment of the bonds to be refunded,  
26 or by the exchange of the refunding bonds for the  
27 bonds to be refunded with the consent of the holders  
28 of the bonds to be refunded. Refunding may be made  
29 without regard to whether or not the bonds to be  
30 refunded were issued in connection with the same  
31 railway facility or separate railway facilities or  
32 for any other purpose, and without regard to whether  
33 or not the bonds proposed to be refunded shall be  
34 payable on the same date or different dates or due  
35 serially or otherwise. All such bonds and the interest  
36 coupons applicable are negotiable instruments.

37 Sec. 10. NEW SECTION. SECURITY FOR BONDS. The  
38 principal of and interest on any bonds issued by the  
39 authority shall be secured by a pledge of the revenues,  
40 rentals and receipts out of which the same shall be  
41 made payable and may be secured by a trust indenture  
42 or mortgage or deed of trust including assignment  
43 of leases or other contract rights of the authority  
44 or contract rights of the authority or any railway  
45 corporation with third parties which may cover all  
46 or any part of the railway facilities for which the  
47 revenues, rentals or receipts so pledged may be  
48 derived, including, but not limited to, any  
49 enlargements of and additions to any facilities.  
50 The resolution under which the bonds are authorized

to be issued and any such trust indenture, mortgage or deed of trust may contain:

1. Any agreements and provisions respecting the maintenance of the properties covered.

2. The fixing and collection of rents for any portions leased by the authority to others.

3. The creation and maintenance of special funds from revenues and the rights and remedies available in the event of default, including the designation of a trustee.

Each pledge, agreement, lease, indenture, mortgage and deed of trust made for the benefit or security of any of the bonds of the authority shall continue effective until the principal and interest on the bonds shall have been fully paid or provision for such payment duly made. In the event of default in payment or any agreements of the authority made as a part of the contract under which the bonds were issued, the authority may enforce by suit, mandamus, the appointment of a receiver in equity or by foreclosure of any mortgage and deed of trust.

In addition to the foregoing, bonds of the authority may be secured by a pooling of contracts whereby the authority may assign its rights and pledge amounts receivable under two or more contracts with two or more railway corporations upon such terms as may be provided for in the proceedings of the members of the commission or as may be provided for in a trust indenture authorized by the authority.

Sec. 11. NEW SECTION. PAYMENT OF BONDS--  
NONLIABILITY OF STATES. Bonds issued under the provisions of this Act shall not be deemed to constitute a debt or liability of the state or of any political subdivision other than the authority or a pledge of the faith and credit of the state or of any political subdivision other than the authority but shall be payable solely from the funds provided for in this Act. The issuance of bonds under the provisions of this Act shall not, directly or indirectly, obligate the state or any political subdivision to levy any form of taxation or to make any appropriation for their payment. Nothing in this section contained shall prevent or be construed to prevent the authority from pledging its full faith and credit or the full faith and credit of a railway corporation to the payment of bonds authorized pursuant to this Act. Nothing in this Act shall be construed to authorize the authority to create a debt of the state within the meaning of the Constitution of the state of Iowa and all bonds issued by the

Page 91 authority pursuant to the provisions of this Act are  
2 payable and shall state that they are payable solely  
3 from the funds pledged for their payment in accordance  
4 with the resolution authorizing their issuance or  
5 in any mortgage and deed of trust executed as security.  
6 The state shall not in any event be liable for the  
7 payment of the principal of or interest on any bonds  
8 of the authority or for the performance of any pledge,  
9 mortgage, obligation or agreement of any kind which  
10 may be undertaken by the authority. No breach of  
11 any such pledge, mortgage, obligation or agreement  
12 may impose any pecuniary liability upon the state  
13 or any charge upon its general credit or against its  
14 taxing power.

15 Sec. 12. NEW SECTION. AUTHORITY AS PUBLIC  
16 INSTRUMENTALITY. The authority is hereby declared  
17 to be performing a public function in behalf of the  
18 state and to be a public instrumentality of the state.  
19 Income of the authority and all properties at any  
20 time owned by the authority shall be exempt from all  
21 taxation in the state of Iowa. Nothing in this Act  
22 shall be construed as exempting from taxation  
23 properties comprising railway facilities financed  
24 under any of the provisions of this Act which are  
25 at any time owned by railway corporations or other  
26 persons.

