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HOUSE FILE 874

Ways & Means WAYS & MEANS CALENDAR *8/12/81*

BY COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 336)

Passed House, Date 6-26-81 (p. 55) Passed Senate, Date _____

Vote: Ayes 74 Nays 22 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to railway transportation by providing for
 2 the imposition and collection of a tax on the use of fuel
 3 for the propulsion of railway vehicles, for the creation
 4 of a special railroad facility fund to which certain tax
 5 moneys are credited, for the pledging of the moneys in
 6 the special railroad facility fund for obligations issued
 7 by the Iowa railway finance authority, for the increase
 8 in the amount of outstanding obligations that the Iowa
 9 railway finance authority may have, for an expansion
 10 and clarification of the powers and duties of the Iowa
 11 railway finance authority.

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

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1 Section 1. Section 307.29, subsections 1 and 3, Code 1981,
2 are amended to read as follows:

3 1. Sixty days after the tax obligations of a railway
4 company which are owed to this state or a political subdivision
5 of this state become delinquent as provided in section 445.37
6 and remain unpaid, the state department of transportation
7 shall become responsible for collection of the delinquent
8 taxes. The county treasurer of each affected county shall
9 transmit the unpaid tax statement of the railway company to
10 the state department of transportation.

11 3. Upon the acquisition by the department of payment from
12 the railway company in full liquidation of the delinquent
13 taxes including payment by means of transfer of title to
14 rights of way or other real estate, any tax lien existing
15 prior to ~~such~~ the acquisition on the property on which the
16 taxes were delinquent ~~shall be null and is void and the~~
17 ~~department shall not pay any of these delinquent taxes to~~
18 ~~the county treasurer.~~ The department shall take title to
19 the rights-of-way or other real estate for administration,
20 management, collection of rents, and disposal and shall credit
21 all moneys collected or received from the rental or disposal
22 of rights-of-way or other real estate to the special railroad
23 facility fund established in section 18 of this Act.

24 Sec. 2. Section 307B.2, Code 1981, is amended to read
25 as follows:

26 307B.2 DECLARATION OF NECESSITY AND PURPOSE. The purpose
27 of this chapter is to benefit the citizens of Iowa by improving
28 their general health, welfare and prosperity and insuring
29 the economic and commercial development of the state and by
30 promoting agricultural improvement. Access to adequate railway
31 transportation facilities is essential to the economic welfare
32 of the state. This One purpose of this chapter is ~~intended~~
33 to preserve or provide for the citizens of Iowa those railway
34 ~~facilities~~ services now in existence or needed in the state
35 which have a viable future but which for a variety of economic

1 and legal reasons may ~~well-go-out-of-service~~ not exist if
2 the state does not provide the financing ~~mechanism-contained~~
3 or other mechanisms referred to in this chapter. It is the
4 intent of the chapter that any public ownership and control
5 of railway facilities provided for in this chapter be
6 transferred to private ownership as promptly as economically
7 practicable subject to financing requirements. It is further
8 intended that the authority created ~~herein~~ in this chapter
9 be vested with all powers to enable it to accomplish ~~its~~ the
10 purposes of this chapter except the power to operate rolling
11 stock ~~except-as~~ unless and to the extent incidental to the
12 ~~repair-or-renovation-of-a~~ preservation of railway ~~facility~~
13 facilities.

14 Sec. 3. Section 307B.3, subsections 1, 3, and 10, Code
15 1981, are amended to read as follows:

16 1. The establishment of the authority is in all respects
17 for the benefit of the people of the state of Iowa, for the
18 improvement of their health and welfare, for the preservation
19 and creation of employment, and for the promotion of the
20 economy and of agricultural improvement, which are public
21 purposes.

22 3. ~~There~~ Without public action, there will exist a serious
23 shortage of viable rail lines and railway facilities serving
24 the urban, rural and, agricultural, and industrial communities
25 of the state.

26 10. It is necessary to create a railway finance authority
27 to encourage the investment of private capital and stimulate
28 the construction, rehabilitation and repair of railway
29 facilities and to prevent the abandonment of others through
30 the use of public financing, publicly assisted financing,
31 and other forms of public assistance.

32 Sec. 4. Section 307B.4, subsections 2, 3, and 6, Code
33 1981, are amended to read as follows:

34 2. "Railway facilities" means land, structures, fixtures,
35 buildings and equipment, except rolling stock, necessary or

1 useful in providing railroad transportation services,
2 including, but not limited to, roadbeds, track, trestle,
3 depot, switching and signaling equipment and all necessary,
4 useful and related equipment and appurtenances and all
5 franchises, easements and other interests in land and rights
6 of way necessary or convenient as a site or sites for any
7 of the foregoing or any part of or combination of the
8 foregoing.

9 3. "Project costs" ~~as-applied-to-railway-facilities~~
10 ~~financed-under-the-provisions-of-this-chapter-means-the-total~~
11 ~~of-all-reasonable-or-necessary-costs-for-or-incidental-to~~
12 the means any portion of the costs of railway rehabilitation,
13 acquisition, construction, reconstruction, repair, alteration,
14 improvement or extension of any railway facilities including,
15 ~~but-not-limited-to,-the-cost-of,~~ providing, supplementing,
16 and relocating public capital facilities, studies and, surveys,
17 plans, specifications, architectural and engineering services,
18 estimates of costs, legal, organizational, marketing or other
19 ~~special-services,-financing,-acquisition,-demolition,-~~
20 ~~construction,-equipment-and-site-development-of-new-and~~
21 ~~rehabilitated-buildings-and-facilities,-rehabilitation,-~~
22 ~~reconstruction,-repair-or-remodeling-of-existing-buildings~~
23 ~~and-facilities~~ feasibility studies, and all other necessary
24 and incidental expenses including, ~~but-not-limited-to,-an~~
25 ~~initial-bond~~ related to the foregoing, and reimbursement of
26 any moneys advanced or applied by a governmental agency or
27 other person for project costs. Project costs include, in
28 connection with obligations, a principal and interest reserve
29 together with interest on ~~bonds-issued-to-finance-the-railway~~
30 ~~facilities~~ obligations to a date not later than six months
31 subsequent to the estimated date of completion of the railway
32 facilities that are the object of the financial assistance.

33 6. "Bonds Obligations" means negotiable bonds, notes or
34 other ~~obligations,-except-these-obligations-to-the-federal~~
35 ~~government,~~ evidence of debt, including interest coupons of

1 the foregoing, issued under this chapter.

2 Sec. 5. Section 307B.4, Code 1981, is amended by adding
3 the following new subsections:

4 NEW SUBSECTION. "Financial assistance" means direct loans
5 and other loans, grants, and forms of assistance authorized
6 under this chapter.

7 NEW SUBSECTION. "Governmental action" means any action
8 by a governmental agency relating to the establishment,
9 development, or operation of railway facilities that the
10 governmental agency acting has authority to take or provide
11 for the purpose under law, including, but not limited to,
12 actions relating to contracts and agreements, zoning, building,
13 permits, acquisition and disposition of property, public
14 capital improvements, utility and transportation service,
15 taxation, employee recruitment and training, and liaison and
16 coordination with and among governmental agencies.

17 NEW SUBSECTION. "Governmental agency" means the state
18 or any state department, division, commission, institution,
19 or authority; a municipal corporation, county, or township,
20 or any agency thereof; any other political subdivision or
21 public corporation; the United States or any agency thereof;
22 any agency, commission, or authority established pursuant
23 to an interstate compact or agreement; or any combination
24 of the foregoing.

25 NEW SUBSECTION. "Person" means an individual, firm,
26 partnership, association, corporation, or governmental agency,
27 or any combination thereof.

28 NEW SUBSECTION. "Public capital improvements" means capital
29 improvements or facilities including, but not limited to,
30 railroad facilities and related ancillary facilities, that
31 a governmental agency has authority to acquire, pay the costs
32 of, own, maintain, operate, or to do the foregoing by contract
33 with other persons.

34 NEW SUBSECTION. "Bond proceedings" means the resolution,
35 order, trust agreement, indenture, lease, and other agreements,

1 amendments, and supplements to the foregoing authorizing or
2 providing for the terms and conditions applicable to or the
3 provisions contained within, or providing for the security
4 of, obligations issued pursuant to this chapter.

5 NEW SUBSECTION. "Bond service charges" means principal,
6 including mandatory sinking fund requirements for retirement
7 of obligations, interest, and redemption premium, if any,
8 required to be paid by the authority on obligations.

9 NEW SUBSECTION. "Pledged receipts" means the revenues
10 and receipts received or to be received by the authority from
11 the lease, operation, or sale of railway facilities; from
12 loan or other agreements relating to financial assistance;
13 from grants, gifts, or payments on guarantees made to the
14 authority by any person; from accrued interest received from
15 the sale of obligations; from income from the investment of
16 special funds of the authority, including the special railroad
17 facility fund; from the revenues and receipts deposited in
18 the special railroad facility fund; and from any other moneys
19 which are available for the payment of bond service charges.

20 NEW SUBSECTION. "Special railroad facility fund" means
21 the fund created in section 18 of this Act.

22 Sec. 6. Section 307B.5, Code 1981, is amended to read
23 as follows:

24 307B.5 IOWA RAILWAY FINANCE AUTHORITY. There is created
25 an Iowa railway finance authority for the purpose of providing
26 for the financing of railway facilities and enhancing and
27 continuing the operation of railway facilities as provided
28 in this chapter.

29 Sec. 7. Section 307B.7, subsections 5, 6, 7, 8, 10, 12,
30 13, 14, 15, 17, and 18, Code 1981, are amended to read as
31 follows:

32 5. Acquire railway facilities, whether located within
33 Iowa or a contiguous state, directly or through an agent,
34 by purchase, lease, lease-purchase, gift, devise or otherwise.

35 6. Determine the location and ~~construction~~ of and select

1 any railway facility to be financed or assisted under the
2 ~~provisions of~~ this chapter and ~~to~~ acquire, construct,
3 reconstruct, renovate, rehabilitate, improve, attend, replace,
4 maintain, repair and lease the same facility, and to enter
5 into contracts for any of these purposes.

6 7. Enter into contracts, including partnership agreements,
7 with any person, ~~federal or state government or subdivision~~
8 ~~of a state~~ for the ownership, operation, management or use
9 of a railway facility.

10 8. Designate an agent to ~~determine the location and~~
11 ~~construction of a railway facility under the provisions of~~
12 ~~this chapter and as agent of the authority, to construct,~~
13 ~~reconstruct, renovate, replace, maintain, repair, and lease~~
14 ~~the same and to enter into contracts for any of these purposes~~
15 ~~including contracts for the operation, management or use of~~
16 ~~the railway facility~~ perform its powers under subsections
17 6 and 7.

18 10. Issue ~~bonds, notes or other~~ obligations for any of
19 its purposes and ~~to~~ refund the same obligations, all as
20 provided for in this chapter. However, the total outstanding
21 principal amount of bonds obligations at any one time shall
22 not exceed ~~one~~ three hundred million dollars ~~at any one time.~~

23 12. Fix and, revise and, charge, and collect rates, rents,
24 fees and charges for the use of any railway facility or any
25 portion of a facility and ~~to~~ contract with any person, ~~firm~~
26 ~~or corporation or other public or private body~~ in respect
27 to a facility.

28 13. Mortgage all or any portion of its railway facilities
29 ~~and the sites~~, whether then owned or thereafter acquired,
30 ~~to finance the~~ in connection with the financing of the
31 particular railway facility or any portion of the facility.

32 14. Extend ~~loans~~ financial assistance for the purpose
33 of ~~financing~~ providing for project costs ~~of a railway facility.~~

34 15. Extend ~~loans~~ financial assistance to refund bonds,
35 retire, or refinance obligations, including obligations running

1 to the federal government, mortgages or advances issued, made
2 or given for the project cost of a railway facility including
3 ~~the-issuing-of-bonds-and-making-loans-to-refinance-indebtedness~~
4 which costs were incurred for railway facilities undertaken
5 and completed prior to or after May 20, 1980 when the governing
6 board finds that this ~~finaneing~~ financial assistance is in
7 the public interest.

8 17. Receive and accept from any ~~publie~~ governmental agency
9 loans, guarantees, or grants for or in aid of project costs
10 and ~~to~~ receive and accept grants, gifts and other contributions
11 from any source.

12 18. Own a railway facility under this chapter alone, in
13 partnership, or in any other association with any person if
14 necessary or beneficial to preserve part of a railway system,
15 upon the determination, after consultation with the department,
16 that the railway facility is necessary or beneficial to the
17 railway system, ~~and-then-shall~~ to be relinquished to ~~private~~
18 nonauthority ownership or operation as soon as economically
19 practicable.

20 Sec. 8. Section 307B.7, Code 1981, is amended by adding
21 the following new subsections:

22 NEW SUBSECTION. Pledge any funds contained in the special
23 railroad facility fund to the payment of and as security for
24 obligations issued under this chapter.

25 NEW SUBSECTION. Invest moneys in the special railroad
26 facility fund in general or limited partnership interests
27 in a partnership formed to purchase, renovate, and operate
28 a railway facility.

29 NEW SUBSECTION. Serve as a general or limited partner
30 in a partnership formed to purchase, renovate, and operate
31 a railway facility.

32 NEW SUBSECTION. Enter into agreements with persons to
33 develop, equip, furnish, or otherwise develop and operate
34 railway facilities, and make provision in the agreements for
35 railway facilities and governmental actions, as authorized

1 by this chapter and other laws.

2 NEW SUBSECTION. Enter into appropriate arrangements and
3 agreements with a governmental agency for the taking or the
4 providing by that governmental agency of a governmental action.

5 Sec. 9. Section 307B.8, subsections 4, 5, and 6, Code
6 1981, are amended by striking the subsections.

7 Sec. 10. Section 307B.9, Code 1981, is amended by striking
8 the section and inserting in lieu thereof the following:

9 307B.9 OBLIGATIONS. Except as provided in this chapter,
10 all obligations are payable solely out of the pledged receipts
11 as designated in the bond proceedings. Tax funds which the
12 authority receives from the state or a political subdivision
13 of the state shall not be pledged for payment of the
14 obligations, except for those funds deposited in the special
15 railroad facility fund. Obligations shall be authorized by
16 resolution of the board and bond proceedings shall provide
17 for the purpose of the obligations, the principal amount,
18 the principal maturity or maturities, not exceeding thirty-
19 five years from the date of issuance, the interest rate or
20 rates or the maximum interest rate, the date of the obligations
21 and the dates of payment of interest on them, their
22 denomination, and the establishment within or without the
23 state of a place or places of payment of bond service charges.
24 The purpose of the obligations may be stated in the bond
25 proceedings in terms describing the general purpose or purposes
26 to be served. The bond proceedings shall also provide, subject
27 to other applicable bond proceedings, for the pledge of all
28 or a part of the pledged receipts to the payment of bond
29 service charges, which pledges may be made either prior or
30 subordinate to other expenses, claims, or payments, and may
31 be made to secure the obligations on a parity with obligations
32 issued at other times, if and to the extent provided in the
33 bond proceedings. The pledged receipts so pledged and received
34 by the authority are immediately subject to the lien of the
35 pledge without physical delivery or further act, and the

1 pledge of the pledged receipts is effective and these moneys
2 may be applied to the purposes for which pledged without
3 necessity for an act of appropriation. Every pledge and every
4 covenant and agreement with respect to a pledge made in the
5 bond proceedings may be extended to the benefit of the owners
6 and holders of obligations authorized by this chapter, and
7 to any trustee for owners and holders, for the further security
8 of the payment of the bond service charges. The authority
9 may issue a prospectus or official statement in connection
10 with the offering of obligations. Obligations may be issued
11 in coupon or in registered form, or both. Provision may be
12 made for the registration of obligations with coupons attached
13 as to principal alone or as to both principal and interest,
14 their exchange for obligations so registered, and for the
15 conversion or reconversion into obligations with coupons
16 attached of any obligations registered as to both principal
17 and interest, and for reasonable charges for registration,
18 exchange, conversion, and reconversion. Obligations may be
19 sold at public or private sale at the price, in the manner,
20 and at the time determined by the governing board. The bond
21 proceedings under which obligations are issued shall recognize
22 any prior issue, pledge, or mortgage made for the security
23 of any prior issue of obligations. Chapter 75 and sections
24 23.12 through 23.16 do not apply to obligations issued under
25 this chapter. All obligations are negotiable instruments.

26 The bond proceedings may contain additional provisions
27 as to:

- 28 1. The redemption of obligations prior to maturity at
29 the option of the authority at the price and under the terms
30 and conditions provided in the bond proceedings.
- 31 2. Other terms of the obligation.
- 32 3. Limitations on the issuance of additional obligations.
- 33 4. The terms of any trust agreement or indenture securing
34 the obligations or under which the obligations may be issued.
- 35 5. The deposit, investment, and application of special

1 funds and the safeguarding of moneys on hand or on deposit,
2 without regard to chapter 453, subject to this chapter, with
3 respect to particular funds or moneys; provided that any bank
4 or trust company which acts as depository of any moneys in
5 the special funds may furnish indemnifying bonds or may pledge
6 the securities as required by the authority.

7 6. The provisions of the bond proceedings which are bind-
8 ing upon the officer, board, commission, authority, agency,
9 department, or other person or body which has the authority
10 under law to take actions as necessary to perform all or any
11 part of the duty required by a provision.

12 7. Any provision which may be made in a trust agreement
13 or indenture.

14 8. Additional agreements with the holders of the obliga-
15 tions, or the trustee for the holders, relating to the obli-
16 gations or the security for the obligations.

17 Sec. 11. Section 307B.10, Code 1981, is amended by strik-
18 ing the section and inserting in lieu thereof the following:

19 307B.10 REFUNDING OF OBLIGATIONS. The board may authorize
20 and issue obligations for the refunding, including funding
21 and retirement, and advance refunding with or without payment
22 or redemption prior to maturity, of any obligations previously
23 issued by the authority. These obligations may be issued
24 in amounts sufficient for payment of the principal amount
25 of the prior obligations, any redemption premiums on the prior
26 obligations, principal maturities of any obligations maturing
27 prior to the redemption of the remaining obligations on a
28 parity with them, interest accrued or to accrue to the maturity
29 date or dates of redemption of the obligations, and any project
30 costs including expenses incurred or to be incurred in
31 connection with this issuance, refunding, funding, and
32 retirement. Subject to the bond proceedings, the portion
33 of proceeds of the sale of obligations issued under this
34 section to be applied to bond service charges on the prior
35 obligations shall be credited to the appropriate account for

1 those prior obligations. Obligations authorized under this
2 section shall be deemed to be issued for those purposes for
3 which the prior obligations were issued and are subject to
4 the provisions of this chapter pertaining to other obligations.

5 Refunding may be made without regard to whether or not
6 the obligations to be refunded were issued in connection with
7 the same railway facilities, separate railway facilities or
8 for other purposes, and without regard to whether or not the
9 obligations proposed to be refunded shall be payable on the
10 same date or different dates or due serially or otherwise.