27 Sec. 13. NEW SECTION. PERMISSIVE ANNUAL LEVY  
28 FOR DEBT SERVICE. The general assembly may annually  
29 appropriate funds from the state treasury to the  
30 authority or to the trustee under any trust indenture  
31 or mortgage of deed of trust securing bonds issued  
32 under the provisions of this Act. Such funds shall  
33 be applied to debt service on bonds of the authority  
34 issued to finance railroad facilities utilized by  
35 the railroad corporation with respect to which such  
36 sum was appropriated. Any such appropriation in  
37 excess of the sum required for debt service on such  
38 bonds in the twelve months next succeeding the payment  
39 of such sum to the authority or trustee may be applied  
40 by the authority to maintenance and repair of the  
41 railway facilities or deposited by the trustee in  
42 any special trust fund devoted to the maintenance  
43 and repair of the railway facilities.

44 Moneys appropriated hereunder and deposited with  
45 the authority or trustee shall not be subject to  
46 sections eight point thirty-three (8.33) and eight  
47 point thirty-nine (8.39) of the Code.

48 Sec. 14. NEW SECTION. CONVEYANCE OF TITLE TO  
49 RAILWAY CORPORATION. When the principal of and  
50 interest on bonds issued by the authority to finance

Page 10 the cost of railway facilities of one or more railway  
2 corporations, including any refunding bonds issued  
3 to refund and refinance such bonds, have been fully  
4 paid and retired or when adequate provision has been  
5 made to fully pay and retire the bonds, and all other  
6 conditions of the resolution, the lease, the trust  
7 indenture and the mortgage or deed of trust authorizing  
8 and securing the bonds have been satisfied and the  
9 lien of such mortgage or deed of trust has been  
10 released in accordance with the provisions provided,  
11 the authority shall promptly do all things and execute  
12 such deeds and conveyances as are necessary and  
13 required to convey its right, title and interest,  
14 in such railway facilities so financed, and any other  
15 facilities mortgaged to secure the bonds, to such  
16 railway corporation or corporations upon recommendation  
17 of the commission.

18 Sec. 15. NEW SECTION. POWERS NOT RESTRICTED--  
19 LAW COMPLETE IN ITSELF. Neither this Act nor anything  
20 herein contained shall be construed as a restriction  
21 or limitation upon any powers which the authority  
22 might otherwise have under any laws of this state,  
23 but shall be construed as cumulative of any such  
24 powers. No proceedings, referendum, notice or approval  
25 shall be required for the creation of the authority  
26 or the issuance of any bonds or any instrument as  
27 security except as herein provided, any other law  
28 to the contrary notwithstanding; provided, that nothing  
29 herein shall be construed to deprive the state and  
30 its governmental subdivisions of their respective  
31 police powers over properties of the authority or  
32 to impair any power thereover of any official or  
33 agency of the state and its governmental subdivisions  
34 which may be otherwise provided by law.

35 Sec. 16. NEW SECTION. INVESTMENT OF FUNDS. The  
36 treasurer of state, upon direction of the authority  
37 may invest any funds in bonds, notes, certificates  
38 of indebtedness, treasury bills or other securities  
39 constituting direct obligations of the United States  
40 of America; in certificates of deposit or time deposits  
41 constituting direct obligations of any financial  
42 institution as defined by law, provided that  
43 investments may be made only in those certificates  
44 of deposit or time deposits in financial institutions  
45 which are insured by an instrumentality of the federal  
46 government or in short term discount obligations of  
47 the federal national mortgage association. Any such  
48 securities may be purchased at the offering or market  
49 price at the time of purchase. Only funds shall be  
50 so invested as, in the judgment of the authority

concerned, will not be required for expenditure within a period of ninety days from and after the date of the investment and all securities so purchased shall mature or be redeemable on a date prior to the time when, in the judgment of the authority concerned, the funds so invested will be required for expenditure. The express judgment of the authority concerned as to the time when any funds will be required for expenditure or be redeemable is final and conclusive.

Sec. 17. NEW SECTION. BONDS ELIGIBLE FOR INVESTMENT. The state and all counties, cities, villages, incorporated towns, and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance companies and associations, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to this Act.

Sec. 18. NEW SECTION. EXEMPTION FROM CONSTRUCTION AND BIDDING REQUIREMENTS FOR PUBLIC BUILDINGS. A railway facility is not subject to any requirements relating to public buildings, structures, grounds, works, or improvements imposed by any other law, except as determined by the commission, or any other similar requirements which may be lawfully waived by this section, and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale, or other disposition of property of the authority is not applicable to any action taken under the provisions of this Act.