11 Sec. 12. Section 307B.11, Code 1981, is amended by strik-
12 ing the section and inserting in lieu thereof the following:

13 307B.11 SECURITY FOR OBLIGATIONS. Obligations may be
14 additionally secured by a trust agreement or indenture between
15 the authority and a corporate trustee which may be any trust
16 company or bank having its principal place of business within
17 the state. Any such agreement, indenture, mortgage, or deed
18 of trust, or any combination thereof, may contain the
19 resolution authorizing the issuance of the obligations, any
20 provisions that may be contained in any bond proceedings,
21 and other provisions which are customary or appropriate in
22 an agreement or indenture of such type, including, but not
23 limited to:

24 1. Maintenance of each pledge, trust agreement, indenture,
25 or other instrument comprising part of the bond proceedings
26 until the authority has fully paid the bond service charges
27 on the obligations secured by the instrument, or provision
28 for payment has been made.

29 2. In the event of default in any payments required to
30 be made by the bond proceedings or any other agreement of
31 the authority made as a part of the contract under which the
32 obligations were issued, enforcement of the payments or
33 agreement by mandamus, appointment of a receiver, suit in
34 equity, action at law, or any combination of these.

35 3. The rights and remedies of the holders of obligations

1 and of the trustee and provisions for protecting and enforcing
2 them, including limitations on rights of individual holders
3 of obligations.

4 4. The replacement of any obligations which become muti-
5 lated or are destroyed, lost, or stolen.

6 The principal of and interest on obligations shall be
7 secured by the pledge of pledged receipts and by assignment
8 of leases or other contract rights of the authority, or any
9 person acquiring, leasing, or operating railway facilities
10 assisted under this chapter to third parties, which assignment
11 may cover all or any part of the railway facilities from which
12 the receipts may be derived, including, but not limited to,
13 any enlargements of or additions to any of these railway
14 facilities.

15 Each pledge shall continue in effect until the principal
16 of and interest on the obligations has been fully paid or
17 provision for the payment has been duly made pursuant to the
18 bond proceedings.

19 Sec. 13. Section 307B.12, Code 1981, is amended to read
20 as follows:

21 307B.12 PAYMENT OF BONDS OBLIGATIONS--NONLIABILITY OF
22 STATE. Bonds Obligations issued under ~~the provisions of~~ this
23 chapter, and judgments based on contract or tort arising from
24 the activities of the authority or persons acting on its
25 behalf, ~~shall~~ are not constitute a debt or liability of the
26 state or of any political subdivision within the meaning of
27 any constitutional or statutory debt limitation and ~~ne are~~
28 not a pledge of the state's credit or taxing power within
29 the meaning of any constitutional or statutory limitation
30 or provision and a holder of obligations does not have a right
31 to have an appropriation shall-be made, directly or indirectly,
32 by the state or any political subdivision of the state for
33 the payment of the bonds obligations or judgments, or for
34 the indemnification of a person subject to a judgment arising
35 from that person's actions on the authority's behalf, ~~but.~~

1 These obligations and judgments are special obligations of
2 the authority payable solely and only from the sources and
3 special funds provided in this chapter.

4 Sec. 14. Section 307B.13, Code 1981, is amended by striking
5 the section and inserting in lieu thereof the following:

6 307B.13 REMEDIES OF HOLDERS OF OBLIGATIONS.

7 1. A holder of obligations or a trustee under the bond
8 proceedings, except to the extent that the holder's rights
9 are restricted by the bond proceedings, may by legal
10 proceedings, protect and enforce any rights under the laws
11 of this state or granted by the bond proceedings. These
12 rights include the right to compel the performance of all
13 duties of the authority required by this chapter or the bond
14 proceedings; to enjoin unlawful activities; and in the event
15 of default with respect to the payment of any bond service
16 charges on any obligations or in the performance of any
17 covenant or agreement on the part of the authority in the
18 bond proceedings, to apply to a court to appoint a receiver
19 to receive and administer the pledged receipts which are
20 pledged to the payment of the bond service charges on these
21 obligations or which are the subject of the covenant or
22 agreement, with full power to pay and to provide for payment
23 of bond service charges on these obligations and with powers
24 accorded receivers in general equity cases, excluding any
25 power to pledge additional revenues or receipts or other
26 income or moneys of the authority or the state or governmental
27 agencies of the state to the payment of the principal and
28 interest; and if provided in the bond proceedings, the power
29 to take possession of, mortgage, or cause the sale or otherwise
30 dispose of any railway facilities.

31 Each duty of the authority and the authority's board,
32 officers, and employees, and of each governmental agency and
33 its officers, members, or employees, undertaken pursuant to
34 the bond proceedings or any agreement or lease, lease-purchase
35 agreement, or loan made under authority of this chapter, and

1 in every agreement by or with the authority, is a duty of
2 the authority, and of each board, officer, member, or employee
3 having authority to perform this duty, which may be
4 specifically enjoined by the law resulting from an office,
5 trust, or station under chapter 661.

6 2. If the bond proceedings do not contain provisions
7 authorized in subsection 1, if the authority defaults in the
8 payment of principal or interest on obligations as they become
9 due, whether at maturity or upon call for redemption, and
10 the default continues for a period of thirty days, or if the
11 authority fails or refuses to comply with this chapter or
12 defaults in any covenant or agreement in the bond proceedings
13 made for the benefit of the holders of obligations, the holders
14 of twenty-five percent in aggregate principal amount of
15 obligations of the issue then outstanding by instrument filed
16 in the office of the clerk of the county in which the principal
17 office of the authority is located and proved or acknowledged
18 in the same manner as a deed to be recorded may appoint a
19 trustee to represent the holders of the obligations for the
20 purposes provided in this section.

21 The trustee selected may, and upon written request of the
22 holders of twenty-five percent in aggregate principal amount
23 of the issue of obligations then outstanding, shall:

24 a. Enforce all rights of the holders of the obligations
25 including the right to require the authority to carry out
26 its agreements with the holders and to perform its duties
27 under this chapter.

28 b. Bring suit upon the obligations.

29 c. By action require the authority to account as if it
30 were the trustee of an express trust for the holders.

31 d. By action enjoin any acts or things which are unlawful
32 or in violation of the rights of the holders.

33 e. Declare all the obligations due and payable and, if
34 all defaults are made good then with the consent of the holders
35 of twenty-five percent of the aggregate principal amount of

1 the issue of obligations then outstanding, annul the
2 declaration and its consequences. Before declaring the
3 principal of obligations due and payable, the trustee shall
4 first give thirty days notice in writing to the governor,
5 to the authority, and to the attorney general of the state.

6 The trustee selected shall also have all powers necessary
7 or appropriate for the exercise of functions specifically
8 set forth or incident to the general representation of holders
9 in the enforcement and protection of their rights.

10 3. The district court has jurisdiction of any action by
11 the trustee on behalf of holders. The venue of the action
12 shall be in the county in which the principal office of the
13 authority is located.

14 Sec. 15. Section 307B.14, Code 1981, is amended to read
15 as follows:

16 307B.14 AUTHORITY AS PUBLIC INSTRUMENTALITY. The authority
17 is performing a public function on behalf of the state and
18 is a public instrumentality of the state. Income of the
19 authority and all properties owned by or leased by to the
20 authority ~~shall-be~~ are exempt from all taxation in the state
21 of Iowa. This chapter ~~shall~~ does not ~~be-construed-as-exempting~~
22 exempt from taxation properties comprising railway facilities
23 ~~financed~~ financially assisted under ~~any-of-the-provisions~~
24 of this chapter which are owned by persons ~~or-entities~~ other
25 than the authority except those leased by to the authority.

26 Sec. 16. Section 307B.15, Code 1981, is amended to read
27 as follows:

28 307B.15 POWERS NOT RESTRICTED--LAW COMPLETE IN ITSELF.
29 This chapter ~~shall~~ is not ~~be-construed-as~~ a restriction or
30 limitation upon any powers which the authority ~~might-otherwise~~
31 have or another governmental agency has under any laws of
32 this state, but ~~shall-be-construed-as~~ is cumulative of to
33 any such powers. No proceedings, referendum, notice or
34 approval ~~shall-be~~ is required for the creation of the authority
35 or the issuance of any ~~bonds~~ obligations or any instrument

1 as security except as herein provided, ~~any other law to the~~
2 ~~contrary notwithstanding, provided, that~~ in this chapter.
3 However, ~~nothing herein shall be construed to deprive in this~~
4 chapter deprives the state and its governmental political
5 subdivisions of their respective police powers over properties
6 of the authority or ~~to impair~~ impairs any power ~~thereover~~
7 over the authority of any official or agency of the state
8 and its governmental political subdivisions which ~~may be is~~
9 otherwise provided by law.

10 Sec. 17. Chapter 307B, Code 1981, is amended by adding
11 the following new sections:

12 NEW SECTION. GOVERNMENTAL AGENCIES. A governmental agency
13 may enter into an agreement with the authority, another govern-
14 mental agency, or a person to be assisted under this chapter
15 to take or provide for the purposes of this chapter any govern-
16 mental action it is authorized to take or provide and to
17 undertake on behalf and at the request of the authority any
18 action which the authority is authorized to undertake.
19 Governmental agencies of the state shall cooperate with and
20 provide assistance to the director and the authority in the
21 exercise of their functions under this chapter.

22 NEW SECTION. BOND ANTICIPATION NOTES. The power to issue
23 obligations under this chapter includes power to issue obliga-
24 tions in the form of bond anticipation notes and to renew
25 these notes by the issuance of new notes, but the maximum
26 maturity of these notes, including renewals, unless otherwise
27 authorized by the general assembly, shall not exceed five
28 years from the date of the issuance of the original notes.
29 The holders of these notes or interest coupons of the notes
30 have a right to be paid solely from the pledged receipts
31 pledged to the payment of the bonds anticipated, or from the
32 proceeds of these bonds or renewal notes, or both, as the
33 authority provides in the bond proceedings authorizing the
34 notes. The notes may be additionally secured by covenants
35 of the authority to the effect that the authority will do

1 those acts necessary for the issuance of the bonds or renewal
2 notes in appropriate amount, and either exchange the bonds
3 or renewal notes therefor, or apply the proceeds of the notes
4 to the extent necessary, to make full payment of the principal
5 of and interest on the notes at the time contemplated, as
6 provided in the bond proceedings. The authority may issue
7 bonds or renewal notes in a principal amount and upon terms
8 as necessary to provide funds to pay when required the
9 principal of and interest on the original notes,
10 notwithstanding any limitations prescribed by this chapter.
11 All provisions for and references to obligations in this
12 chapter are applicable to notes authorized under this section
13 to the extent not inconsistent with this section.

14 NEW SECTION. EXEMPTION FROM TAXATION. Obligations issued
15 under this chapter are exempt from taxation by the state of
16 Iowa and the interest on the obligations is exempt from state
17 income taxes.

18 NEW SECTION. INVESTMENT IN OBLIGATIONS. All banks, trust
19 companies, building and loan associations, savings and loan
20 associations, investment companies and other persons carrying
21 on a banking or investment business, all insurance companies,
22 insurance associations, and other persons carrying on an in-
23 surance business and all executors, administrators, guardians,
24 trustees, and other fiduciaries may legally invest any sinking
25 funds, moneys, or other funds belonging to them or within
26 their control in obligations issued pursuant to this chapter.
27 However, this section does not relieve any persons from a
28 duty of exercising reasonable care in selecting securities
29 for purchase or investment.

30 NEW SECTION. NOTICE. The authority shall publish a notice
31 of its intention to issue obligations in a newspaper published
32 in and with general circulation in the state. The notice
33 shall include a statement of the maximum amount of obligations
34 proposed to be issued, and in general terms, what receipts
35 will be pledged to pay bond service charges on the obligations.

1 An action which questions the legality of obligations or the
2 power of the authority to issue the obligations or the
3 effectiveness of any proceedings adopted for the authorization
4 or issuance of the obligations shall not be brought after
5 sixty days from the date of publication of the notice.

6 Sec. 18. Chapter 307B, Code 1981, is amended by adding
7 the following new section:

8 NEW SECTION. SPECIAL RAILROAD FACILITY FUND. There is
9 created in the office of the state treasurer a "special rail-
10 road facility fund". This fund shall include moneys credited
11 to this fund under section 307.29, section 21 of this Act,
12 section 30 of this Act, and other funds which by law may be
13 credited to the special railroad facility fund. The moneys
14 of the special railroad facility fund are appropriated annually
15 to and for the purposes of the authority as provided in this
16 chapter. The funds shall not be considered as a part of the
17 general fund of the state and shall not be subject to
18 appropriation for any other purpose by the general assembly.
19 The state treasurer shall act as custodian of the fund and
20 disburse amounts contained in it as directed by the authority.
21 This fund shall be administered by the authority and may be
22 used to purchase or upgrade railroad right of way and trackage
23 facilities or to purchase general or limited partnership
24 interests in a partnership formed to purchase, upgrade, or
25 operate railroad right of way and trackage facilities, to
26 pay or secure obligations issued by the authority, to pay
27 obligations, judgments, or debts for which the authority
28 becomes liable in its capacity as a general partner, or for
29 any other use authorized under this chapter.

30 Sec. 19. Section 422.7, subsection 2, Code 1981, is amended
31 to read as follows:

32 2. Add interest and dividends from foreign securities
33 and from securities of state and other political subdivisions
34 exempt from federal income tax under the Internal Revenue
35 Code of 1954 except interest and dividends from obligations

1 of the Iowa railway finance authority issued under chapter
2 307B.

3 Sec. 20. Section 422.35, subsection 2, Code 1981, is
4 amended to read as follows:

5 2. Add interest and dividends from foreign securities
6 and from securities of state and other political subdivisions
7 exempt from federal income tax under the Internal Revenue
8 Code of 1954 except interest and dividends from obligations
9 of the Iowa railway finance authority issued under chapter
10 307B.

11 Sec. 21. Chapter 435, Code 1981, is amended by adding
12 the following new section:

13 NEW SECTION. For the fiscal years beginning on or after
14 July 1, 1983, the net proceeds of the tax imposed by section
15 435.2 and penalties collected under this chapter shall be
16 credited to the special railroad facility fund established
17 in section 18 of this Act and any refunds made pursuant to
18 this chapter shall be made from this fund. However, for each
19 fiscal year of the fiscal biennium beginning July 1, 1981
20 and ending June 30, 1983, the total of the net proceeds of
21 the tax imposed by section 435.2 and penalties collected under
22 this chapter in excess of one million fifty thousand dollars
23 collected in the fiscal year beginning July 1, 1981 and in
24 excess of one million one hundred forty thousand dollars
25 collected in the fiscal year beginning July 1, 1982 shall
26 be credited to the special railroad facility fund.

27 Sec. 22. Sections 23 through 30 of this Act shall be
28 codified as a separate chapter.

29 Sec. 23. NEW SECTION. PURPOSE. The purpose of this
30 chapter is to impose an excise tax upon the use within this
31 state of fuel to power railway vehicles.

32 Sec. 24. NEW SECTION. DEFINITIONS. As used in this
33 chapter, unless the context otherwise requires:

34 1. "Fuel" means a combustible gas or liquid suitable for
35 the generation of power for the propulsion of railway vehicles,

1 except that it does not include motor fuel as defined in
2 section 324.2.

3 2. "Department" means the department of revenue.

4 3. "Railway vehicle" means a vehicle designed and used
5 primarily upon railways for self propulsion or for propelling
6 conveyances.

7 4. "Railroad company" means a person responsible for the
8 operation of a railway vehicle within this state.

9 Sec. 25. NEW SECTION. TAX IMPOSED. For the privilege
10 of operating railway vehicles in this state, an excise tax
11 is imposed at the rate of three cents per gallon beginning
12 July 1, 1981 and is imposed at the rate of twelve cents per
13 gallon beginning July 1, 1982 upon the use of fuel for the
14 propulsion of a railway vehicle. The tax attaches at the
15 time of use and shall be paid monthly to the department by
16 the railroad company using the fuel. Fuel dispensed in this
17 state shall only be through meters which have been approved
18 for accuracy by the department of agriculture and sealed by
19 the department. Fuel dispensed through sealed meters shall
20 be presumed taxable unless the railroad company proves
21 otherwise.

22 Sec. 26. NEW SECTION. RAILROAD COMPANY LICENSE. A
23 railroad company responsible for paying the tax imposed by
24 this chapter shall obtain a license from the department.
25 To obtain a license a railroad company shall file an
26 application with the department which shall include the
27 following information:

28 1. The name of the railroad company.

29 2. The location of its principal office within the state,
30 if any.

31 3. A list of each location where fuel will be dispensed
32 on a regular basis.

33 4. Other information the director of revenue requires.

34 Sec. 27. NEW SECTION. RAILROAD COMPANY REPORTS, TAX
35 COMPUTATION AND TAX PAYMENT. For the purpose of determining

1 a railroad company's tax liability, each railroad company
2 required to obtain a license under this chapter shall file
3 with the department a monthly report. The report shall be
4 filed by the end of the month following the month of use.

5 The report shall include the following information:

6 1. The total gallons of fuel dispensed in Iowa.

7 2. The total gallons of fuel dispensed in Iowa and placed
8 in railway vehicles used solely within the state during the
9 reporting period.

10 3. The total gallons of fuel dispensed in Iowa for
11 nontaxable purposes.

12 4. The total gallons of fuel dispensed in Iowa and placed
13 in railway vehicles used within and without the state.

14 5. The total gallons of fuel dispensed outside Iowa and
15 placed into railway vehicles traveling within and without
16 the state.

17 6. Other information the director of revenue requires.

18 The report shall be accompanied by a payment equal to the
19 tax due. The taxable gallons of fuel shall be computed by
20 adding the number of gallons of fuel dispensed in Iowa and
21 placed into railway vehicles traveling solely within the state
22 during the reporting period and the result of multiplying
23 the total gallons of fuel used in railway vehicles traveling
24 within and without Iowa by a fraction the numerator of which
25 is miles traveled in Iowa by railway vehicles traveling within
26 and without Iowa, and the denominator of which is the total
27 miles traveled by the same railway vehicles. The tax shall
28 be computed by multiplying the taxable gallons times the per
29 gallon tax rate.

30 Sec. 28. NEW SECTION. RECORDS RETAINED. Records
31 reasonably required by the department shall be retained by
32 the railroad company for three years.

33 Sec. 29. NEW SECTION. STATUTES APPLICABLE. The department
34 shall administer the taxes imposed by this chapter in the
35 same manner as and subject to division IV of chapter 324.

1 and in excess of \$1,140,000 for the 1982-83 fiscal year are
2 to be credited to the special railroad facility fund.

3 Section 22 through 30 impose a tax on the use of fuel for
4 the propulsion of railway vehicles. The tax is similar to
5 the tax on special, diesel, fuel. The rate is three cents
6 per gallon until July 1, 1982 when it is increased to twelve
7 cents per gallon with the tax receipts being credited to the
8 special railroad facility fund.

9 Except for section 1, the bill takes effect July 1 following
10 enactment.

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HOUSE FILE 874

H-4291

- 1 Amend House File 874 as follows:
2 1. Page 20, line 21, by inserting after the word
3 "otherwise." the words "However, the tax imposed under
4 this chapter is not imposed upon the use of fuel for
5 the propulsion of railway vehicles by a railroad
6 company which owns less than twenty-five miles of
7 mainline track in this state."

BY PAVICH of Pottawattamie
MILLER of Buchanan
SPEAR of Lee
WALTER of Pottawattamie

H-4291 FILED
MAY 19, 1981

Placed out of order 6/26 (p. 54)

HOUSE FILE 874

H-4295

- 1 Amend House File 874 as follows:
2 1. Page 22, line 1, by striking the word "The"
3 and inserting in lieu thereof the words "Fifty percent
4 of the".
5 2. Page 22, line 3, by inserting after the word
6 "and" the words "fifty percent of".
7 3. Page 22, line 5, by inserting after the word
8 "Act." the words "The remaining fifty percent of the
9 net proceeds of the tax and penalties collected under
10 this chapter shall be refunded to those railroad
11 companies from which the tax and penalties were
12 collected for the use of those railroad companies
13 for maintaining and repairing of their rail lines
14 located in this state."