The commission shall promulgate rules to insure sound construction practices, sound management practices, and other sound practices consistent with insuring the sanctity of bonds issued for projects to be done.

Sec. 19. NEW SECTION. POWERS ADDITIONAL TO THOSE GRANTED BY OTHER LAWS--SEVERABILITY. The powers conferred by this Act shall be in addition and supplementary to, and the limitations by this Act shall not affect the powers conferred by any other law. Railway facilities may be acquired, purchased, constructed, reconstructed, improved, bettered and extended and bonds may be issued under this Act for said purposes notwithstanding that any other law may provide for the acquisition, purchase, construction,

MAY 12, 1978

PAGE 40

H-6654

Page 12

1 reconstruction, improvement, betterment and extensions  
 2 of like railway facilities, or the issuance of bonds  
 3 for like purposes, and without regard to the  
 4 requirements, restrictions, limitations or other  
 5 provisions contained in any other law.  
 6 Sec. 20. The authority shall not issue bonds under  
 7 the provisions of this Act until the commission has  
 8 determined that the bonds will be competitive in the  
 9 bond market. At such time as the commission has  
 10 determined by majority vote that the bonds will be  
 11 competitive, it shall send proper notification to  
 12 the speaker of the house of representatives, the  
 13 lieutenant governor, and the governor, and shall order  
 14 the authority to proceed with bond issuance."  
 15 2. Renumber as necessary. *o*

H-6654 FILED *not printed* BY  
 MAY 11, 1978 *5/11/78 2539*

*Adopted and amended by  
 6654 5/11/78 2539  
 reconsidered and withdrawn  
 5/12 (p. 2674)*

KRAUSE of Kossuth  
 PAVICH of Pottawattamie  
 GILSON of Guthrie  
 PELLETT of Cass  
 RINAS of Linn  
 JUNKER of Woodbury  
 SMALL of Johnson  
 HINES of Story  
 EVANS of Grundy  
 HOWELL of Floyd  
 WALTER of Pottawattamie  
 LAGESCHULTE of Bremer  
 DAVITT of Warren  
 TAUKE of Dubuque  
 MONROE of Des Moines  
 HARBOR of Mills  
 JOCHUM of Dubuque  
 DAGGETT of Taylor

SENATE AMENDMENT TO  
 HOUSE AMENDMENT TO  
 SENATE FILE 2184

H-6714

1 Amend the House amendment S-5924, to Senate  
 2 File 2184 as amended, passed and reprinted by the  
 3 Senate as follows:  
 4 1. Page 1, by striking lines 3 through 6.

H-6714 FILED  
 RECEIVED FROM SENATE  
 May 12, 1978

*Lower House Amendment (p. 2753)*

SENATE FILE 2184

H-6651

1 Amend Senate File 2184 as amended, passed and  
 2 reprinted by the Senate as follows:  
 3 1. Page 5, by inserting after line 23 the follow-  
 4 ing:  
 5 "Sec. \_\_\_\_\_. The state department of transportation  
 6 shall conduct a study of the feasibility and methods  
 7 of establishing an authority for the bonding, purchase  
 8 and lease of railroad cars for the transportation  
 9 of commodities within and without the state of Iowa.  
 10 The department shall consult with various persons  
 11 and groups and shall consider:  
 12 1. The constitutional and legal obstacles to  
 13 bonding for railroad car purchases.  
 14 2. The methods of integrating the expertise of  
 15 the state department of transportation with the  
 16 authority established to implement the bonding,  
 17 purchase and lease of railroad cars.  
 18 3. The tax status of railroad cars leased by the  
 19 bonding authority.  
 20 4. The economic feasibility of a purchase and  
 21 lease program and the bonding limitations necessary  
 22 for such an authority.  
 23 5. The methods of managing a pool of cars owned  
 24 by the authority.  
 25 The state department of transportation shall consult  
 26 with people familiar with the rail transportation  
 27 industry, with agricultural product transportation  
 28 needs, with management and marketing practices, and  
 29 with farming and manufacturing concerns, to assess  
 30 the utility of the bonding for the purchase and lease  
 31 of railroad cars.  
 32 The state department shall make recommendation  
 33 to the general assembly prior to February 1, 1979,  
 34 to include an evaluation of the needs for and  
 35 feasibility of a railroad car authority. The  
 36 department shall include evaluations of the feasible  
 37 alternative forms of a railroad car authority."  
 38 2. Renumber as necessary.

H-6651 FILED *Adopted* BY EVANS of Grundy  
 MAY 11, 1978 *5/11/78 25-11* MILLER of Buchanan  
 NORLAND of Worth  
 WEST of Marshall

SENATE FILE 2184

H-6664

1 Amend Senate File 2184 as follows:  
 2 1. Title page, by striking lines 1 through 3,  
 3 and inserting in lieu thereof the following: "An  
 4 Act relating to railroads, making an appropriation  
 5 and providing penalties for violations."

H-6664 FILED *Adopted* BY KRAUSE of Kossuth  
 MAY 11, 1978 *5/11/78 25-11*

SENATE FILE 2184

H-6653

- 1 Amend Senate File 2184 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 1, line 24, by inserting after the word
- 4 "loaded" the words "and empty".
- 5 2. Page 1, line 32, by striking the words "and
- 6 one-fourth".

H-6653 FILED  
MAY 11, 1978

BY MILLER of Buchanan  
PAVICH of Pottawattamie  
WELLS of Linn  
WEST of Marshall  
EVANS of Grundy  
SCHNEKLOTH of Scott  
DANKER of Pottawattamie  
NORLAND of Worth  
MILLER of Calhoun  
AVENSON of Fayette  
PELLETT of Cass  
DUNTON of Keokuk  
WYCKOFF of Benton  
DAVITT of Warren  
HALVORSON of Clayton  
WOODS of Polk  
ARNOULD of Scott  
BROCKETT of Marshall  
HUSAK of Tama  
MENKE of O'Brien  
EGENES of Story  
LIND of Black Hawk  
GARRISON of Black Hawk  
HULLINGER of Decatur  
HORN of Linn  
CUSACK of Scott  
KOOGLER of Mahaska  
STEPHENS of Plymouth  
RINAS of Linn  
PONCY of Wapello  
BYERLY of Polk  
GRIPFEE of Chickasaw  
HINES of Story  
THOMPSON of Polk  
PELTON of Clinton  
SPEAR of Lee

ANDERSON of Jasper  
SMALL of Johnson  
WALTER of Pottawattamie  
LAGESCHULTE of Bremer  
GILSON of Guthrie  
HARGRAVE of Johnson  
TOFTE of Winneshiek  
CHIDO of Polk  
GILLOON of Dubuque  
NEWHARD of Jones  
O'HALLORAN of Black Hawk  
MONROE of Des Moines  
PATCHETT of Johnson  
MIDDLESWART of Warren  
BRANDT of Black Hawk  
GETTINGS of Wapello

SENATE FILE 2184

H-6657

- 1 Amend amendment H-6654 to Senate File 2184 as
- 2 follows:
- 3 1. Page 3, line 47, strike the word "operate".
- 4 2. Page 9, strike lines 27 through 47.
- 5 3. Page 11, by striking lines 23 through 40.

H-6657 FILED  
MAY 11, 1978

BY WELDEN of Hardin  
MILLEN of Van Buren

HOUSE AMENDMENT TO SENATE FILE 2184

S-5924

1 Amend Senate File 2184 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 1, line 24, by inserting after the word  
4 "loaded" the words "and empty".

5 2. Page 1, line 32, by striking the words "and  
6 one-fourth".

7 3. Page 5, by inserting after line 23 the follow-  
8 ing:

9 "Sec. \_\_\_\_ . The state department of transportation  
10 shall conduct a study of the feasibility and methods  
11 of establishing an authority for the bonding, purchase  
12 and lease of railroad cars for the transportation  
13 of commodities within and without the state of Iowa.  
14 The department shall consult with various persons  
15 and groups and shall consider:

16 1. The constitutional and legal obstacles to  
17 bonding for railroad car purchases.

18 2. The methods of integrating the expertise of  
19 the state department of transportation with the  
20 authority established to implement the bonding,  
21 purchase and lease of railroad cars.

22 3. The tax status of railroad cars leased by the  
23 bonding authority.

24 4. The economic feasibility of a purchase and  
25 lease program and the bonding limitations necessary  
26 for such an authority.

27 5. The methods of managing a pool of cars owned  
28 by the authority.

29 The state department of transportation shall consult  
30 with people familiar with the rail transportation  
31 industry, with agricultural product transportation  
32 needs, with management and marketing practices, and  
33 with farming and manufacturing concerns, to assess  
34 the utility of the bonding for the purchase and lease  
35 of railroad cars.