H-4295 FILED
MAY 19, 1981

BY PAVICH of Pottawattamie
LONERGAN of Boone
O'KANE of Woodbury

Placed out of order 6/26

H-4327

HOUSE FILE 874

- 1 Amend House File 874 as follows:
2 1. Page 18, by inserting after line 29 the
3 following:
4 "Notwithstanding any other provision of this
5 section, all moneys credited to the special rail-
6 road facility fund under section 30 of this Act shall
7 be refunded to the railroad companies from which the
8 moneys were received if the courts rule invalid or
9 illegal under the laws or constitution of the United
10 States or of this state the tax imposed under sections
11 23 through 30 of this Act or if the courts rule invalid
12 or illegal under the laws or constitution of this
13 state the issuance of bonds or bond anticipation notes
14 by the Iowa railway finance authority under chapter
15 307B."

H-4327 FILED MAY 20, 1981 BY PAVICH of Pottawattamie

Placed out of order 6/26

HOUSE FILE 874

H-4288

- 1 Amend House File 874 as follows:
2 1. Page 22, by inserting after line 8 the
3 following:
4 "Sec. _____. If the Iowa railway finance authority
5 has not issued bonds or bond anticipation notes under
6 chapter 307B by January 1, 1982, this Act is repealed
7 effective January 1, 1982 and any moneys which have
8 been or are to be credited to the special railroad
9 facility fund under section 21 or 30 of this Act shall
10 be credited to the general fund of the state."
11 2. Title page, line 11, by inserting after the
12 word "authority" the words "and providing for repeal
13 of this Act if bonds or notes are not issued under
14 chapter 307B by January 1, 1982".
15 3. By numbering as necessary.

H-4288 FILED MAY 19, 1981 BY BRANSTAD of Winnebago

Placed out of order 6/26 (p. 54)

HOUSE FILE 874

H-4289

- 1 Amend House File 874 as follows:
2 1. Page 20, by striking line 12 and inserting
3 in lieu thereof the words and date "July 1, 1981,
4 at the rate of six cents per".
5 2. Page 20, line 13, by inserting after the date
6 "1982" the words and dates ", at the rate of nine
7 cents per gallon beginning July 1, 1983, and at the
8 rate of twelve cents per gallon beginning July 1,
9 1984".

BY PAVICH of Pottawattamie

WOODS of Polk

BYERLY of Polk

MILLER of Buchanan

H-4289 FILED

MAY 19, 1981

Placed out of order 6/26

HOUSE FILE 874

H-4290

- 1 Amend House File 874 as follows:
2 1. Page 22, by inserting after line 5 the
3 following:
4 "Sec. _____. The Iowa railway finance authority
5 in conjunction with the Iowa department of
6 transportation shall conduct a study on the feasibility
7 of providing rail passenger service along any portion
8 of the trackage of the Rock Island railroad company.
9 The report of the study shall be submitted to the
10 Sixty-ninth General Assembly, 1982 Session, not later
11 than January 11, 1982."

H-4290 FILED

MAY 19, 1981

Placed out of order 6/26

BY PAVICH of Pottawattamie

RENAUD of Polk

WOODS of Polk

- 1 Amend House File 874, as follows:
- 2 1. Page 18, line 12, by striking the words and
- 3 number "section 30 of this Act,".
- 4 2. Page 19, by striking line 27 through page 22,
- 5 line 5.
- 6 3. Title page, by striking lines 2 and 3 and
- 7 inserting in lieu thereof the words "the creation".

H-4269 FILED MAY 19, 1981

BY MILLER of Buchanan

Placed out of order 6/26 (p.54)

HOUSE FILE 874

H-4270

- 1 Amend House File 874 as follows:
- 2 1. Page 20, line 13, by striking the word "July"
- 3 and inserting in lieu thereof the word "January".

H-4270 FILED MAY 19, 1981

BY BRANSTAD of Winnebago

Placed out of order 6/26

HOUSE FILE 874

H-4271

- 1 Amend House File 874 as follows:
- 2 1. Page 6, line 3, by striking the word "attend"
- 3 and inserting in lieu thereof the word "extend".

H-4271 FILED MAY 19, 1981

BY BRANSTAD of Winnebago

HOUSE FILE 874

H-4281

- 1 Amend House File 874 as follows:
- 2 1. Page 2, by inserting after line 13 the
- 3 following:
- 4 "It is the further intent of this chapter and of
- 5 the general assembly that, in order to preserve rail
- 6 competition and to provide for railway service in
- 7 this state, the authority work primarily with railroad
- 8 carriers already providing service in this state based
- 9 upon their willingness and ability to meet these
- 10 objectives."

H-4281 FILED MAY 19, 1981

BY BRANSTAD of Winnebago

Placed out of order 6/26

HOUSE FILE 874

H-4287

- 1 Amend House File 874 as follows:
- 2 1. Page 6, line 9, by inserting after the word
- 3 "facility." the words "Provisions shall be made in
- 4 any contract or partnership agreement entered into
- 5 by the authority that any additional jobs which may
- 6 result from the ownership, operation, management,
- 7 or use of a railway facility shall be offered, when
- 8 practicable, to former employees of the Milwaukee
- 9 Road or Rock Island railroad companies."

H-4287 FILED
MAY 19, 1981

BY PAVICH of Pottawattamie

CONNORS of Polk

GETTINGS of Wapello

Placed out of order 6/26

SIXTY-NINTH GENERAL ASSEMBLY
1981 REGULAR SESSION

DAILY
HOUSE CLIP SHEET

WEDNESDAY, MAY 20, 1981

HOUSE FILE 874

H-4265

- 1 Amend House File 874, as follows:
- 2 1. Page 7, line 19, by inserting after the word
- 3 "practicable." the words "The authority shall
- 4 relinquish ownership to any railroad which is willing
- 5 to purchase the railway facility and to guarantee
- 6 service."

H-4265 FILED MAY 19, 1981 BY MILLER of Buchanan

Placed out of order 6/26 (p. 54)

HOUSE FILE 874

H-4266

- 1 Amend House File 874 as follows:
- 2 1. Page 5, line 34, by inserting after the word
- 3 "otherwise." the words "However, the power to purchase
- 4 railway facilities is limited to those facilities
- 5 which are part of a railroad that has completed
- 6 bankruptcy proceedings under federal law, which have
- 7 no other bidders, and which can not otherwise be
- 8 sold."

H-4266 FILED MAY 19, 1981 BY MILLER of Buchanan
PAVICH of Pottawattamie

Placed out of order 6/26

HOUSE FILE 874

H-4267

- 1 Amend House File 874 as follows:
- 2 1. Page 20, line 8, by inserting after the word
- 3 "state" the words "and which has, under chapter 307B,
- 4 received financial assistance from the state or
- 5 acquired a railway facility in participation with
- 6 the state".

H-4267 FILED
MAY 19, 1981 BY MILLER of Buchanan
PAVICH of Pottawattamie

Placed out of order 6/26

HOUSE FILE 874

H-4268

- 1 Amend House File 874 as follows:
- 2 1. Title page, by striking line 12.

H-4268 FILED MAY 19, 1981 BY MILLER of Buchanan

Lost 6/25 (p. 9)

HOUSE FILE 874

H-4430

1 Amend House File 874 as follows:

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

4 "Sec. ____ Section 98.35, Code 1981, is amended
5 to read as follows:

6 98.35 TAX AND FEES PAID TO GENERAL FUND. The
7 proceeds derived from the sale of stamps and the
8 payment of taxes, fees and penalties provided for
9 under this chapter, and the permit fees received from
10 all permits issued by the department, shall be credited
11 to the general fund of the state except that the first
12 twelve million dollars collected in each fiscal year
13 shall be credited to the special railroad facility
14 fund established in section 18 of this Act. All
15 permit fees provided for in this chapter and collected
16 by cities in the issuance of permits granted by the
17 cities shall be paid to the treasurer of the city
18 wherein the permit is effective, or to another city
19 officer as designated by the council, and credited
20 to the general fund of said the city. Permit fees
21 so collected by counties shall be paid to the county
22 treasurer and credited to the general fund of such
23 the county."

24 2. Page 18, line 11, by inserting after the word
25 "under" the word and figure "section 98.35,".

26 3. Page 18, line 12, by striking the words and
27 figure "section 30 of this Act,".

28 4. Page 19, by striking line 27 through page 22,
29 line 5.

30 5. Title page, by striking lines 2 and 3 and
31 inserting in lieu thereof the words "the creation".

32 6. By numbering, renumbering and correcting
33 internal references as necessary.

H-4430 FILED MAY 22, 1981

BY COCHRAN of Webster

Placed out of order 6/26/81 (p 54)

H-4420

1 Amend House File 874 as follows:

2 1. Page 18, line 11, by inserting after the number
3 "307.29," the words and numbers "section 422.43,
4 section 423.2,".

5 2. Page 18, line 12, by striking the words and
6 number "section 30 of this Act,".

7 3. Page 19, by inserting after line 10 the
8 following:

9 "Sec. ____ . Section 422.43, Code 1981, is amended
10 by adding the following new unnumbered paragraph:
11 NEW UNNUMBERED PARAGRAPH. In addition to the tax
12 at the rate of three percent imposed under this
13 section, there is imposed an additional tax at the
14 rate of one-tenth of one percent to be added to the
15 existing tax rate. Notwithstanding any other provision
16 of this section, all revenues arising from the
17 imposition of the additional one-tenth of one percent
18 tax shall be credited to the special railroad facility
19 fund established in section 18 of this Act."

20 Sec. ____ . Section 423.2, Code 1981, is amended
21 by adding the following new unnumbered paragraph:
22 NEW UNNUMBERED PARAGRAPH. In addition to the tax
23 at the rate of three percent imposed under this
24 section, there is imposed an additional tax at the
25 rate of one-tenth of one percent to be added to the
26 existing tax rate. Notwithstanding section 423.24,
27 all revenues arising from the imposition of the
28 additional one-tenth of one percent tax shall be
29 credited to the special railroad facility fund
30 established in section 18 of this Act."

31 4. Page 19, by striking line 27 through page 22,
32 line 5.

33 5. Title page, by striking lines 2 and 3 and
34 inserting in lieu thereof the words "an additional
35 sales, services, and use tax, for the creation".

36 6. By numbering, renumbering and correcting
37 internal references as necessary.

H-4420 FILED MAY 22, 1981

BY COCHRAN of Webster

Placed out of order 6/26 (7 54)

DAILY
HOUSE CLIP SHEET

June 25, 1981

HOUSE FILE 874

H-4434

1 Amend House File 874 as follows:

2 1. By striking everything after the enacting
3 clause and inserting in lieu thereof the following:

4 "Section 1. Section 307.29, subsections 1 and
5 3, Code 1981, are amended to read as follows:

6 1. Sixty days after the tax obligations of a
7 railway company which are owed to this state or a
8 political subdivision of this state become delinquent
9 as provided in section 445.37 and remain unpaid, the
10 state department of transportation shall become
11 responsible for collection of the delinquent taxes.
12 The county treasurer of each affected county shall
13 transmit the unpaid tax statement of the railway
14 company to the state department of transportation.

15 3. Upon the acquisition by the department of
16 payment from the railway company in full liquidation
17 of the delinquent taxes including payment by means
18 of transfer of title to rights of way or other real
19 estate, any tax lien existing prior to such the
20 acquisition on the property on which the taxes were
21 delinquent shall-be-null-and is void and-the department
22 shall-not-pay-any-of-these-delinquent-taxes-to the
23 county-treasurer. The department shall take title
24 to the rights-of-way or other real estate for
25 administration, management, collection of rents, and
26 disposal and shall credit all moneys collected or
27 received from the rental or disposal of rights-of-
28 way or other real estate to the special railroad
29 facility fund established in section 18 of this Act.
30 Any moneys received as payment for delinquent property
31 taxes shall be credited to the special railroad
32 facility fund established in section 18 of this Act.

33 Sec. 2. Section 307B.2, Code 1981, is amended
34 to read as follows:

35 307B.2 DECLARATION OF NECESSITY AND PURPOSE.
36 The purpose of this chapter is to benefit the citizens
37 of Iowa by improving their general health, welfare
38 and prosperity and insuring the economic and commercial
39 development of the state and by promoting agricultural
40 and industrial improvement. Access to adequate railway
41 transportation facilities is essential to the economic
42 welfare of the state. This One purpose of this chapter
43 is intended to preserve or provide for the citizens
44 of Iowa those railway facilities services now in
45 existence or needed in the state which have a viable
46 future but which for a variety of economic and legal
47 reasons may well-go-out-of-service not exist if the
48 state does not provide the financing mechanism
49 contained or other mechanisms referred to in this
50 chapter. It is the intent of the chapter that any

1 public ownership and control of railway facilities
2 provided for in this chapter be transferred to private
3 ownership as promptly as economically practicable
4 subject to financing requirements. It is further
5 intended that the authority created herein in this
6 chapter be vested with all powers to enable it to
7 accomplish ~~its~~ the purposes of this chapter except
8 the power to operate rolling stock ~~except-as-incidenta~~
9 ~~to-the-repair-or-renovation-of-a-railway-facility.~~

10 It is the further intent of this chapter and of
11 the general assembly that, in order to preserve rail
12 competition and to provide for railway service in
13 this state, the authority work primarily with railroad
14 carriers already providing service in this state based
15 upon their willingness and ability to meet these
16 objectives:

17 Sec. 3. Section 307B.3, subsections 1, 3, and
18 10, Code 1981, are amended to read as follows:

19 1. The establishment of the authority is in all
20 respects for the benefit of the people of the state
21 of Iowa, for the improvement of their health and
22 welfare, for the preservation and creation of
23 employment, and for the promotion of the economy and
24 of agricultural and industrial improvement, which
25 are public purposes.

26 3. There will exist a serious shortage of viable
27 rail lines and railway facilities serving the urban,
28 rural and, agricultural, and industrial communities
29 of the state.

30 10. It is necessary to create a railway finance
31 authority to encourage the investment of private
32 capital and stimulate the construction, rehabilitation
33 and repair of railway facilities and to prevent the
34 abandonment of others through the use of public
35 financing, publicly assisted financing, and other
36 forms of public assistance.

37 Sec. 4. Section 307B.4, subsections 2, 3, and
38 6, Code 1981, are amended to read as follows:

39 2. "Railway facilities" means land, structures,
40 fixtures, buildings and equipment, except rolling
41 stock, necessary or useful in providing railroad
42 transportation services, including, but not limited
43 to, roadbeds, track, trestle, depot, switching and
44 signaling equipment and all necessary, useful and
45 related equipment and appurtenances and all franchises,
46 easements and other interests in land and rights of
47 way necessary or convenient as a site or sites for
48 any of the foregoing or any part of or combination
49 of the foregoing.

50 3. "Project costs" ~~as-applied-to-railway-facilities~~

June 25, 1981

Page Three

H-4434

1 ~~financed under the provisions of this chapter means~~
2 ~~the total of all reasonable or necessary costs for~~
3 ~~or incidental to~~ the means any portion of the costs
4 of railway rehabilitation, acquisition, construction,
5 reconstruction, repair, alteration, improvement or
6 extension of any railway facilities including, but
7 not limited to, the cost of, providing, supplementing,
8 and relocating public capital facilities, studies
9 and, surveys, plans, specifications, architectural
10 and engineering services, estimates of costs, legal,
11 organizational, marketing or other special services,
12 financing, acquisition, demolition, construction,
13 equipment and site development of new and rehabilitated
14 buildings and facilities, rehabilitation,
15 reconstruction, repair or remodeling of existing
16 buildings and facilities feasibility studies, and
17 all other necessary and incidental expenses including,
18 but not limited to, an initial bond related to the
19 foregoing, and reimbursement of any moneys advanced
20 or applied by a governmental agency or other person
21 for project costs. Project costs include, in
22 connection with obligations, a principal and interest
23 reserve together with interest on bonds issued to
24 finance the railway facilities obligations to a date
25 not later than six months subsequent to the estimated
26 date of completion of the railway facilities that
27 are the object of the financial assistance.

28 6. "Bonds Obligations" means negotiable bonds,
29 notes or other obligations, except these obligations
30 to the federal government, evidence of debt, including
31 interest coupons of the foregoing, issued under this
32 chapter.

33 Sec. 5. Section 307B.4, Code 1981, is amended
34 by adding the following new subsections:

35 NEW SUBSECTION. "Financial assistance" means
36 direct loans and other loans, grants, and forms of
37 assistance authorized under this chapter.

38 NEW SUBSECTION. "Governmental action" means any
39 action by a governmental agency relating to the
40 establishment, development, or operation of railway
41 facilities that the governmental agency acting has
42 authority to take or provide for the purpose under
43 law, including, but not limited to, actions relating
44 to contracts and agreements, zoning, building, permits,
45 acquisition and disposition of property, public capital
46 improvements, utility and transportation service,
47 taxation, employee recruitment and training, and
48 liaison and coordination with and among governmental
49 agencies.

50 NEW SUBSECTION. "Governmental agency" means the

1 state or any state department, division, commission,
2 institution, or authority; a municipal corporation,
3 county, or township, or any agency thereof; any other
4 political subdivision or public corporation; the
5 United States or any agency thereof; any agency,
6 commission, or authority established pursuant to an
7 interstate compact or agreement; or any combination
8 of the foregoing.

9 NEW SUBSECTION. "Person" means an individual,
10 firm, partnership, association, corporation, or
11 governmental agency, or any combination thereof.

12 NEW SUBSECTION. "Public capital improvements"
13 means capital improvements or facilities including,
14 but not limited to, railroad facilities and related
15 ancillary facilities, that a governmental agency has
16 authority to acquire, pay the costs of, own, maintain,
17 or operate, or to do the foregoing by contract with
18 other persons.

19 NEW SUBSECTION. "Bond proceedings" means the
20 resolution, order, trust agreement, indenture, lease,
21 and other agreements, and amendments, and supplements
22 to the foregoing authorizing or providing for the
23 terms and conditions applicable to or the provisions
24 contained within, or providing for the security of,
25 obligations issued pursuant to this chapter.

26 NEW SUBSECTION. "Bond service charges" means
27 principal, including mandatory sinking fund
28 requirements for retirement of obligations, interest,
29 and redemption premium, if any, required to be paid
30 by the authority on obligations.

31 NEW SUBSECTION. "Pledged receipts" means the
32 revenues and receipts received or to be received by
33 the authority from the lease, operation, or sale or
34 disposition of railway facilities; from loan or other
35 agreements relating to financial assistance; from
36 grants, gifts, or payments on guarantees made to the
37 authority by any person; from accrued interest received
38 from the sale of obligations; from income from the
39 investment of special funds of the authority, including
40 the special railroad facility fund; from the revenues
41 and receipts deposited in the special railroad facility
42 fund; and from any other moneys which are available
43 for the payment of bond service charges.

44 NEW SUBSECTION. "Special railroad facility fund"
45 means the fund created in section 18 of this Act.

46 Sec. 6. Section 307B.5, Code 1981, is amended
47 to read as follows:

48 307B.5 IOWA RAILWAY FINANCE AUTHORITY. There
49 is created an Iowa railway finance authority for the
50 purpose of providing or providing for the financing

1 of railway facilities and enhancing and continuing
2 the operation of railway facilities as provided in
3 this chapter.

4 Sec. 7. Section 307B.7, subsections 5, 6, 7, 8,
5 10, 12, 13, 14, 15, 17, and 18, Code 1981, are amended
6 to read as follows:

7 5. Acquire railway facilities, whether located
8 within Iowa or a contiguous state, directly or through
9 an agent, by purchase, lease, lease-purchase, gift,
10 devise or otherwise. However, the authority shall
11 not, for the purpose of operating a railroad, purchase
12 or submit a bid for the acquisition of any railroad
13 facility or line for which any other railroad company
14 has submitted a written offer to purchase or is
15 negotiating for the purchase of the railroad facility
16 or line, provided the written offer by a railroad
17 company is for a segment which originates and
18 terminates at the intersection of another railroad
19 main line or a segment which connects to a main line
20 if the line is a branch line and further, if the offer
21 by the railroad company exceeds the salvage value
22 as determined by the trustee, unless upon approval
23 of a resolution by the state transportation commission
24 submitted to the authority stating the best interests
25 of the state and the transportation needs thereof
26 might not be served by such offer or negotiation,
27 the authority may submit a bid for the acquisition.

28 6. Determine the location ~~and construction~~ of
29 and select any railway facility to be financed provided
30 financial assistance under the provisions of this
31 chapter and to acquire, construct, reconstruct,
32 renovate, rehabilitate, improve, extend, replace,
33 maintain, repair and lease the same facility, and
34 to enter into contracts for any of these purposes.

35 7. Enter into contracts, including partnership
36 agreements, with any person, federal or state
37 government or subdivision of a state for the ownership,
38 operation, management or use of a railway facility.

39 8. Designate an agent to determine ~~the location~~
40 ~~and construction of a railway facility under the~~
41 ~~provisions of this chapter and as agent of the~~
42 ~~authority, to construct, reconstruct, renovate,~~
43 ~~replace, maintain, repair, and lease the same and~~
44 ~~to enter into contracts for any of these purposes~~
45 ~~including contracts for the operation, management~~
46 ~~or use of the railway facility~~ perform its powers
47 under subsections 6 and 7.

48 10. Issue bonds, notes or other obligations for
49 any of its purposes and ~~to refund the same obligations,~~
50 all as provided for in this chapter. However, the

1 ~~total outstanding~~ principal amount of bonds obligations
2 outstanding at any one time shall not exceed one two
3 hundred million dollars at any one time.

4 12. Fix and, revise and, charge, and collect
5 rates, rents, fees and charges for the use of any
6 railway facility or any portion of a facility and
7 to contract with any person,--firm ex-~~peration~~-ex
8 other-public-or-private-body in respect to a facility.

9 13. Mortgage all or any portion of its railway
10 facilities and the sites, whether then owned or
11 thereafter acquired, ~~to finance the~~ in connection
12 with the financing of the particular railway facility
13 or any portion of the facility.

14 14. Extend ~~loans~~ financial assistance for the
15 purpose of ~~financing~~ providing for project costs of
16 a-railway-facility. ~~Make interest-free loans for~~
17 rehabilitation of railway tracks, roadbeds, or trestles
18 to persons which have repaid in part the original
19 loan from the authority which was made for the purpose
20 of the acquisition or rehabilitation of railway tracks,
21 roadbeds, or trestles. However, an interest-free
22 loan to a person shall not exceed the amount repaid
23 of the original loan made to that person and one-half
24 of the amount of the interest-free loan repaid to
25 the authority shall be credited to the railroad
26 assistance fund established in section 327H.18.

27 15. Extend ~~loans~~ financial assistance to refund
28 bonds, retire, or refinance obligations, including
29 obligations running to the federal government,
30 mortgages or advances issued, made or given for the
31 project cost of a railway facility ~~including the~~
32 issuing-of-bonds-and-making-loans-to-refinance
33 indebtedness which costs were incurred for railway
34 facilities undertaken and completed prior to or after
35 May 20, 1980 when the governing board finds that this
36 ~~financing~~ financial assistance is in the public
37 interest.

38 17. Receive and accept from any ~~public~~ person
39 or governmental agency loans, guarantees, or grants
40 for or in aid of project costs and to receive and
41 accept grants, gifts and other contributions from
42 any source.

43 18. Own a railway facility under this chapter
44 alone, in partnership, or in any other association
45 with any person if necessary or beneficial to preserve
46 part of a railway system, upon the determination,
47 after consultation with the department, that the
48 railway facility is necessary or beneficial to the
49 railway system, and ~~then shall~~ to be relinquished
50 to private nonauthority ownership or operation as

1 soon as economically practicable.

2 Sec. 8. Section 307B.7, Code 1981, is amended
3 by adding the following new subsections:

4 NEW SUBSECTION. Pledge any funds contained in
5 the special railroad facility fund to the payment
6 of and as security for obligations issued under this
7 chapter.

8 NEW SUBSECTION. Invest moneys in the special
9 railroad facility fund in general or limited
10 partnership interests in a partnership formed to
11 purchase, renovate, and operate a railway facility.

12 NEW SUBSECTION. Serve as a general or limited
13 partner in a partnership formed to purchase, renovate,
14 and operate a railway facility.

15 NEW SUBSECTION. Enter into agreements with persons
16 to develop, equip, furnish, or otherwise develop and
17 operate railway facilities, and make provision in
18 the agreements for railway facilities and governmental
19 actions, as authorized by this chapter and other laws.

20 NEW SUBSECTION. Enter into appropriate arrangements
21 and agreements with a governmental agency for the
22 taking or the providing by that governmental agency
23 of a governmental action.

24 Sec. 9. Section 307B.8, subsections 4, 5, and
25 6, Code 1981, are amended by striking the subsections.

26 Sec. 10. Section 307B.9, Code 1981, is amended
27 by striking the section and inserting in lieu thereof
28 the following:

29 307B.9 OBLIGATIONS. Except as provided in this
30 chapter, all obligations are payable solely out of
31 the pledged receipts as designated in the bond
32 proceedings. Tax funds which the authority receives
33 from the state or a political subdivision of the state
34 shall not be pledged for payment of the obligations,
35 except for those funds deposited in the special
36 railroad facility fund. Obligations shall be
37 authorized by resolution of the board and bond
38 proceedings shall provide for the purpose of the
39 obligations, the principal amount, the principal
40 maturity or maturities, not exceeding twenty-five
41 years from the date of issuance, the interest rate
42 or rates or the maximum interest rate, the date of
43 the obligations and the dates of payment of interest
44 on them, their denomination, and the establishment
45 within or without the state of a place or places of
46 payment of bond service charges. The purpose of the
47 obligations may be stated in the bond proceedings
48 in terms describing the general purpose or purposes
49 to be served. The bond proceedings shall also provide,
50 subject to other applicable bond proceedings, for

1 the pledge of all or such part, as the authority may
2 determine, of the pledged receipts to the payment
3 of bond service charges, which pledges may be made
4 either prior or subordinate to other expenses, claims,
5 or payments, and may be made to secure the obligations
6 on a parity with obligations issued at other times,
7 if and to the extent provided in the bond proceedings.
8 The pledged receipts so pledged and received by the
9 authority are immediately subject to the lien of the
10 pledge without physical delivery or further act, and
11 the pledge of the pledged receipts is effective and
12 these moneys may be applied to the purposes for which
13 pledged without necessity for an act of appropriation.
14 Every pledge and every covenant and agreement with
15 respect to a pledge made in the bond proceedings may
16 be extended to the benefit of the owners and holders
17 of obligations authorized by this chapter, and to
18 any trustee for owners and holders, for the further
19 security of the payment of the bond service charges.
20 The authority may issue a prospectus or official
21 statement in connection with the offering of
22 obligations. Obligations may be issued in coupon
23 or in registered form, or both. Provision may be
24 made for the registration of obligations with coupons
25 attached as to principal alone or as to both principal
26 and interest, their exchange for obligations so
27 registered, and for the conversion or reconversion
28 into obligations with coupons attached of any
29 obligations registered as to both principal and
30 interest, and for reasonable charges for registration,
31 exchange, conversion, and reconversion. Obligations
32 may be sold at public or private sale at the price,
33 in the manner, and at the time determined by the
34 governing board. Chapter 75 and sections 23.12 through
35 23.16 do not apply to obligations issued under this
36 chapter. All obligations are negotiable instruments.
37 The bond proceedings may contain additional
38 provisions as to:
39 1. The redemption of obligations prior to maturity
40 at the option of the authority at the price and under
41 the terms and conditions provided in the bond
42 proceedings.
43 2. Other terms of the obligation.
44 3. Limitations on the issuance of additional
45 obligations.
46 4. The terms of any trust agreement or indenture
47 securing the obligations or under which the obligations
48 may be issued.
49 5. The deposit, investment, and application of
50 special funds and the safeguarding of moneys on hand

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1 or on deposit, without regard to chapter 453, subject
2 to this chapter, with respect to particular funds
3 or moneys; provided that any bank or trust company
4 which acts as depository of any moneys in the special
5 funds may furnish indemnifying bonds or may pledge
6 the securities as required by the authority.

7 6. The provisions of the bond proceedings which
8 are binding upon the officer, board, commission,
9 authority, agency, department, or other person or
10 body which has the authority under law to take actions
11 as necessary to perform all or any part of the duty
12 required by a provision.

13 7. Any provision which may be made in a trust
14 agreement or indenture.

15 8. Additional agreements with the holders of the
16 obligations, or the trustee for the holders, relating
17 to the obligations or the security for the obligations.

18 Before the authority can incur an obligation for
19 the acquisition or purchase of railway facilities
20 under this chapter, the proceeds of which are to be
21 contributed, loaned, or otherwise provided to a
22 partnership of which the authority is a partner, the
23 other partners of the partnership must pledge to the
24 partnership in the aggregate an amount equal to twenty
25 percent of the amount of the obligations to be incurred
26 for the acquisition or purchase.

27 Sec. 11. Section 307B.10, Code 1981, is amended
28 by striking the section and inserting in lieu thereof
29 the following:

30 307B.10 REFUNDING OF OBLIGATIONS. The board may
31 authorize and issue obligations for the refunding,
32 including funding and retirement, and advance refunding
33 with or without payment or redemption prior to
34 maturity, of any obligations previously issued by
35 the authority. These obligations may be issued in
36 amounts sufficient for payment of the principal amount
37 of the prior obligations, any redemption premiums
38 on the prior obligations, principal maturities of
39 any obligations maturing prior to the redemption of
40 the remaining obligations on a parity with them,
41 interest accrued or to accrue to the maturity date
42 or dates of redemption of the obligations, and any
43 project costs including expenses incurred or to be
44 incurred in connection with this issuance, refunding,
45 funding, and retirement. Subject to the bond
46 proceedings, the portion of proceeds of the sale of
47 obligations issued under this section to be applied
48 to bond service charges on the prior obligations shall
49 be credited to the appropriate account for those prior
50 obligations. Obligations authorized under this section

1 shall be deemed to be issued for those purposes for
2 which the prior obligations were issued and are subject
3 to the provisions of this chapter pertaining to other
4 obligations. Obligations refunded shall not be
5 considered to be outstanding for purposes of section
6 307B.7, subsection 10.

7 Refunding may be made without regard to whether
8 or not the obligations to be refunded were issued
9 in connection with the same railway facilities,
10 separate railway facilities or for other purposes,
11 and without regard to whether or not the obligations
12 proposed to be refunded shall be payable on the same
13 date or different dates or due serially or otherwise.

14 Sec. 12. Section 307B.11, Code 1981, is amended
15 by striking the section and inserting in lieu thereof
16 the following:

17 307B.11 SECURITY FOR OBLIGATIONS. Obligations
18 may be additionally secured by a trust agreement or
19 indenture between the authority and a corporate trustee
20 which may be any trust company or bank having its
21 principal place of business within the state. Any
22 such agreement, indenture, mortgage, or deed of trust,
23 or any combination thereof, may contain the resolution
24 authorizing the issuance of the obligations, any
25 provisions that may be contained in any bond
26 proceedings, and other provisions which are customary
27 or appropriate in an agreement or indenture of such
28 type, including, but not limited to:

29 1. Maintenance of each pledge, trust agreement,
30 indenture, or other instrument comprising part of
31 the bond proceedings until the authority has fully
32 paid the bond service charges on the obligations
33 secured by the instrument, or provision for payment
34 has been made.

35 2. In the event of default in any payments required
36 to be made by the bond proceedings or any other
37 agreement of the authority made as a part of the
38 contract under which the obligations were issued,
39 enforcement of the payments or agreement by mandamus,
40 appointment of a receiver, suit in equity, action
41 at law, or any combination of these.

42 3. The rights and remedies of the holders of
43 obligations and of the trustee and provisions for
44 protecting and enforcing them, including limitations
45 on rights of individual holders of obligations.

46 4. The replacement of any obligations which become
47 mutilated or are destroyed, lost, or stolen.

48 The principal of and interest on obligations shall
49 be secured as provided in the bond proceedings by
50 the pledge of pledged receipts and by assignment of

1 leases or other contract rights of the authority,
2 or any person acquiring, leasing, or operating railway
3 facilities assisted under this chapter to third
4 parties, which assignment may cover all or any part
5 of the railway facilities from which the receipts
6 may be derived, including, but not limited to, any
7 enlargements of or additions to any of these railway
8 facilities.

9 Each pledge shall continue in effect until the
10 principal of and interest on the obligations has been
11 fully paid or provision for the payment has been duly
12 made pursuant to the bond proceedings.

13 Sec. 13. Section 307B.12, Code 1981, is amended
14 to read as follows:

15 307B.12 PAYMENT OF BONDS OBLIGATIONS--NONLIABILITY
16 OF STATE. Bonds Obligations issued under the
17 provisions of this chapter, and judgments based on
18 contract or tort arising from the activities of the
19 authority or persons acting on its behalf, shall are
20 not constitute a debt or liability of the state or
21 of any political subdivision within the meaning of
22 any constitutional or statutory debt limitation and
23 ne are not a pledge of the state's credit or taxing
24 power within the meaning of any constitutional or
25 statutory limitation or provision and a holder of
26 obligations does not have a right to have an
27 appropriation shall-be made, directly or indirectly,
28 by the state or any political subdivision of the state
29 for the payment of the bonds obligations or judgments,
30 or for the indemnification of a person subject to
31 a judgment arising from that person's actions on the
32 authority's behalf,--but. These obligations and
33 judgments are special obligations of the authority
34 payable solely and only from the sources and special
35 funds provided in this chapter. It is the intent
36 of the general assembly that funds from the general
37 fund of the state shall not be used to pay interest
38 or principal on obligations of the authority in the
39 event that receipts from the taxes designated for
40 deposit in the special railroad facility fund are
41 insufficient and the general assembly shall increase
42 the tax rates of those taxes the revenues of which
43 are credited to the special railroad facility fund.

44 Sec. 14. Section 307B.13, Code 1981, is amended
45 by striking the section and inserting in lieu thereof
46 the following:

47 307B.13 REMEDIES OF HOLDERS OF OBLIGATIONS.

48 1. The bond proceedings may provide that a holder
49 of obligations or a trustee under the bond proceedings,
50 except to the extent that the holder's rights are

1 restricted by the bond proceedings, may by legal
2 proceedings, protect and enforce any rights under
3 the laws of this state or granted by the bond
4 proceedings. These rights include the right to compel
5 the performance of all duties of the authority required
6 by this chapter or the bond proceedings; to enjoin
7 unlawful activities; and in the event of default with
8 respect to the payment of any bond service charges
9 on any obligations or in the performance of any
10 covenant or agreement on the part of the authority
11 in the bond proceedings, to apply to a court to appoint
12 a receiver to receive and administer the pledged
13 receipts which are pledged to the payment of the bond
14 service charges on these obligations or which are
15 the subject of the covenant or agreement, with full
16 power to pay and to provide for payment of bond service
17 charges on these obligations and with powers accorded
18 receivers in general equity cases, excluding any power
19 to pledge additional revenues or receipts or other
20 income or moneys of the authority or the state or
21 governmental agencies of the state to the payment
22 of the bond service charges; and if provided in the
23 bond proceedings, the power to take possession of,
24 mortgage, or cause the sale or otherwise dispose of
25 any railway facilities.

26 Each duty of the authority and the authority's
27 board, officers, and employees, and of each
28 governmental agency and its officers, members, or
29 employees, undertaken pursuant to the bond proceedings
30 or any agreement or lease, lease-purchase agreement,
31 or loan made under authority of this chapter, and
32 in every agreement by or with the authority, is a
33 duty of the authority, and of each board, officer,
34 member, or employee having authority to perform this
35 duty, which may be specifically enjoined by the law
36 resulting from an office, trust, or station under
37 chapter 661.

38 2. If the bond proceedings do not contain
39 provisions authorized in subsection 1, if the authority
40 defaults in the payment of principal or interest on
41 obligations as they become due, whether at maturity
42 or upon call for redemption, and the default continues
43 for a period of thirty days, or if the authority fails
44 or refuses to comply with this chapter or defaults
45 in any covenant or agreement in the bond proceedings
46 made for the benefit of the holders of obligations,
47 the holders of twenty-five percent in aggregate
48 principal amount of obligations of the issue then
49 outstanding by instrument filed in the office of the
50 clerk of the county in which the principal office

1 of the authority is located and proved or acknowledged
2 in the same manner as a deed to be recorded may appoint
3 a trustee to represent the holders of the obligations
4 for the purposes provided in this section.

5 The trustee selected may, and upon written request
6 of the holders of twenty-five percent in aggregate
7 principal amount of the issue of obligations then
8 outstanding, shall:

9 a. Enforce all rights of the holders of the
10 obligations including the right to require the
11 authority to carry out its agreements with the holders
12 and to perform its duties under this chapter.

13 b. Bring suit upon the obligations.

14 c. By action require the authority to account
15 as if it were the trustee of an express trust for
16 the holders.

17 d. By action enjoin any acts or things which are
18 unlawful or in violation of the rights of the holders.

19 e. Declare all the obligations due and payable
20 and, if all defaults are made good then with the
21 consent of the holders of twenty-five percent of the
22 aggregate principal amount of the issue of obligations
23 then outstanding, annul the declaration and its
24 consequences. Before declaring the principal of
25 obligations due and payable, the trustee shall first
26 give thirty days notice in writing to the governor,
27 to the authority, and to the attorney general of the
28 state.

29 The trustee selected shall also have all powers
30 necessary or appropriate for the exercise of functions
31 specifically set forth or incident to the general
32 representation of holders in the enforcement and
33 protection of their rights.

34 3. The district court has jurisdiction of any
35 action by the trustee on behalf of holders. The venue
36 of the action shall be in the county in which the
37 principal office of the authority is located.

38 Sec. 15. Section 307B.14, Code 1981, is amended
39 to read as follows:

40 307B.14 AUTHORITY AS PUBLIC INSTRUMENTALITY.

41 The authority is performing a public function on
42 behalf of the state and is a public instrumentality
43 of the state. Income of the authority and all
44 properties owned by or leased by to the authority
45 shall be are exempt from all taxation in the state
46 of Iowa. This chapter shall does not be-construed
47 as-exempting exempt from taxation properties comprising
48 railway facilities financed financially assisted under
49 any-of-the-provisions of this chapter which are owned
50 by persons or-entities other than the authority except

1 those leased by to the authority.