36 The state department shall make recommendation  
37 to the general assembly prior to February 1, 1979,  
38 to include an evaluation of the needs for and  
39 feasibility of a railroad car authority. The  
40 department shall include evaluations of the feasible  
41 alternative forms of a railroad car authority."

42 4. Title page, by striking lines 1 through 3,  
43 and inserting in lieu thereof the following: "An  
44 Act relating to railroads, making an appropriation  
45 and providing penalties for violations."  
46  
47

SENATE FILE 2184

S-5927

- 1 Amend the House amendment, S-5924, to Senate
- 2 File 2184 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Page 1, by striking lines 3 through 6.

S-5927 FILED & ADOPTED (*f. 1564*) BY BERL E. PRIEBE  
MAY 12, 1978 RICHARD F. DRAKE



ROBERT D. RAY  
GOVERNOR

# Office of the Governor

STATE CAPITOL  
DES MOINES, IOWA 50319

June 26, 1978

The Honorable Melvin D. Synhorst  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit Senate File 2184, an act relating to railroads, making an appropriation and providing penalties for violations.

Senate File 2184 is approved June 26, 1978, with the following exception which I hereby disapprove.

I am unable to approve the item designated in the Act as Section 8 which reads as follows:

Sec. 8. NEW SECTION. DEPOSIT OF FUNDS. All revenues collected from the tax imposed under this Act shall be credited to the railroad assistance fund established pursuant to section three hundred twenty-seven H point eighteen (327H.18) of the Code. All taxes paid after the due date, including penalty and interest shall also be credited to the railroad assistance fund except as otherwise provided in this section. All moneys refunded under the provisions of this Act shall be paid from the railroad assistance fund. There is appropriated from the general fund of the state to the railroad assistance fund for the fiscal year beginning July 1, 1978 and for each succeeding fiscal year the sum of one million seven hundred thousand (1,700,000) dollars. If the revenues collected, including interest and penalties, less any refunds made for taxes payable on or before the first Monday of June of the preceding fiscal year exceed eight hundred thousand (800,000) dollars such excess, not to exceed the amount of the appropriation made under this section, shall be transferred to the general fund of the state.

This section endeavors to earmark yet another portion of state revenues for a particular program--the very successful railroad branch line revitalization program. The language, in effect,

The Honorable Melvin D. Synhorst  
Page Two  
June 26, 1978

guarantees that each year \$1.7 million from the general fund will be available for branch line renovations plus another \$800,000 from the receipts of the equipment car tax.

As I have previously stated, earmarking tax funds for a specific program in most cases is poor public policy. The recipient government program is removed from the regular budget process. Accountability in government, which taxpayers expect and deserve, is based in great part on the scrutiny the executive and legislative branches employ during the budget process. When blanket future approval is given to the funding of a program, the careful and thorough review of its cost-effectiveness and worthiness is not maintained. Since future funding is guaranteed, the program directors can easily forget that they have a primary responsibility to the public and its elected representatives.

It puzzles me that some legislators would want to earmark tax receipts for the branch line program. They are often the same legislators who insist on closer scrutiny of state expenditures and programs. The advocates of performance auditing should find earmarked taxes repugnant.

Furthermore, the railroad branch line revitalization program does not need to be dependent upon the crutch of an earmarked tax. The branch line revitalization program has been one of the most successful initiatives launched by state government.

When we proposed the branch line program in 1974, there were some legislators who fought it. However, I believe that most have since come to recognize the revitalization program as an outstanding success and one emulated across the nation. My support for our branch line initiative remains steadfast as we see the positive results of how government can stimulate cooperation among and with private enterprise without having to run the program itself. I don't believe there is much danger of this program losing its support in the legislature so long as it continues to produce effective results.

It should be noted that another bill, House File 2290, does contain the appropriation of \$1.7 million we recommended for the branch line revitalization program in FY 1979. That appropriation has been approved by me today and will be added to the other funds available for the continuation of the program during the upcoming year.

The Honorable Melvin D. Synhorst  
Page Three  
June 26, 1978

For the above reasons, I hereby disapprove this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2184 are hereby approved as of this date.

Sincerely,

A handwritten signature in cursive script that reads "Robert D. Ray". The signature is written in dark ink and is positioned above the printed name and title.

Robert D. Ray  
Governor

RDR:cg

cc: Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2184

AN ACT

RELATING TO RAILROADS, MAKING AN APPROPRIATION AND PROVIDING  
PENALTIES FOR VIOLATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. DEFINITIONS. As used in this Act unless the context otherwise requires:

1. "Car company" means freight line and equipment car companies.
2. "Company" means a sole proprietorship, partnership, limited partnership, corporation or other business entity.
3. "Freight line company" means a company engaged in the business of operating cars not otherwise listed for taxation or taxed in this state for the transportation of freight over any railway line located within this state, if such line is not owned, leased or operated by such company.
4. "Equipment car company" means every company engaged in the business of furnishing or leasing cars to be used in the operation of any railway line located within this state, if such line is not owned, leased or operated by such company and the cars are not otherwise listed for taxation in this state.
5. "Car" means all railroad cars whether termed box, flat, coal, ore, tank, gondola, refrigerator or another name.
6. "Director" means the director of revenue.
7. "Department" means the department of revenue.
8. "Railway" means companies subject to taxation under chapter four hundred thirty-four (434) of the Code.
9. "Miles" or "mileage" means loaded miles of each railroad car whether in intrastate or in interstate commerce traveled in or through the state.

10. "Base year" means the calendar year immediately preceding the year in which the tax return is required to be filed under this Act.

Sec. 2. NEW SECTION. TAX IMPOSED. A tax is hereby imposed on the mileage of freight line and equipment car companies at a rate of one and one-fourth cent per mile and shall apply to all mileage traveled in or through this state during the base year. The cars of the car companies subject to this tax shall not be subject to a property tax, nor shall the rental of such cars be subject to any sales or use tax.

Sec. 3. NEW SECTION. RETURNS. Each car company subject to taxation under this Act shall annually file a return on or before the first Monday in June. The return shall include a true and accurate statement of the miles traveled in or through this state during the base year on railway lines not owned or operated by the car company. The return shall also include the following:

1. The name of the car company.
2. The nature of the company and its business.
3. The address of the individual to be contacted concerning the return.
4. The railroad company for which the Iowa miles were traveled.
5. An attestation as to the accuracy of the return.

Sec. 4. NEW SECTION. PAYMENT OF TAX. The tax due shall be paid in full and shall accompany the return required to be filed by section three (3) of this Act. If payment does not accompany the return or payment is not in the amount shown due and payable on the return, the company shall be subject to interest at the rate of three-fourths of one percent per month or fraction thereof on the balance due.

Sec. 5. NEW SECTION. PENALTY. In case of failure to file a return with the department on or before the due date, unless it is shown that such failure was due to reasonable

cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on such return five percent of the amount of such tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction thereof during which such failure continues, not exceeding twenty-five percent in the aggregate. If any person fails to remit the tax due with the filing of the return on or before the due date, or fails to pay the total amount of the tax due as shown on the return, there shall be added to the tax a penalty of five percent of the tax due unless it is shown that such failure was due to reasonable cause. In case of willful failure to file a return with intent to evade tax, or in case of willfully filing a false return with intent to evade tax, in lieu of the penalty above provided, there shall be added to the amount required to be shown as tax on such return fifty percent of the amount of such tax. When penalties are applicable for failure to file a return and failure to pay the tax due or required on the return, the penalty provision for failure to file shall be in lieu of the penalty provision for failure to pay the tax due or required on the return except in the case of willful failure to file a return and willfully filing of a false return with intent to evade tax.

Sec. 6. NEW SECTION. DETERMINATION OF TAX DUE--LIMITATION. The department shall have three years from the time the return was filed or after the return became due, including any extensions of time for filing, whichever time is the later, to audit the return and determine its accuracy. If it is shown by the audit that additional tax is due, interest at the rate of three-fourths of one percent per month or fraction thereof shall be added to the additional tax shown to be due.

The period for determination of tax due shall be unlimited in the case of a false or fraudulent return with intent to evade tax or in the case of failure to file a return.

If it is shown that an overpayment was made, interest at the rate of three-fourths of one percent per month or fraction thereof shall be added to the overpayment with interest commencing sixty days after the date of payment.

The railway companies, submitting mileage pertaining to the car companies subject to the tax imposed by this Act, shall make available, at the department's request, their books or records to ascertain the correct mileage.

Car companies submitting returns under this Act shall also make available, at the department's request, their books or records to ascertain the correct mileage.