2 Sec. 16. Section 307B.15, Code 1981, is amended
3 to read as follows:

4 307B.15 POWERS NOT RESTRICTED--LAW COMPLETE IN
5 ITSELF. This chapter shall is not be construed as
6 a restriction or limitation upon any powers which
7 the authority ~~might otherwise have~~ or another
8 governmental agency has under any laws of this state,
9 ~~but shall be construed as is~~ cumulative of to any
10 such powers. No proceedings, referendum, notice or
11 approval shall ~~be~~ is required for the creation of
12 the authority or the issuance of any bonds obligations
13 or any instrument as security except as herein
14 provided, ~~any other law to the contrary~~
15 ~~notwithstanding, provided, that in this chapter.~~
16 However, nothing herein shall ~~be construed to deprive~~
17 in this chapter deprives the state and its governmental
18 political subdivisions of their respective police
19 powers over properties of the authority or to impair
20 impairs any power thereover over the authority of
21 any official or agency of the state and its
22 governmental political subdivisions which may be is
23 otherwise provided by law.

24 Sec. 17. Chapter 307B, Code 1981, is amended by
25 adding the following new sections:

26 NEW SECTION. GOVERNMENTAL AGENCIES. A governmental
27 agency may enter into an agreement with the authority,
28 another governmental agency, or a person to be assisted
29 under this chapter to take or provide for the purposes
30 of this chapter any governmental action it is
31 authorized to take or provide and to undertake on
32 behalf and at the request of the authority any action
33 which the authority is authorized to undertake.
34 Governmental agencies of the state shall cooperate
35 with and provide assistance to the director and the
36 authority in the exercise of their functions under
37 this chapter.

38 NEW SECTION. BOND ANTICIPATION NOTES. The power
39 to issue obligations under this chapter includes power
40 to issue obligations in the form of bond anticipation
41 notes and to renew these notes by the issuance of
42 new notes, but the maximum maturity of these notes,
43 including renewals, unless otherwise authorized by
44 the general assembly, shall not exceed five years
45 from the date of the issuance of the original notes.
46 The holders of these notes or interest coupons of
47 the notes have a right to be paid solely from the
48 pledged receipts pledged to the payment of the bonds
49 anticipated, or from the proceeds of those bonds or
50 renewal notes, or both, as the authority provides

1 in the bond proceedings authorizing the notes. The
2 notes may be additionally secured by covenants of
3 the authority to the effect that the authority will
4 do those acts necessary for the issuance of the bonds
5 or renewal notes in appropriate amount, and either
6 exchange the bonds or renewal notes therefor, or apply
7 the proceeds of the notes to the extent necessary,
8 to make full payment of the principal of and interest
9 on the notes at the time contemplated, as provided
10 in the bond proceedings. For such purpose, the
11 authority may issue bonds or renewal notes in a
12 principal amount and upon terms as necessary to provide
13 funds to pay when required the principal of and
14 interest on the outstanding notes, notwithstanding
15 any limitations prescribed by this chapter. All
16 provisions for and references to obligations in this
17 chapter are applicable to notes authorized under this
18 section to the extent not inconsistent with this
19 section.

20 NEW SECTION. INVESTMENT IN OBLIGATIONS. All
21 banks, trust companies, building and loan associations,
22 savings and loan associations, investment companies
23 and other persons carrying on a banking or investment
24 business, all insurance companies, insurance
25 associations, and other persons carrying on an in-
26 surance business and all executors, administrators,
27 guardians, trustees, and other fiduciaries may legally
28 invest any sinking funds, moneys, or other funds
29 belonging to them or within their control in
30 obligations issued pursuant to this chapter. However,
31 this section does not relieve any persons from a duty
32 of exercising reasonable care in selecting securities
33 for purchase or investment.

34 NEW SECTION. NOTICE. The authority shall publish
35 a notice of its intention to issue obligations in
36 a newspaper published in and with general circulation
37 in the state. The notice shall include a statement
38 of the maximum amount of obligations proposed to be
39 issued, and in general terms, what receipts will be
40 pledged to pay bond service charges on the obligations.
41 An action which questions the legality or validity
42 of obligations or the power of the authority to issue
43 the obligations or the effectiveness or validity of
44 any proceedings adopted for the authorization or
45 issuance of the obligations shall not be brought after
46 sixty days from the date of publication of the notice.

47 Sec. 18. Chapter 307B, Code 1981, is amended by
48 adding the following new section:

49 NEW SECTION. SPECIAL RAILROAD FACILITY FUND.
50 There is created in the office of the state treasurer

1 a "special railroad facility fund". This fund shall
2 include moneys credited to this fund under section
3 307.29, section 19 of this Act, section 28 of this
4 Act, and other funds which by law may be credited
5 to the special railroad facility fund. The moneys
6 in the special railroad facility fund are hereby
7 appropriated to and for the purposes of the authority
8 as provided in this chapter. The funds in the special
9 railroad facility fund shall not be considered as
10 a part of the general fund of the state, shall not
11 be subject to appropriation for any other purpose
12 by the general assembly, and in determining a general
13 fund balance shall not be included in the general
14 fund of the state but shall remain in the special
15 railroad facility fund to be used for the purposes
16 set forth herein. The state treasurer shall act as
17 custodian of the fund and disburse amounts contained
18 in it as directed by the authority. This fund shall
19 be administered by the authority and may be used to
20 purchase or upgrade railroad right of way and trackage
21 facilities or to purchase general or limited
22 partnership interests in a partnership formed to
23 purchase, upgrade, or operate railroad right of way
24 and trackage facilities, to pay or secure obligations
25 issued by the authority, to pay obligations, judgments,
26 or debts for which the authority becomes liable in
27 its capacity as a general partner, or for any other
28 use authorized under this chapter.

29 Sec. 19. Chapter 435, Code 1981, is amended by
30 adding the following new section:

31 NEW SECTION. For the fiscal years beginning on
32 or after July 1, 1983, the net proceeds of the tax
33 imposed by section 435.2 and penalties collected under
34 this chapter shall be credited to the special railroad
35 facility fund established in section 18 of this Act
36 and any refunds made pursuant to this chapter shall
37 be made from this fund. However, for each fiscal
38 year of the fiscal biennium beginning July 1, 1981
39 and ending June 30, 1983, the total of the net proceeds
40 of the tax imposed by section 435.2 and penalties
41 collected under this chapter in excess of one million
42 fifty thousand dollars collected in the fiscal year
43 beginning July 1, 1981 and in excess of one million
44 one hundred forty thousand dollars collected in the
45 fiscal year beginning July 1, 1982 shall be credited
46 to the special railroad facility fund.

47 Sec. 20. Sections 21 through 28 of this Act shall
48 be codified as a separate chapter.

49 Sec. 21. NEW SECTION. PURPOSE. The purpose of
50 this chapter is to impose an excise tax upon the use

1 within this state of fuel to power railway vehicles.

2 Sec. 22. NEW SECTION. DEFINITIONS. As used in
3 this chapter, unless the context otherwise requires:

4 1. "Fuel" means a combustible gas or liquid
5 suitable for the generation of power for the propulsion
6 of railway vehicles, except that it does not include
7 motor fuel as defined in section 324.2.

8 2. "Department" means the department of revenue.

9 3. "Railway vehicle" means a vehicle designed
10 and used primarily upon railways for self propulsion
11 or for propelling conveyances.

12 4. "Railroad company" means a person responsible
13 for the operation of a railway vehicle within this
14 state.

15 Sec. 23. NEW SECTION. TAX IMPOSED. For the
16 privilege of operating railway vehicles in this state,
17 an excise tax is imposed at the rate of three cents
18 per gallon beginning October 1, 1981 and is imposed
19 at the rate of eight cents per gallon beginning July
20 1, 1982 upon the use of fuel for the propulsion of
21 a railway vehicle within the state. The tax attaches
22 at the time of use and shall be paid monthly to the
23 department by the railroad company using the fuel.

24 Fuel dispensed in this state shall only be through
25 meters which have been approved for accuracy by the
26 department of agriculture and sealed by the department.
27 Fuel dispensed through sealed meters shall be presumed
28 taxable unless the railroad company proves otherwise.

29 Sec. 24. NEW SECTION. RAILROAD COMPANY LICENSE.

30 A railroad company responsible for paying the tax
31 imposed by this chapter shall obtain a license from
32 the department. To obtain a license a railroad company
33 shall file an application with the department which
34 shall include the following information:

35 1. The name of the railroad company.

36 2. The location of its principal office within
37 the state, if any.

38 3. A list of each location where fuel will be
39 dispensed on a regular basis.

40 4. Other information the director of revenue
41 requires.

42 Sec. 25. NEW SECTION. RAILROAD COMPANY REPORTS,
43 TAX COMPUTATION AND TAX PAYMENT. For the purpose
44 of determining a railroad company's tax liability,
45 each railroad company required to obtain a license
46 under this chapter shall file with the department
47 a monthly report. The report shall be filed by the
48 end of the month following the month of use. The
49 report shall include the following information:

50 1. The total gallons of fuel dispensed in Iowa.

1 2. The total gallons of fuel dispensed in Iowa
2 and placed in railway vehicles used solely within
3 the state during the reporting period.

4 3. The total gallons of fuel dispensed in Iowa
5 for nontaxable purposes.

6 4. The total gallons of fuel dispensed in Iowa
7 and placed in railway vehicles used within and without
8 the state.

9 5. The total gallons of fuel dispensed outside
10 Iowa and placed into railway vehicles traveling within
11 and without the state.

12 6. Other information the director of revenue
13 requires.

14 The report shall be accompanied by a payment equal
15 to the tax due. The taxable gallons of fuel shall
16 be computed by adding the number of gallons of fuel
17 dispensed in Iowa and placed into railway vehicles
18 traveling solely within the state during the reporting
19 period and the result of multiplying the total gallons
20 of fuel used in railway vehicles traveling within
21 and without Iowa by a fraction the numerator of which
22 is miles traveled in Iowa by railway vehicles traveling
23 within and without Iowa, and the denominator of which
24 is the total miles traveled by the same railway
25 vehicles. The tax shall be computed by multiplying
26 the taxable gallons times the per gallon tax rate.

27 Sec. 26. NEW SECTION. RECORDS RETAINED. Records
28 reasonably required by the department shall be retained
29 by the railroad company for three years.

30 Sec. 27. NEW SECTION. STATUTES APPLICABLE. The
31 department shall administer the taxes imposed by this
32 chapter in the same manner as and subject to division
33 IV of chapter 324.

34 Sec. 28. NEW SECTION. DEPOSIT OF REVENUES. The
35 net proceeds of the excise tax imposed on the use
36 of fuel in railway vehicles and any penalties collected
37 under this chapter shall be credited to the special
38 railroad facility fund established in section 18 of
39 this Act.

40 Sec. 29. Section 1 of this Act takes effect July
41 1, 1982 for delinquent property taxes collected on
42 or after the effective date.

43 Sec. 30. This Act, except for section 1, being
44 deemed of immediate importance, takes effect from
45 and after its publication in the Muscatine Journal,
46 a newspaper published in Muscatine, Iowa, and in The
47 Red Oak Express, a newspaper published in Red Oak,
48 Iowa."

H-4434 FILED
June 24, 1981

BY HARBOR of Mills

*Lost 6/25/81 (p. 48)
Returned to recorder (8p. 48-49)
Recommenced 6/26 (p. 52) Amended by 4425, 4436, 4438A, 4440, 4441
4444, 4447, 4449, 4454, 4456, 4459
Recommenced 6/26 (p. 34)*

FISCAL NOTE
Amendment H-4434 to House File 874
By Representative Harbor
June 25, 1981

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment H-4434 to House File 874 pursuant to Joint Rule 16.

Amendment H-4434 to House File 874

This amendment expands the statutes concerning the Iowa Railway Finance Authority (IRFA) to allow IRFA to become a general partner with other investors in a limited partnership to purchase and rehabilitate railways. IRFA would not be allowed to bid against an operating railway unless the DOT Commission resolves that it is in the best interest of the state to bid, or the railway company's written offer is less than salvage value.

The amended bill would allow IRFA to provide financing for purchase and rehabilitation of a railway facility and line through bonding above contributions by other general and limited partners for an individual project. The other partners are required to pledge at least 20% of the total obligation before IRFA can enter into the partnership. The bonding capacity of IRFA is expanded from \$100,000,000 to \$200,000,000 of outstanding obligations. IRFA is allowed to provide interest free loans for rehabilitation to participants who have partially or fully repaid original loans. The interest free loan cannot exceed the amount of repayment of the original loan. One-half of the repayment of the interest free loans is to be deposited in the railroad assistance fund.

The bonded obligations of IRFA will be repaid through monies collected under a tax imposed on diesel fuel consumed by railroads while operating in Iowa and monies collected under the existing boxcar mileage tax and delinquent property taxes owed by railroads. The monies collected are to be deposited in the new special railroad facilities fund to be administered by the State Treasurer.

The specific estimates of expected revenues to the special fund are:

- 1) The tax on diesel fuel consumed by railroads when operating in Iowa of 3¢ per gallon beginning October 1, 1981 and of 8¢ per gallon beginning July 1, 1982 is estimated to provide \$2.3 million in fiscal 1982 and \$8.0 million in fiscal 1983 and thereafter.
- 2) The boxcar mileage tax of 1½¢ per car, per mile on freight cars not owned by rail carriers is expected to provide \$750,000 in fiscal 1982, \$660,000 in fiscal 1983, and \$1.8 million in fiscal 1984 and thereafter. In fiscal 1982 and fiscal 1983 respectively, the first \$1.05 million and \$1.14 million in boxcar tax revenues are deposited in the General Fund. Beginning in fiscal 1984, all boxcar tax receipts are deposited in the special railroad facilities fund.
- 3) The delinquent property taxes owed by railroads are expected to provide \$4.5 million in fiscal 1982. The state may receive property title in lieu of taxes owed.

Total estimated revenues to the special railroad facilities fund are \$7.6 million in fiscal 1982, \$8.7 million in fiscal 1983, and \$9.8 million each fiscal year thereafter.

HOUSE FILE 874

H-4441

1 Amend amendment H-4434 to House File 874 as follows:
2 1. Page 5, line 38, by inserting after the word
3 "facility." the words "Provisions shall be made in
4 any contract or partnership agreement entered into
5 by the authority that any additional jobs which may
6 result from the ownership, operation, management,
7 or use of a railway facility shall be offered, when
4455 8 practicable, to former employees of the Milwaukee
9 Road or Rock Island railroad companies."

BY PAVICH of Pottawattamie
CONNORS of Polk
GETTINGS of Wapello
WOODS of Polk
BYERLY of Polk

H-4441 FILED JUNE 25, 1981

ADOPTED *as amended by 4455 (p. 27)*

HOUSE FILE 874

H-4442

1 Amend amendment H-4434 to House File 874 as follows:
2 1. Page 16, by inserting after line 28 the
3 following:
4 "Notwithstanding any other provision of this
5 section, all moneys credited to the special rail-
6 road facility fund under section 28 of this Act shall
7 be refunded to the railroad companies from which the
8 moneys were received if the courts rule invalid or
9 illegal under the laws or constitution of the United
10 States or of this state the tax imposed under sections
11 21 through 28 of this Act or if the courts rule invalid
12 or illegal under the laws or constitution of this
13 state the issuance of bonds or bond anticipation notes
14 by the Iowa railway finance authority under chapter
15 307B."

H-4442 FILED JUNE 25, 1981

LOST (p. 23)

BY PAVICH of Pottawattamie

HOUSE FILE 874

H-4444

1 Amend amendment H-4434 to House File 874 as
2 follows:
3 1. Page 14, line 33, by striking the word "is"
4 and inserting in lieu thereof the following: "and
5 the agency are".
6 2. Page 15, line 15, by inserting after the
7 word "chapter" the following: ", other than the
8 limitation contained in section 307B.7, subsection
9 10".

H-4444 FILED JUNE 25, 1981

ADOPTED (p. 28)

BY CONLON of Muscatine

4435

- 1 Amend amendment H-4434 to House File 874 as
 2 follows:
 3 1. Page 11, by striking lines 35 and 36, and
 4 by inserting in lieu thereof the words "funds provided
 5 in this chapter. Funds from the general".
 6 2. Page 11, by striking lines 41 through 43,
 7 and by inserting in lieu thereof the word "insuffic-
 8 ient.".

H-4435 FILED JUNE 24, 1981 BY CONLON of Muscatine
Adopted 6/25 (p. 28)

HOUSE FILE 874

H-4436

- 1 Amend amendment H-4434 to House File 874 as
 2 follows:
 3 1. Page 4, line 2, by inserting after the word
 4 "corporation," the word "city,".

H-4436 FILED JUNE 24, 1981 BY HARBOR of Mills
Adopted 6/25 (p. 27)

HOUSE FILE 874

H-4438

- 1 Amend amendment H-4434 to House File 874 as
 2 follows:
 3 1. Page 15, line 4, by inserting after the
 4 word "acts" the words "authorized by this chapter
 5 and".
 6 2. Page 15, line 12, by inserting after the
 7 word "as" the words "are authorized by this chapter
 8 and are".
 9 3. Page 15, by striking lines 14 and 15, and
 10 by inserting in lieu thereof the words "interest on
 11 the outstanding notes. All".
 12 4. Page 15, line 37, by striking the word "incude"
 13 and inserting in lieu thereof the word "include".

H-4438 FILED JUNE 25, 1981
 A-ADOPTED (p. 29) B-WITHDRAWN (p. 29) BY CONLON of Muscatine

HOUSE FILE 874

H-4440

- 1 Amend amendment H-4434 to House File 874 as
 2 follows:
 3 1. Page 18, by inserting after line 39 the
 4 following:
 5 "Sec. ____ . Sections 21 through 28 of this Act
 6 are repealed July 1, 2008."
 7 2. By renumbering as necessary.

H-4440 FILED JUNE 25, 1981
 ADOPTED (p. 46) BY CONLON of Muscatine

HOUSE FILE 874

H-4447

1 Amend amendment H-4434 to House File 874 as follows:
2 1. Page 18, by inserting after line 39 the
3 following:
4 "Sec. _____. The Iowa railway finance authority
5 in conjunction with the Iowa department of
6 transportation shall conduct a study on the feasibility
7 of providing rail passenger service along any portion
8 of the trackage of the Rock Island railroad company.
9 The report of the study shall be submitted to the
0 Sixty-ninth General Assembly, 1982 Session, not later
1 than January 11, 1982."

H-4447 FILED
JUNE 25, 1981
ADOPTED (p. 44)

BY PAVICH of Pottawattamie
BYERLY of Polk
WOODS of Polk

HOUSE FILE 874

H-4446

1 Amend amendment H-4434 to House File 874 as follows:
2 1. Page 18, line 34, by striking the word "The"
3 and inserting in lieu thereof the words "Fifty percent
4 of the".
5 2. Page 18, line 36, by inserting after the word
6 "and" the words "fifty percent of".
7 3. Page 18, line 39, by inserting after the word
8 "Act." the words "The remaining fifty percent of the
9 net proceeds of the tax and penalties collected under
10 this chapter shall be refunded to those railroad
11 companies from which the tax and penalties were
12 collected for the use of those railroad companies
13 for maintaining and repairing of their rail lines
14 located in this state."

H-4446 FILED
JUNE 25, 1981
LOST (p. 45)

BY PAVICH of Pottawattamie
LONERGAN of Boone
GETTINGS of Wapello

HOUSE FILE 874

H-4448

1 Amend the Harbor amendment, H-4434, to House File
2 874 as follows:
3 1. Page 3, lines 5 and 6, by striking the words
4 "improvement or extension" and inserting in lieu
5 thereof the words "or improvement or-extension".

H-4448 FILED JUNE 25, 1981
LOST (p. 37)

BY MILLER of Buchanan

H-4443

1 Amend Amendment H-4434 to House File 874 as
2 follows:

3 1. Page 16, line 3, by inserting after the
4 number "307.29," the words and numbers "section
5 422.43, section 423.2,".

6 2. Page 16, line 3, by striking the words
7 "section 28 of this".

8 3. Page 16, line 4, by striking the word
9 "Act,".

10 4. Page 16, by inserting after line 28 the
11 following:

12 "Sec. ____ . Section 422.43, Code 1981, is amended
13 by adding the following new unnumbered paragraph:

14 NEW UNNUMBERED PARAGRAPH. In addition to the tax
15 at the rate of three percent imposed under this
16 section, there is imposed an additional tax at the
17 rate of one-tenth of one percent to be added to the
18 existing tax rate. Notwithstanding any other provision
19 of this section, all revenues arising from the
20 imposition of the additional one-tenth of one percent
21 tax shall be credited to the special railroad facility
22 fund established in section 18 of this Act.

23 Sec. ____ . Section 423.2, Code 1981, is amended by
24 adding the following new unnumbered paragraph:

25 NEW UNNUMBERED PARAGRAPH. In addition to the tax
26 at the rate of three percent imposed under this section,
27 there is imposed an additional tax at the rate of one-
28 tenth of one percent to be added to the existing tax rate.
29 Notwithstanding section 423.24, all revenues arising
30 from the imposition of the additional one-tenth of one
31 percent tax shall be credited to the special railroad facility
32 fund established in section 18 of this Act."

33 5. Page 16, by striking line 47 through page 18,
34 line 39.

35 6. Title page, by striking lines 2 and 3 and
36 inserting in lieu thereof the words "an additional
37 sales, services, and use tax, for the creation".

38 7. By numbering, renumbering and correcting
39 internal references as necessary.

H-4443 FILED JUNE 25, 1981
RULED NOT GERMANE, MOTION TO
SUSPEND RULES, LOST (p 32)

BY COCHRAN of Webster

H-4445

1 Amend amendment H-4434 to House File 874 as follows:

2 1. Page 17, line 28, by inserting after the word
3 "otherwise." the words "However, the tax imposed under
4 this chapter is not imposed upon the use of fuel for
5 the propulsion of railway vehicles by a railroad
6 company which owns less than twenty-five miles of
7 mainline track in this state."

H-4445 FILED JUNE 25, 1981
LOST (p 34)

BY PAVICH of Pottawattamie
SPEAR of Lee
WALTER of Pottawattamie

HOUSE FILE 874

H-4454

- 1 Amend amendment H-4434 to House File 874 as follows:
- 2 1. Page 5, line 4, by inserting after the word
- 3 "subsections" the figure "2,".
- 4 2. Page 5, by inserting after line 6 the following:
- 5 "2. Adopt rules under chapter 17A for the
- 6 regulation of its affairs and to carry out its duties
- 7 and responsibilities. The authority is an agency
- 8 as that term is defined in chapter 17A and is subject
- 9 to the provisions of chapter 17A."

H-4454 FILED JUNE 25, 1981

BY BYERLY of Polk

ADOPTED (j 37)

PAVICH of Pottawattamie

WOODS of Polk

HOUSE FILE 874

H-4456

- 1 Amend amendment H-4434 to House File 874 as
- 2 follows:
- 3 1. Page 7, by inserting after line 25 the
- 4 following:
- 5 "Sec. ____ Section 307B.8, Code 1981, is
- 6 amended by adding the following new subsection:
- 7 NEW SUBSECTION. Consult with the Iowa
- 8 conservation commission before taking any action
- 9 that substantially affects wildlife habitat."

H-4456 FILED JUNE 25, 1981

BY SMALLEY of Polk

ADOPTED (j 38)

BYERLY of Polk

HOUSE FILE 874

H-4457

- 1 Amend amendment H-4434 to House File 874 as
- 2 follows:
- 3 1. Page 7, line 46, by inserting after the word
- 4 "charges." the following new sentence: "As much as
- 5 is practicable within the legal and fiscal limita-
- 6 tions inherent in bond issuance, a portion of the
- 7 bonds shall be issued in denominations of five
- 8 thousand (5,000) dollars and smaller, in order to
- 9 allow smaller investors in the state to purchase
- 10 the bonds."

BY BRUNER of Story

JOHNSON of Linn

BRANSTAD of Winnebago

H-4457 FILED JUNE 25, 1981

LLOYD-JONES of Johnson

ADOPTED (j 38)

CLARK of Cerro Gordo

HOUSE FILE 874

H-4459

- 1 Amend the Harbor amendment, H-4434, to House File
- 2 874 as follows:
- 3 1. Page 16, line 23, by striking the words
- 4 "upgrade, or operate" and inserting in lieu thereof
- 5 the words "or upgrade".

H-4459 FILED JUNE 25, 1981

MILLER of Buchanan

LOST (p. 45)

HOUSE FILE 874

H-4449

- 1 Amend the Harbor amendment, H-4434, to House File
- 2 874 as follows:
- 3 1. Page 4, lines 16 and 17, by striking the words
- 4 "maintain, or operate" and inserting in lieu thereof
- 5 the words "or maintain".

H-4449 FILED JUNE 25, 1981 BY MILLER of Buchanan
ADOPTED (p 27)

HOUSE FILE 874

H-4451

- 1 Amend the Harbor amendment, H-4434, to House File
- 2 874 as follows:
- 3 1. Page 7, line 1, by inserting after the word
- 4 "practicable" the words "or when bids are received
- 5 from a railroad company".

H-4451 FILED JUNE 25, 1981 BY MILLER of Buchanan
LOST (p 29)

HOUSE FILE 874

H-4452

- 1 Amend amendment H-4434 to House File 874, as
- 2 follows:
- 3 1. Page 7, line 1, by inserting after the word
- 4 "practicable." the words "The authority shall
- 5 relinquish ownership to any railroad which is willing
- 6 to purchase the railway facility and to guarantee
- 7 service."

H-4452 FILED JUNE 25, 1981 BY MILLER of Buchanan
LOST (p 30)

HOUSE FILE 874

H-4455

- 1 Amend amendment 4441 to amendment 4434 to House
- 2 File 874, as follows:
- 3 1. Page 1, line 8, by inserting after the word
- 4 "to" the word "qualified".

H-4455 FILED JUNE 25, 1981 BY DODERER of Johnson
ADOPTED BY UNANIMOUS CONSENT (p 27)

HOUSE FILE 874

H-4458

- 1 Amend the Harbor amendment, H-4434, to House File
- 2 874 as follows:
- 3 1. By striking from page 13, line 38 through page
- 4 14, line 1.
- 5 2. Renumber sections and correct internal
- 6 references as are necessary in accordance with this
- 7 amendment.

H-4458 FILED JUNE 25, 1981 BY MILLER of Buchanan
WITHDRAWN (p 39)

H-4465

- 1 Amend the Harbor amendment, H-4434, to House File
 2 874 as follows:
 3 1. Page 13, line 44, by striking the words "owned
 4 by or" and inserting in lieu thereof the words "owned
 5 or".
 6 2. Page 13, line 46, by inserting after the period
 7 the words "Railroad property owned by the authority
 8 shall be subject to property taxes."

H-4465 FILED JUNE 25, 1981

LOST (p. 39)

MILLER of Buchanan

HOUSE FILE 874

H-4466

- 1 Amend amendment H-4434 to House File 874 as follows:
 2 1. Page 15, by inserting after line 46 the
 3 following:
 4 "NEW SECTION. OFFER TO PURCHASE TO SERVING CARRIER.
 5 If any section of railroad lines between major
 6 terminals acquired by the authority returns an amount
 7 in lease payments to the authority in excess of two
 8 times the amount of the obligation incurred by the
 9 authority to acquire that section, the authority shall
 10 offer for purchase to the carrier serving that section
 11 of railroad lines for an amount not to exceed the
 12 original cost of acquisition of and of improvements
 13 to that section by the authority."

H-4466 FILED JUNE 25, 1981

LOST (p. 42)

BY MANN of Greene

HOUSE FILE 874

H-4467

- 1 Amend amendment H-4434 to House File 874 as follows:
 2 1. Page 15, by inserting after line 46 the
 3 following:
 4 "NEW SECTION. The authority is authorized to use
 5 any means it deems are justified in order to guarantee
 6 that a person whom the authority has employed as a
 7 contractor under this chapter pays all moneys that
 8 that person may owe for workers' compensation under
 9 chapters 85, 85A, and 85B, or employment security
 10 under chapter 96."

H-4467 FILED JUNE 25, 1981

ADOPTED (p. 44)

BY MILLER of Buchanan

RECONSIDERED AND LOST (p. 47)

HOUSE FILE 874

H-4468

- 1 Amend amendment H-4434 to House File 874 as follows:
 2 1. Page 15, by inserting after line 46 the
 3 following:
 4 "NEW SECTION. HUNTING ON RIGHTS OF WAY. All
 5 rights of way acquired by the authority under this
 6 chapter and rights of way acquired by any partnership
 7 or other association of which the authority is a
 8 partner or member shall be open to the general public
 9 for hunting purposes within the time limits provided
 10 in any provision of law of this state."

H-4468 FILED JUNE 25, 1981

RULED NOT GERMANE (p. 44)

BY BERRY of Dolt

H-4461

- 1 Amend amendment H-4434 to House File 874 as follows:
 2 1. Page 13, line 45, by striking the words "exempt
 3 from all" and inserting in lieu thereof the words
 4 "not exempt from all".

H-4461 FILED JUNE 25, 1981

LOST (p. 43)

BY CLEMENTS of Scott

HOUSE FILE 874

H-4462

- 1 Amend amendment H-4434 to House File 874, as
 2 follows:
 3 1. Page 6, line 2, by striking the words
 4 "one two" and inserting in lieu thereof the word
 5 "one".
 6 2. Page 18, by inserting after line 48, the
 7 following:
 8 "2. Title page, by striking lines 7 through 9
 9 and inserting in lieu thereof the following:
 10 "by the Iowa railway finance authority, for an
 11 expansion"."

H-4462 FILED JUNE 25, 1981

LOST (p. 38)

BY MANN of Greene

HOUSE FILE 874

H-4463

- 1 Amend amendment H-4434 to House File 874 as follows:
 2 1. Page 15, by inserting after line 46 the
 3 following:
 4 "NEW SECTION. CONFLICT OF INTEREST. An employee
 5 or director of the authority or the department of
 6 transportation shall not obtain direct or indirect
 7 benefit from the issuance of obligations or the
 8 acquisition of railroad facilities under this chapter.
 9 Such individual must resign if that individual receives
 10 or will receive any such direct or indirect benefit."

H-4463 FILED JUNE 25, 1981

LOST (p. 42)

BY MANN of Greene

HOUSE FILE 874

H-4464

- 1 Amend the Harbor amendment, H-4434, to House File
 2 874 as follows:
 3 1. Page 1, line 26, by striking the words "credit
 4 all" and inserting in lieu thereof the words
 5 "distribute all moneys received to the county treasurer
 6 of the counties in which delinquent property taxes
 7 are owed. When claims for delinquent property taxes,
 8 including penalty and interest, are satisfied, all
 9 additional".
 10 2. Page 1, line 31, by inserting after the word
 11 "be" the words "apportioned to the county treasurer
 12 of each county in which delinquent property taxes,
 13 including penalty and interest are owed. When all
 14 claims for delinquent property taxes, including penalty
 15 and interest, are satisfied, any other moneys received
 16 shall be".

H-4464 FILED JUNE 25, 1981

LOST (p. 36)

BY MILLER of Buchanan

See House Report 8/12/81
Amended for 2927 - Do Pass 8/13 (p. 20)

Reprinted 8/81

HOUSE FILE 874

BY COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

Passed House, Date 8-14-81 (p. 83) Passed Senate, Date 8-13-81 (p. 33)

Vote: Ayes 59 Nays 38 Vote: Ayes 37 Nays 31

Approved August 22, 1981

A BILL FOR

1 An Act relating to railway transportation by providing for
 2 the imposition and collection of a tax on the use of fuel
 3 for the propulsion of railway vehicles, for the creation
 4 of a special railroad facility fund to which certain tax
 5 moneys are credited, for the pledging of the moneys in
 6 the special railroad facility fund for obligations issued
 7 by the Iowa railway finance authority, for the increase
 8 in the amount of outstanding obligations that the Iowa
 9 railway finance authority may have, for an expansion
 10 and clarification of the powers and duties of the Iowa
 11 railway finance authority.

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

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House Amendments _____

1 Section 1. Section 307.29, subsections 1 and 3, Code 1981,
2 are amended to read as follows:

3 1. Sixty days after the tax obligations of a railway
4 company which are owed to this state or a political subdivision
5 of this state become delinquent as provided in section 445.37
6 and remain unpaid, the state department of transportation
7 shall become responsible for collection of the delinquent
8 taxes. The county treasurer of each affected county shall
9 transmit the unpaid tax statement of the railway company to
10 the state department of transportation.

11 3. Upon the acquisition by the department of payment from
12 the railway company in full liquidation of the delinquent
13 taxes including payment by means of transfer of title to
14 rights of way or other real estate, any tax lien existing
15 prior to such the acquisition on the property on which the
16 taxes were delinquent shall-be-null-and is void and-the
17 department-shall-not-pay-any-of-these-delinquent-taxes-to
18 the-county-treasurer. The department shall take title to
19 the rights-of-way or other real estate for administration,
20 management, collection of rents, and disposal and shall credit
21 all moneys collected or received from the rental or disposal
22 of rights-of-way or other real estate to the special railroad
23 facility fund established in section 19 of this Act. Any
24 moneys received as payment for delinquent property taxes shall
25 be credited to the special railroad facility fund established
26 in section 19 of this Act.

27 Sec. 2. Section 307B.2, Code 1981, is amended to read
28 as follows:

29 307B.2 DECLARATION OF NECESSITY AND PURPOSE. The purpose
30 of this chapter is to benefit the citizens of Iowa by improving
31 their general health, welfare and prosperity and insuring
32 the economic and commercial development of the state and by
33 promoting agricultural and industrial improvement. Access
34 to adequate railway transportation facilities is essential
35 to the economic welfare of the state. This One purpose of

1 this chapter is intended to preserve or provide for the
2 citizens of Iowa those railway facilities services now in
3 existence or needed in the state which have a viable future
4 but which for a variety of economic and legal reasons may
5 well-go-out-of-service not exist if the state does not provide
6 the financing mechanism-contained or other mechanisms referred
7 to in this chapter. It is the intent of the chapter that
8 any public ownership and control of railway facilities provided
9 for in this chapter be transferred to private ownership as
10 promptly as economically practicable subject to financing
11 requirements. It is further intended that the authority
12 created herein in this chapter be vested with all powers to
13 enable it to accomplish its the purposes of this chapter
14 except the power to operate rolling stock except-as-incidental
15 to-the-repair-or-renovation-of-a-railway-facility.

16 It is the further intent of this chapter and of the general
17 assembly that, in order to preserve rail competition and to
18 provide for railway service in this state, the authority work
19 primarily with railroad carriers already providing service
20 in this state based upon their willingness and ability to
21 meet these objectives.

22 Sec. 3. Section 307B.3, subsections 1, 3, and 10, Code
23 1981, are amended to read as follows:

24 1. The establishment of the authority is in all respects
25 for the benefit of the people of the state of Iowa, for the
26 improvement of their health and welfare, for the preservation
27 and creation of employment, and for the promotion of the
28 economy and of agricultural and industrial improvement, which
29 are public purposes.

30 3. There will exist a serious shortage of viable rail
31 lines and railway facilities serving the urban, rural and,
32 agricultural, and industrial communities of the state.

33 10. It is necessary to create a railway finance authority
34 to encourage the investment of private capital and stimulate
35 the construction, rehabilitation and repair of railway

1 facilities and to prevent the abandonment of others through
 2 the use of public financing, publicly assisted financing,
 3 and other forms of public assistance.

4 Sec. 4. Section 307B.4, subsections 2, 3, and 6, Code
 5 1981, are amended to read as follows:

6 2. "Railway facilities" means land, structures, fixtures,
 7 buildings and equipment, except rolling stock, necessary or
 8 useful in providing railroad transportation services,
 9 including, but not limited to, roadbeds, track, trestle,
 10 depot, switching and signaling equipment and all necessary,
 11 useful and related equipment and appurtenances and all
 12 franchises, easements and other interests in land and rights
 13 of way necessary or convenient as a site or sites for any
 14 of the foregoing or any part of or combination of the
 15 foregoing.

16 3. "Project costs" as-applied-to-railway-facilities
 17 financed-under-the-provisions-of-this-chapter-means-the-total
 18 of-all-reasonable-or-necessary-costs-for-or-incidental-to
 19 the means any portion of the costs of railway rehabilitation,
 20 acquisition, construction, reconstruction, repair, alteration,
 21 improvement or extension of any railway facilities including,
 22 but-not-limited-to,-the-cost-of, providing, supplementing,
 23 and relocating public capital facilities, studies and, surveys,
 24 plans, specifications, architectural and engineering services,
 25 estimates of costs, legal, organizational, marketing or other
 26 special-services,-financing,-acquisition,-demolition,-
 27 construction,-equipment-and-site-development-of-new-and
 28 rehabilitated-buildings-and-facilities,-rehabilitation,-
 29 reconstruction,-repair-or-remodeling-of-existing-buildings
 30 and-facilities feasibility studies, and all other necessary
 31 and incidental expenses including,-but-not-limited-to,-an
 32 initial-bond related to the foregoing, and reimbursement of
 33 any moneys advanced or applied by a governmental agency or
 34 other person for project costs. Project costs include, in
 35 connection with obligations, a principal and interest reserve

1 together with interest on bonds-issued-to-finance-the-railway
 2 facilities obligations to a date not later than six months
 3 subsequent to the estimated date of completion of the railway
 4 facilities that are the object of the financial assistance.

5 6. "Bonds Obligations" means negotiable bonds, notes or
 6 other obligations,--except-these-obligations-to-the-federal
 7 government, evidence of debt, including interest coupons of
 8 the foregoing, issued under this chapter.

9 Sec. 5. Section 307B.4, Code 1981, is amended by adding
 10 the following new subsections:

11 NEW SUBSECTION. "Financial assistance" means direct loans
 12 and other loans, grants, and forms of assistance authorized
 13 under this chapter.

14 NEW SUBSECTION. "Governmental action" means any action
 15 by a governmental agency relating to the establishment,
 16 development, or operation of railway facilities that the
 17 governmental agency acting has authority to take or provide
 18 for the purpose under law, including, but not limited to,
 19 actions relating to contracts and agreements, zoning, building,
 20 permits, acquisition and disposition of property, public
 21 capital improvements, utility and transportation service,
 22 taxation, employee recruitment and training, and liaison and
 23 coordination with and among governmental agencies.