Sec. 7. NEW SECTION. REFUNDS. If any tax, penalty or interest has been paid which was not due under the provisions of this Act, then such amount plus any interest imposed as a result of section six (6) of this Act shall be credited against any tax due or to become due under this Act from the car company which made the erroneous payment or shall be refunded to such car company by the department. A claim for refund or credit that has not been filed with the department within three years after the tax payment upon which a refund or credit is claimed became due or one year after such tax payment was made, whichever time is the later, shall not be allowed by the director.

Sec. 8. NEW SECTION. DEPOSIT OF FUNDS. All revenues collected from the tax imposed under this Act shall be credited to the railroad assistance fund established pursuant to section three hundred twenty-seven E point eighteen (327H.18) of the Code. All taxes paid after the due date, including penalty and interest shall also be credited to the railroad assistance fund except as otherwise provided in this section. All moneys refunded under the provisions of this Act shall be paid from the railroad assistance fund. There is appropriated from the general fund of the state to the railroad assistance fund for the fiscal year beginning July 1, 1978 and for each

succeeding fiscal year the sum of one million seven hundred thousand (1,700,000) dollars. If the revenues collected, including interest and penalties, less any refunds made for taxes payable on or before the first Monday of June of the preceding fiscal year exceed eight hundred thousand (800,000) dollars such excess, not to exceed the amount of the appropriation made under this section, shall be transferred to the general fund of the state.

Sec. 9. NEW SECTION. STATUTES APPLICABLE TO TAX. All the provisions of section four hundred twenty-two point twenty-six (422.26), as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapter one hundred twenty-one (121), section one (1), and sections four hundred twenty-two point twenty-eight (422.28) to four hundred twenty-two point thirty (422.30) of the Code, consistent with the provisions of this Act, shall be applicable to car companies subject to the tax imposed under section two (2) of this Act.

Sec. 10. Section four hundred twenty-seven A point one (427A.1), subsection one (1), paragraph h, Code 1977, is amended to read as follows:

h. Property assessed by the department of revenue pursuant to sections 428.24 to 428.29, or chapters 433, four hundred thirty-four (434) and four hundred thirty-six (436) of the Code to 438.

Sec. 11. Section four hundred forty-three point twenty-two (443.22), Code 1977, is amended to read as follows:

443.22 UNIFORM ASSESSMENTS MANDATORY. All assessors and assessing bodies, including the department of revenue having authority over the assessment of property for tax purposes, shall comply with the provisions of sections 428.4, 428.29, 434.15, 435.27, 438.13, 441.21, 441.45 and 443.5. The department of revenue having authority over such assessments, shall exercise its powers and perform its duties under section 421.17 and other applicable laws so as to require the uniform

and consistent application of said section.

Sec. 12. The state department of transportation shall conduct a study of the feasibility and methods of establishing an authority for the bonding, purchase and lease of railroad cars for the transportation of commodities within and without the state of Iowa. The department shall consult with various persons and groups and shall consider:

1. The constitutional and legal obstacles to bonding for railroad car purchases.
2. The methods of integrating the expertise of the state department of transportation with the authority established to implement the bonding, purchase and lease of railroad cars.
3. The tax status of railroad cars leased by the bonding authority.
4. The economic feasibility of a purchase and lease program and the bonding limitations necessary for such an authority.
5. The methods of managing a pool of cars owned by the authority.

The state department of transportation shall consult with people familiar with the rail transportation industry, with agricultural product transportation needs, with management and marketing practices, and with farming and manufacturing concerns, to assess the utility of the bonding for the purchase and lease of railroad cars.

The state department shall make recommendation to the general assembly prior to February 1, 1979, to include an evaluation of the needs for and feasibility of a railroad car authority. The department shall include evaluations of the feasible alternative forms of a railroad car authority.

Sec. 13. Chapter four hundred thirty-five (435), Code 1977, is repealed.

Sec. 14. The provisions of this Act are effective for all taxes due on or before the first Monday in June, 1978,

and thereafter.

Sec. 15. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Titonka Topic, a newspaper published in Titonka, Iowa, and in The Bancroft Register, a newspaper published in Bancroft, Iowa.

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ARTHUR A. NEU  
President of the Senate

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DALE M. COCHRAN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2184, Sixty-seventh General Assembly.

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KEVIN P. LIGHT  
Acting Secretary of the Senate

*Item Veto*  
~~Approved~~ June 26, 1978

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ROBERT D. RAY  
Governor