24 NEW SUBSECTION. "Governmental agency" means the state
 25 or any state department, division, commission, institution,
 26 or authority; a municipal corporation, city, county, or
 27 township, or any agency thereof; any other political
 28 subdivision or public corporation; the United States or any
 29 agency thereof; any agency, commission, or authority
 30 established pursuant to an interstate compact or agreement;
 31 or any combination of the foregoing.

32 NEW SUBSECTION. "Person" means an individual, firm,
 33 partnership, association, corporation, or governmental agency,
 34 or any combination thereof.

35 NEW SUBSECTION. "Public capital improvements" means capital

1 improvements or facilities including, but not limited to,
2 railroad facilities and related ancillary facilities, that
3 a governmental agency has authority to acquire, pay the costs
4 of, own, or maintain, or to do the foregoing by contract with
5 other persons.

6 NEW SUBSECTION. "Bond proceedings" means the resolution,
7 order, trust agreement, indenture, lease, and other agreements,
8 and amendments, and supplements to the foregoing authorizing
9 or providing for the terms and conditions applicable to or
10 the provisions contained within, or providing for the security
11 of, obligations issued pursuant to this chapter.

12 NEW SUBSECTION. "Bond service charges" means principal,
13 including mandatory sinking fund requirements for retirement
14 of obligations, interest, and redemption premium, if any,
15 required to be paid by the authority on obligations.

16 NEW SUBSECTION. "Pledged receipts" means the revenues
17 and receipts received or to be received by the authority from
18 the lease, operation, or sale or disposition of railway
19 facilities; from loan or other agreements relating to financial
20 assistance; from grants, gifts, or payments on guarantees
21 made to the authority by any person; from accrued interest
22 received from the sale of obligations; from income from the
23 investment of special funds of the authority, including the
24 special railroad facility fund; from the revenues and receipts
25 deposited in the special railroad facility fund; and from
26 any other moneys which are available for the payment of bond
27 service charges.

28 NEW SUBSECTION. "Special railroad facility fund" means
29 the fund created in section 19 of this Act.

30 Sec. 6. Section 307B.5, Code 1981, is amended to read
31 as follows:

32 307B.5 IOWA RAILWAY FINANCE AUTHORITY. There is created
33 an Iowa railway finance authority for the purpose of providing
34 or providing for the financing of railway facilities and
35 enhancing and continuing the operation of railway facilities

1 as provided in this chapter.

2 Sec. 7. Section 307B.7, subsections 2, 5, 6, 7, 8, 10,
3 12, 13, 14, 15, 17, and 18, Code 1981, are amended to read
4 as follows:

5 2. Adopt rules under chapter 17A for the regulation of
6 its affairs and to carry out its duties and responsibilities.
7 The authority is an agency as that term is defined in chapter
8 17A and is subject to the provisions of chapter 17A.

9 5. Acquire railway facilities, whether located within
10 Iowa or a contiguous state, directly or through an agent,
11 by purchase, lease, lease-purchase, gift, devise or otherwise.
12 However, the authority shall not, for the purpose of operating
13 a railroad, purchase or submit a bid for the acquisition of
14 any railroad facility or line for which any other railroad
15 company has submitted a written offer to purchase or is
16 negotiating for the purchase of the railroad facility or line,
17 provided the written offer by a railroad company is for a
18 segment which originates and terminates at the intersection
19 of another railroad main line or a segment which connects
20 to a main line if the line is a branch line and further, if
21 the offer by the railroad company exceeds the salvage value
22 as determined by the trustee, unless upon approval of a
23 resolution by the state transportation commission submitted
24 to the authority stating the best interests of the state and
25 the transportation needs thereof might not be served by such
26 offer or negotiation, the authority may submit a bid for the
27 acquisition.

28 6. Determine the location and ~~construction~~ of and select
29 any railway facility to be ~~financed~~ provided financial
30 assistance under ~~the provisions of~~ this chapter and to acquire,
31 construct, reconstruct, renovate, rehabilitate, improve,
32 extend, replace, maintain, repair and lease the same facility,
33 and to enter into contracts for any of these purposes.

34 7. Enter into contracts, including partnership agreements,
35 with any person, ~~federal or state government or subdivision~~

1 of a state for the ownership, operation, management or use
2 of a railway facility. Provisions shall be made in any
3 contract or partnership agreement entered into by the authority
4 that any additional jobs which may result from the ownership,
5 operation, management, or use of a railway facility shall
6 be offered, when practicable, to qualified former employees
7 of the Milwaukee Road or Rock Island railroad companies.

8 8. Designate an agent to determine the location and
9 construction of a railway facility under the provisions of
10 this chapter and as agent of the authority, to construct,
11 reconstruct, renovate, replace, maintain, repair, and lease
12 the same and to enter into contracts for any of these purposes
13 including contracts for the operation, management or use of
14 the railway facility perform its powers under subsections
15 6 and 7.

16 10. Issue bonds, notes or other obligations for any of
17 its purposes and to refund the same obligations, all as
18 provided for in this chapter: However, the total outstanding
19 principal amount of bonds obligations outstanding at any one
20 time shall not exceed one two hundred million dollars at any
21 one time.

22 12. Fix and, revise and, charge, and collect rates, rents,
23 fees and charges for the use of any railway facility or any
24 portion of a facility and to contract with any person, firm
25 or corporation or other public or private body in respect
26 to a facility.

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27 13. Mortgage all or any portion of its railway facilities
28 and the sites, whether then owned or thereafter acquired,
29 to finance the in connection with the financing of the
30 particular railway facility or any portion of the facility.

31 14. Extend loans financial assistance for the purpose
32 of financing providing for project costs of a railway facility.
33 Make interest-free loans for rehabilitation of railway tracks,
34 roadbeds, or trestles to persons which have repaid in part
35 the original loan from the authority which was made for the

1 purpose of the acquisition or rehabilitation of railway tracks,
 2 roadbeds, or trestles. However, an interest-free loan to
 3 a person shall not exceed the amount repaid of the original
 4 loan made to that person and one-half of the amount of the
 5 interest-free loan repaid to the authority shall be credited
 6 to the railroad assistance fund established in section 327H.18.

7 15. Extend ~~loans~~ financial assistance to refund bonds,
 8 retire, or refinance obligations, including obligations running
 9 to the federal government, mortgages or advances issued, made
 10 or given for the project cost of a railway facility including
 11 ~~the issuing of bonds and making loans to refinance indebtedness~~
 12 which costs were incurred for railway facilities undertaken
 13 and completed prior to or after May 20, 1980 when the governing
 14 board finds that this financing financial assistance is in
 15 the public interest.

16 17. Receive and accept from any public person or
 17 governmental agency loans, guarantees, or grants for or in
 18 aid of project costs and ~~to~~ receive and accept grants, gifts
 19 and other contributions from any source.

20 18. Own a railway facility under this chapter alone, in
 21 partnership, or in any other association with any person if
 22 necessary or beneficial to preserve part of a railway system,
 23 upon the determination, after consultation with the department,
 24 that the railway facility is necessary or beneficial to the
 25 railway system, and ~~then shall~~ to be relinquished to private
 26 nonauthority ownership or operation as soon as economically
 27 practicable.

28 Sec. 8. Section 307B.7, Code 1981, is amended by adding
 29 the following new subsections:

30 NEW SUBSECTION. Pledge any funds contained in the special
 31 railroad facility fund to the payment of and as security for
 32 obligations issued under this chapter.

33 NEW SUBSECTION. Invest moneys in the special railroad
 34 facility fund in general or limited partnership interests
 35 in a partnership formed to purchase, renovate, and operate

1 a railway facility.

2 NEW SUBSECTION. Serve as a general or limited partner
3 in a partnership formed to purchase, renovate, and operate
4 a railway facility.

5 NEW SUBSECTION. Enter into agreements with persons to
6 develop, equip, furnish, or otherwise develop and operate
7 railway facilities, and make provision in the agreements for
8 railway facilities and governmental actions, as authorized
9 by this chapter and other laws.

10 NEW SUBSECTION. Enter into appropriate arrangements and
11 agreements with a governmental agency for the taking or the
12 providing by that governmental agency of a governmental action.

13 Sec. 9. Section 307B.8, subsections 4, 5, and 6, Code
14 1981, are amended by striking the subsections.

15 Sec. 10. Section 307B.8, Code 1981, is amended by adding
16 the following new subsection:

17 NEW SUBSECTION. Consult with the Iowa conservation
18 commission before taking any action that substantially affects
19 wildlife habitat.

20 Sec. 11. Section 307B.9, Code 1981, is amended by striking
21 the section and inserting in lieu thereof the following:

22 307B.9 OBLIGATIONS. Except as provided in this chapter,
23 all obligations are payable solely out of the pledged receipts
24 as designated in the bond proceedings. Tax funds which the
25 authority receives from the state or a political subdivision
26 of the state shall not be pledged for payment of the
27 obligations, except for those funds deposited in the special
28 railroad facility fund. Obligations shall be authorized by
29 resolution of the board and bond proceedings shall provide
30 for the purpose of the obligations, the principal amount,
31 the principal maturity or maturities, not exceeding twenty-
32 five years from the date of issuance, the interest rate or
33 rates or the maximum interest rate, the date of the obligations
34 and the dates of payment of interest on them, their
35 denomination, and the establishment within or without the

1 state of a place or places of payment of bond service charges.
2 As much as is practicable within the legal and fiscal
3 limitations inherent in bond issuance, a portion of the bonds
4 shall be issued in denominations of five thousand (5,000)
5 dollars and smaller, in order to allow smaller investors in
6 the state to purchase the bonds. The purpose of the
7 obligations may be stated in the bond proceedings in terms
8 describing the general purpose or purposes to be served.
9 The bond proceedings shall also provide, subject to other
10 applicable bond proceedings, for the pledge of all or such
11 part, as the authority may determine, of the pledged receipts
12 to the payment of bond service charges, which pledges may
13 be made either prior or subordinate to other expenses, claims,
14 or payments, and may be made to secure the obligations on
15 a parity with obligations issued at other times, if and to
16 the extent provided in the bond proceedings. The pledged
17 receipts so pledged and received by the authority are
18 immediately subject to the lien of the pledge without physical
19 delivery or further act, and the pledge of the pledged receipts
20 is effective and these moneys may be applied to the purposes
21 for which pledged without necessity for an act of
22 appropriation. Every pledge and every covenant and agreement
23 with respect to a pledge made in the bond proceedings may
24 be extended to the benefit of the owners and holders of
25 obligations authorized by this chapter, and to any trustee
26 for owners and holders, for the further security of the payment
27 of the bond service charges. The authority may issue a
28 prospectus or official statement in connection with the
29 offering of obligations. Obligations may be issued in coupon
30 or in registered form, or both. Provision may be made for
31 the registration of obligations with coupons attached as to
32 principal alone or as to both principal and interest, their
33 exchange for obligations so registered, and for the conversion
34 or reconversion into obligations with coupons attached of
35 any obligations registered as to both principal and interest.

1 and for reasonable charges for registration, exchange,
2 conversion, and reconversion. Obligations may be sold at
3 public or private sale at the price, in the manner, and at
4 the time determined by the governing board. Chapter 75 and
5 sections 23.12 through 23.16 do not apply to obligations
6 issued under this chapter. All obligations are negotiable
7 instruments.

8 The bond proceedings may contain additional provisions
9 as to:

10 1. The redemption of obligations prior to maturity at
11 the option of the authority at the price and under the terms
12 and conditions provided in the bond proceedings.

13 2. Other terms of the obligation.

14 3. Limitations on the issuance of additional obligations.

15 4. The terms of any trust agreement or indenture securing
16 the obligations or under which the obligations may be issued.

17 5. The deposit, investment, and application of special
18 funds and the safeguarding of moneys on hand or on deposit,
19 without regard to chapter 453, subject to this chapter, with
20 respect to particular funds or moneys; provided that any bank
21 or trust company which acts as depository of any moneys in
22 the special funds may furnish indemnifying bonds or may pledge
23 the securities as required by the authority.

24 6. The provisions of the bond proceedings which are binding
25 upon the officer, board, commission, authority, agency,
26 department, or other person or body which has the authority
27 under law to take actions as necessary to perform all or any
28 part of the duty required by a provision.

29 7. Any provision which may be made in a trust agreement
30 or indenture.

31 8. Additional agreements with the holders of the
32 obligations, or the trustee for the holders, relating to the
33 obligations or the security for the obligations.

34 Before the authority can incur an obligation for the
35 acquisition or purchase of railway facilities under this

1 chapter, the proceeds of which are to be contributed, loaned,
2 or otherwise provided to a partnership of which the authority
3 is a partner, the other partners of the partnership must
4 pledge to the partnership in the aggregate an amount equal
5 to twenty percent of the amount of the obligations to be
6 incurred for the acquisition or purchase.

7 Sec. 12. Section 307B.10, Code 1981, is amended by striking
8 the section and inserting in lieu thereof the following:

9 307B.10 REFUNDING OF OBLIGATIONS. The board may authorize
10 and issue obligations for the refunding, including funding
11 and retirement, and advance refunding with or without payment
12 or redemption prior to maturity, of any obligations previously
13 issued by the authority. These obligations may be issued
14 in amounts sufficient for payment of the principal amount
15 of the prior obligations, any redemption premiums on the prior
16 obligations, principal maturities of any obligations maturing
17 prior to the redemption of the remaining obligations on a
18 parity with them, interest accrued or to accrue to the maturity
19 date or dates of redemption of the obligations, and any project
20 costs including expenses incurred or to be incurred in
21 connection with this issuance, refunding, funding, and
22 retirement. Subject to the bond proceedings, the portion
23 of proceeds of the sale of obligations issued under this
24 section to be applied to bond service charges on the prior
25 obligations shall be credited to the appropriate account for
26 those prior obligations. Obligations authorized under this
27 section shall be deemed to be issued for those purposes for
28 which the prior obligations were issued and are subject to
29 the provisions of this chapter pertaining to other obligations.
30 Obligations refunded shall not be considered to be outstanding
31 for purposes of section 307B.7, subsection 10.

32 Refunding may be made without regard to whether or not
33 the obligations to be refunded were issued in connection with
34 the same railway facilities, separate railway facilities or
35 for other purposes, and without regard to whether or not the

1 obligations proposed to be refunded shall be payable on the
2 same date or different dates or due serially or otherwise.

3 Sec. 13. Section 307B.11, Code 1981, is amended by striking
4 the section and inserting in lieu thereof the following:

5 307B.11 SECURITY FOR OBLIGATIONS. Obligations may be
6 additionally secured by a trust agreement or indenture between
7 the authority and a corporate trustee which may be any trust
8 company or bank having its principal place of business within
9 the state. Any such agreement, indenture, mortgage, or deed
10 of trust, or any combination thereof, may contain the
11 resolution authorizing the issuance of the obligations, any
12 provisions that may be contained in any bond proceedings,
13 and other provisions which are customary or appropriate in
14 an agreement or indenture of such type, including, but not
15 limited to:

16 1. Maintenance of each pledge, trust agreement, indenture,
17 or other instrument comprising part of the bond proceedings
18 until the authority has fully paid the bond service charges
19 on the obligations secured by the instrument, or provision
20 for payment has been made.

21 2. In the event of default in any payments required to
22 be made by the bond proceedings or any other agreement of
23 the authority made as a part of the contract under which the
24 obligations were issued, enforcement of the payments or
25 agreement by mandamus, appointment of a receiver, suit in
26 equity, action at law, or any combination of these.

27 3. The rights and remedies of the holders of obligations
28 and of the trustee and provisions for protecting and enforcing
29 them, including limitations on rights of individual holders
30 of obligations.

31 4. The replacement of any obligations which become
32 mutilated or are destroyed, lost, or stolen.

33 The principal of and interest on obligations shall be
34 secured as provided in the bond proceedings by the pledge
35 of pledged receipts and by assignment of leases or other

1 contract rights of the authority, or any person acquiring,
 2 leasing, or operating railway facilities assisted under this
 3 chapter to third parties, which assignment may cover all or
 4 any part of the railway facilities from which the receipts
 5 may be derived, including, but not limited to, any enlargements
 6 of or additions to any of these railway facilities.

7 Each pledge shall continue in effect until the principal
 8 of and interest on the obligations has been fully paid or
 9 provision for the payment has been duly made pursuant to the
 10 bond proceedings.

11 Sec. 14. Section 307B.12, Code 1981, is amended to read
 12 as follows:

13 307B.12 PAYMENT OF BONDS OBLIGATIONS--NONLIABILITY OF
 14 STATE. Bonds Obligations issued under ~~the provisions of~~ this
 15 chapter, and judgments based on contract or tort arising from
 16 the activities of the authority or persons acting on its
 17 behalf, shall ~~are~~ not constitute a debt or liability of the
 18 state or of any political subdivision within the meaning of
 19 any constitutional or statutory debt limitation and ~~are~~
 20 not a pledge of the state's credit or taxing power within
 21 the meaning of any constitutional or statutory limitation
 22 or provision and a holder of obligations does not have a right
 23 to have an appropriation ~~shall~~ be made, directly or indirectly,
 24 by the state or any political subdivision of the state for
 25 the payment of the bonds obligations or judgments, or for
 26 the indemnification of a person subject to a judgment arising
 27 from that person's actions on the authority's behalf, ~~but.~~
 28 These obligations and judgments are special obligations of
 29 the authority payable solely and only from the sources and
 30 special funds provided in this chapter. Funds from the general
 31 fund of the state shall not be used to pay interest or
 32 principal on obligations of the authority in the event that
 33 receipts from the taxes designated for deposit in the special
 34 railroad facility fund are insufficient.

35 Sec. 15. Section 307B.13, Code 1981, is amended by striking

1 the section and inserting in lieu thereof the following:

2 307B.13 REMEDIES OF HOLDERS OF OBLIGATIONS.

3 1. The bond proceedings may provide that a holder of
4 obligations or a trustee under the bond proceedings, except
5 to the extent that the holder's rights are restricted by the
6 bond proceedings, may by legal proceedings, protect and enforce
7 any rights under the laws of this state or granted by the
8 bond proceedings. These rights include the right to compel
9 the performance of all duties of the authority required by
10 this chapter or the bond proceedings; to enjoin unlawful
11 activities; and in the event of default with respect to the
12 payment of any bond service charges on any obligations or
13 in the performance of any covenant or agreement on the part
14 of the authority in the bond proceedings, to apply to a court
15 to appoint a receiver to receive and administer the pledged
16 receipts which are pledged to the payment of the bond service
17 charges on these obligations or which are the subject of the
18 covenant or agreement, with full power to pay and to provide
19 for payment of bond service charges on these obligations and
20 with powers accorded receivers in general equity cases,
21 excluding any power to pledge additional revenues or receipts
22 or other income or moneys of the authority or the state or
23 governmental agencies of the state to the payment of the bond
24 service charges; and if provided in the bond proceedings,
25 the power to take possession of, mortgage, or cause the sale
26 or otherwise dispose of any railway facilities.

27 Each duty of the authority and the authority's board,
28 officers, and employees, and of each governmental agency and
29 its officers, members, or employees, undertaken pursuant to
30 the bond proceedings or any agreement or lease, lease-purchase
31 agreement, or loan made under authority of this chapter, and
32 in every agreement by or with the authority, is a duty of
33 the authority, and of each board, officer, member, or employee
34 having authority to perform this duty, which may be
35 specifically enjoined by the law resulting from an office,

1 trust, or station under chapter 661.

2 2. If the bond proceedings do not contain provisions
3 authorized in subsection 1, if the authority defaults in the
4 payment of principal or interest on obligations as they become
5 due, whether at maturity or upon call for redemption, and
6 the default continues for a period of thirty days, or if the
7 authority fails or refuses to comply with this chapter or
8 defaults in any covenant or agreement in the bond proceedings
9 made for the benefit of the holders of obligations, the holders
10 of twenty-five percent in aggregate principal amount of
11 obligations of the issue then outstanding by instrument filed
12 in the office of the clerk of the county in which the principal
13 office of the authority is located and proved or acknowledged
14 in the same manner as a deed to be recorded may appoint a
15 trustee to represent the holders of the obligations for the
16 purposes provided in this section.

17 The trustee selected may, and upon written request of the
18 holders of twenty-five percent in aggregate principal amount
19 of the issue of obligations then outstanding, shall:

20 a. Enforce all rights of the holders of the obligations
21 including the right to require the authority to carry out
22 its agreements with the holders and to perform its duties
23 under this chapter.

24 b. Bring suit upon the obligations.

25 c. By action require the authority to account as if it
26 were the trustee of an express trust for the holders.

27 d. By action enjoin any acts or things which are unlawful
28 or in violation of the rights of the holders.

29 e. Declare all the obligations due and payable and, if
30 all defaults are made good then with the consent of the holders
31 of twenty-five percent of the aggregate principal amount of
32 the issue of obligations then outstanding, annul the
33 declaration and its consequences. Before declaring the
34 principal of obligations due and payable, the trustee shall
35 first give thirty days notice in writing to the governor,

1 to the authority, and to the attorney general of the state.
2 The trustee selected shall also have all powers necessary
3 or appropriate for the exercise of functions specifically
4 set forth or incident to the general representation of holders
5 in the enforcement and protection of their rights.

6 3. The district court has jurisdiction of any action by
7 the trustee on behalf of holders. The venue of the action
8 shall be in the county in which the principal office of the
9 authority is located.

10 Sec. 16. Section 307B.14, Code 1981, is amended to read
11 as follows:

12 307B.14 AUTHORITY AS PUBLIC INSTRUMENTALITY. The authority
13 is performing a public function on behalf of the state and
14 is a public instrumentality of the state. Income of the
15 authority and all properties owned by or leased by to the
16 authority shall-be are exempt from all taxation in the state
17 of Iowa. This chapter shall does not be-constructed-as-exempting
18 exempt from taxation properties comprising railway facilities
19 financed financially assisted under any-of-the-provisions
20 of this chapter which are owned by persons or-entities other
21 than the authority except those leased by to the authority.

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22 Sec. 17. Section 307B.15, Code 1981, is amended to read
23 as follows:

24 307B.15 POWERS NOT RESTRICTED--LAW COMPLETE IN ITSELF.
25 This chapter shall is not be-constructed-as a restriction or
26 limitation upon any powers which the authority might-otherwise
27 have or another governmental agency has under any laws of
28 this state, but shall-be-constructed-as is cumulative of to
29 any such powers. No proceedings, referendum, notice or
30 approval shall-be is required for the creation of the authority
31 or the issuance of any bonds obligations or any instrument
32 as security except as herein provided,-any-other-law-to-the
33 contrary-notwithstanding,-provided,-that in this chapter.
34 However, nothing herein-shall-be-constructed-to-deprive in this
35 chapter deprives the state and its governmental political

1 subdivisions of their respective police powers over properties
2 of the authority or ~~to impair~~ impairs any power thereever
3 over the authority of any official or agency of the state
4 and its governmental political subdivisions which may-be is
5 otherwise provided by law.

6 Sec. 18. Chapter 307B, Code 1981, is amended by adding
7 the following new sections:

8 NEW SECTION. GOVERNMENTAL AGENCIES. A governmental agency
9 may enter into an agreement with the authority, another
10 governmental agency, or a person to be assisted under this
11 chapter to take or provide for the purposes of this chapter
12 any governmental action it is authorized to take or provide
13 and to undertake on behalf and at the request of the authority
14 any action which the authority and the agency are authorized
15 to undertake. Governmental agencies of the state shall
16 cooperate with and provide assistance to the director and
17 the authority in the exercise of their functions under this
18 chapter.

19 NEW SECTION. BOND ANTICIPATION NOTES. The power to issue
20 obligations under this chapter includes power to issue
21 obligations in the form of bond anticipation notes and to
22 renew these notes by the issuance of new notes, but the maximum
23 maturity of these notes, including renewals, unless otherwise
24 authorized by the general assembly, shall not exceed five
25 years from the date of the issuance of the original notes.
26 The holders of these notes or interest coupons of the notes
27 have a right to be paid solely from the pledged receipts
28 pledged to the payment of the bonds anticipated, or from the
29 proceeds of those bonds or renewal notes, or both, as the
30 authority provides in the bond proceedings authorizing the
31 notes. The notes may be additionally secured by covenants
32 of the authority to the effect that the authority will do
33 those acts authorized by this chapter and necessary for the
34 issuance of the bonds or renewal notes in appropriate amount,
35 and either exchange the bonds or renewal notes therefor, or

1 apply the proceeds of the notes to the extent necessary, to
2 make full payment of the principal of and interest on the
3 notes at the time contemplated, as provided in the bond
4 proceedings. For such purpose, the authority may issue bonds
5 or renewal notes in a principal amount and upon terms as are
6 authorized by this chapter and are necessary to provide funds
7 to pay when required the principal of and interest on the
8 outstanding notes, notwithstanding any limitations prescribed
9 by this chapter, other than the limitation contained in section
10 307B.7, subsection 10. All provisions for and references
11 to obligations in this chapter are applicable to notes
12 authorized under this section to the extent not inconsistent
13 with this section.

14 NEW SECTION. INVESTMENT IN OBLIGATIONS. All banks, trust
15 companies, building and loan associations, savings and loan
16 associations, investment companies and other persons carrying
17 on a banking or investment business, all insurance companies,
18 insurance associations, and other persons carrying on an in-
19 surance business and all executors, administrators, guardians,
20 trustees, and other fiduciaries may legally invest any sinking
21 funds, moneys, or other funds belonging to them or within
22 their control in obligations issued pursuant to this chapter.
23 However, this section does not relieve any persons from a
24 duty of exercising reasonable care in selecting securities
25 for purchase or investment.

26 NEW SECTION. NOTICE. The authority shall publish a notice
27 of its intention to issue obligations in a newspaper published
28 in and with general circulation in the state. The notice
29 shall include a statement of the maximum amount of obligations
30 proposed to be issued, and in general terms, what receipts
31 will be pledged to pay bond service charges on the obligations.
32 An action which questions the legality or validity of
33 obligations or the power of the authority to issue the
34 obligations or the effectiveness or validity of any proceedings
35 adopted for the authorization or issuance of the obligations

1 shall not be brought after sixty days from the date of
2 publication of the notice.

3 Sec. 19. Chapter 307B, Code 1981, is amended by adding
4 the following new section:

5 NEW SECTION. SPECIAL RAILROAD FACILITY FUND. There is
6 created in the office of the state treasurer a "special
7 railroad facility fund". This fund shall include moneys
8 credited to this fund under section 307.29, section 20 of
9 this Act, section 29 of this Act, and other funds which by
10 law may be credited to the special railroad facility fund.
11 The moneys in the special railroad facility fund are hereby
12 appropriated to and for the purposes of the authority as
13 provided in this chapter. The funds in the special railroad
14 facility fund shall not be considered as a part of the general
15 fund of the state, shall not be subject to appropriation for
16 any other purpose by the general assembly, and in determining
17 a general fund balance shall not be included in the general
18 fund of the state but shall remain in the special railroad
19 facility fund to be used for the purposes set forth herein.
20 The state treasurer shall act as custodian of the fund and
21 disburse amounts contained in it as directed by the authority.

22 This fund shall be administered by the authority and may be
23 used to purchase or upgrade railroad right of way and trackage
24 facilities or to purchase general or limited partnership
25 interests in a partnership formed to purchase, upgrade, or
26 operate railroad right of way and trackage facilities, to
27 pay or secure obligations issued by the authority, to pay
28 obligations, judgments, or debts for which the authority
29 becomes liable in its capacity as a general partner, or for
30 any other use authorized under this chapter.

31 Sec. 20. Chapter 435, Code 1981, is amended by adding
32 the following new section:

33 NEW SECTION. For the fiscal years beginning on or after
34 July 1, 1983, the net proceeds of the tax imposed by section
35 435.2 and penalties collected under this chapter shall be

1 credited to the special railroad facility fund established
2 in section 19 of this Act and any refunds made pursuant to
3 this chapter shall be made from this fund. However, for each
4 fiscal year of the fiscal biennium beginning July 1, 1981
5 and ending June 30, 1983, the total of the net proceeds of
6 the tax imposed by section 435.2 and penalties collected under
7 this chapter in excess of one million fifty thousand dollars
8 collected in the fiscal year beginning July 1, 1981 and in
9 excess of one million one hundred forty thousand dollars
10 collected in the fiscal year beginning July 1, 1982 shall
11 be credited to the special railroad facility fund.

12 Sec. 21. Sections 22 through 29 of this Act shall be
13 codified as a separate chapter.

14 Sec. 22. NEW SECTION. PURPOSE. The purpose of this
15 chapter is to impose an excise tax upon the use within this
16 state of fuel to power railway vehicles.

17 Sec. 23. NEW SECTION. DEFINITIONS. As used in this
18 chapter, unless the context otherwise requires:

19 1. "Fuel" means a combustible gas or liquid suitable for
20 the generation of power for the propulsion of railway vehicles,
21 except that it does not include motor fuel as defined in
22 section 324.2.

23 2. "Department" means the department of revenue.

24 3. "Railway vehicle" means a vehicle designed and used
25 primarily upon railways for self propulsion or for propelling
26 conveyances.

27 4. "Railroad company" means a person responsible for the
28 operation of a railway vehicle within this state.

29 Sec. 24. NEW SECTION. TAX IMPOSED. For the privilege
30 of operating railway vehicles in this state, an excise tax
31 is imposed at the rate of three cents per gallon beginning
32 October 1, 1981 and is imposed at the rate of eight cents
33 per gallon beginning July 1, 1982 upon the use of fuel for
34 the propulsion of a railway vehicle within the state. The
35 tax attaches at the time of use and shall be paid monthly

1 to the department by the railroad company using the fuel.
2 Fuel dispensed in this state shall only be through meters
3 which have been approved for accuracy by the department of
4 agriculture and sealed by the department. Fuel dispensed
5 through sealed meters shall be presumed taxable unless the
6 railroad company proves otherwise.

7 Sec. 25. NEW SECTION. RAILROAD COMPANY LICENSE. A
8 railroad company responsible for paying the tax imposed by
9 this chapter shall obtain a license from the department.
10 To obtain a license a railroad company shall file an
11 application with the department which shall include the
12 following information:

13 1. The name of the railroad company.
14 2. The location of its principal office within the state,
15 if any.
16 3. A list of each location where fuel will be dispensed
17 on a regular basis.

18 4. Other information the director of revenue requires.

19 Sec. 26. NEW SECTION. RAILROAD COMPANY REPORTS, TAX
20 COMPUTATION AND TAX PAYMENT. For the purpose of determining
21 a railroad company's tax liability, each railroad company
22 required to obtain a license under this chapter shall file
23 with the department a monthly report. The report shall be
24 filed by the end of the month following the month of use.
25 The report shall include the following information:

26 1. The total gallons of fuel dispensed in Iowa.
27 2. The total gallons of fuel dispensed in Iowa and placed
28 in railway vehicles used solely within the state during the
29 reporting period.

30 3. The total gallons of fuel dispensed in Iowa for
31 nontaxable purposes.

32 4. The total gallons of fuel dispensed in Iowa and placed
33 in railway vehicles used within and without the state.

34 5. The total gallons of fuel dispensed outside Iowa and
35 placed into railway vehicles traveling within and without

1 the state.

2 6. Other information the director of revenue requires.

3 The report shall be accompanied by a payment equal to the
4 tax due. The taxable gallons of fuel shall be computed by
5 adding the number of gallons of fuel dispensed in Iowa and
6 placed into railway vehicles traveling solely within the state
7 during the reporting period and the result of multiplying
8 the total gallons of fuel used in railway vehicles traveling
9 within and without Iowa by a fraction the numerator of which
10 is miles traveled in Iowa by railway vehicles traveling within
11 and without Iowa, and the denominator of which is the total
12 miles traveled by the same railway vehicles. The tax shall
13 be computed by multiplying the taxable gallons times the per
14 gallon tax rate.

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15 Sec. 27. NEW SECTION. RECORDS RETAINED. Records
16 reasonably required by the department shall be retained by
17 the railroad company for three years.

18 Sec. 28. NEW SECTION. STATUTES APPLICABLE. The department
19 shall administer the taxes imposed by this chapter in the
20 same manner as and subject to division IV of chapter 324.

21 Sec. 29. NEW SECTION. DEPOSIT OF REVENUES. The net
22 proceeds of the excise tax imposed on the use of fuel in
23 railway vehicles and any penalties collected under this chapter
24 shall be credited to the special railroad facility fund
25 established in section 19 of this Act.

26 Sec. 30. The Iowa railway finance authority in conjunction
27 with the Iowa department of transportation shall conduct a
28 study on the feasibility of providing rail passenger service
29 along any portion of the trackage of the Rock Island railroad
30 company. The report of the study shall be submitted to the
31 Sixty-ninth General Assembly, 1982 Session, not later than
32 January 11, 1982.

33 Sec. 31. Sections 22 through 29 of this Act are repealed
34 July 1, 2008.

35 Sec. 32. Section 1 of this Act takes effect July 1, 1982

1 for delinquent property taxes collected on or after the
2 effective date.

3 Sec. 33. This Act, except for section 1, being deemed
4 of immediate importance, takes effect from and after its
5 publication in the Muscatine Journal, a newspaper published
6 in Muscatine, Iowa, and in The Red Oak Express, a newspaper
7 published in Red Oak, Iowa.

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HOUSE FILE 874

H-4503

1 Amend the Senate amendment, H-4501, to House File
2 874 as amended, passed and reprinted by the House
3 as follows:

4 1. Page 3, line 11, by inserting after the word
5 "obligations." the following: "The funds deposited
6 in that separate account shall not be used to pay
7 for the operation of any railroad or to pay any
8 operating subsidy for any railroad. If on the first
9 day of July, 1982 or the first day of July of any
10 year thereafter, the funds accumulated in that separate
11 account exceed two times the bond service charges
12 for the next succeeding twenty-four months on the
13 obligations issued by the authority secured by the
14 funds in that separate account, the tax imposed by
15 section 24 of this Act shall be suspended for the
16 next following twelve months and shall not be due
17 or collected during those months but the report
18 required by section 26 of this Act shall be required
19 for those months."

BY JOHNSON of Linn
MILLER of Buchanan
SCHNEKLOTH of Scott
PAVICH of Pottawattamie

H-4503 FILED
AUGUST 14, 1981
LOST (p. 70)

SENATE AMENDMENT TO
HOUSE FILE 874

H-4501

- 1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:
- 3 1. Page 1, lines 4 and 5, by striking the words
4 "to this state or a political subdivision of this
5 state" and inserting in lieu thereof the words "~~to~~
6 ~~a-political-subdivision-of-this-state~~".
- 7 2. Page 6, by striking lines 12 through 27 and
8 inserting in lieu thereof the following: "The
9 authority shall not submit a bid to acquire a railway
10 facility if any railroad company or person is
11 negotiating for the facility's purchase and if the
12 railroad company's or person's offer exceeds the net
13 salvage value set by the trustee by at least fifteen
14 percent and the offer is for a segment which originates
15 and terminates at the intersection of another railroad
16 mainline or is for a segment which connects to a
17 mainline if the facility is a branchline. However,
18 even if a railroad company or person is negotiating
19 for a facility's purchase, the authority may submit
20 a bid for the acquisition of the railway facility
21 upon approval of a resolution by the state
22 transportation commission stating that the best
23 interests of the state and the transportation needs
24 thereof might not be served by the railroad company's
25 or person's offer or negotiation. However, the
26 commission shall not adopt such a resolution if the
27 competing railroad corporation or person files with
28 the state department of transportation an enforceable
29 undertaking to operate the facility for a period of
30 five years after its purchase."
- 31 3. Page 7, line 24, by inserting after the word
32 "facility" the words "that is owned or financially
33 assisted by the authority alone or in any other
34 association with any other person".
- 35 4. Page 9, line 25, by striking the words "the
36 state or".
- 37 5. Page 9, line 27, by striking the words "
38 except for those" and inserting in lieu thereof the
39 words ". Except for those tax".
- 40 6. Page 9, line 28, by inserting after the word
41 "fund" the following: "as provided in section 307.29,
42 section 20 of this Act, and section 29 of this Act,
43 the state shall not appropriate tax funds, directly
44 or indirectly, to the authority for the purpose of
45 payment of obligations of the authority".
- 46 7. Page 10, line 27, by striking the word "may"
47 and inserting in lieu thereof the word "shall".
- 48 8. Page 12, line 5, by inserting before the word
49 "twenty" the words "at least".
- 50 9. Page 14, by striking lines 22 and 23 and

1 inserting in lieu thereof the following: "or provision
2 and no appropriation shall be made, directly or
3 indirectly,".

4 10. Page 14, line 25, by inserting after the word
5 "judgments" the words "or to fund any deficiency in
6 the special railroad facility fund".

7 11. Page 17, line 21, by inserting after the word
8 "authority." the following: "However, properties
9 owned by the authority which are leased or rented
10 to a private person shall include as part of the
11 rates, rents, fees, or charges payable by that person
12 a sum equal to the amount of tax, determined by
13 applying the tax rate of the taxing district to the
14 assessed value of the property, which the state,
15 county, city, school district or other political
16 subdivision would receive if the property were owned
17 by a private person, any other statute to the contrary
18 notwithstanding. This sum shall be distributed to
19 each taxing district based upon its tax equivalent.
20 For purposes of arriving at that tax equivalent, the
21 property shall be valued and assessed by the assessor
22 in whose jurisdiction the property is located, in
23 accordance with chapter 441, but the authority, the
24 lessee or renter on behalf of the authority, and other
25 persons as are authorized by chapter 441 shall be
26 entitled to protest any assessment and take appeals
27 in the same manner as any taxpayer. The valuations
28 shall be included in any summation of valuations in
29 the taxing district for all purposes known to the
30 law. Income from this source shall be considered
31 under the provisions of section 384.16, subsection
32 1, paragraph "b"."

33 12. Page 20, line 21, by inserting after the word
34 "authority." the following: "The state treasurer
35 is authorized to invest the funds deposited in the
36 special railroad facility fund at the direction of
37 the authority and subject to any limitations contained
38 in the bond proceedings. The income from such
39 investment shall be credited to and deposited in the
40 special railroad facility fund."

41 13. Page 20, by inserting after line 30 the
42 following:

43 "Any moneys credited to the special railroad
44 facility fund under sections 20 and 29 of this Act
45 shall be deposited in a separate account within the
46 special railroad facility fund. The authority may
47 issue obligations under this chapter which are secured
48 solely by the moneys to be deposited in that separate
49 account and the holders or owners of any such
50 obligations shall have no rights to payment of bond .

H-4501
Page 3

1 service charges from any other funds in the special
2 railroad facility fund, including any moneys accruing
3 to the authority from the lease, sale or other
4 disposition, or use of railway facilities, or from
5 payment of the principal of or interest on loans made,
6 or from any other use of the proceeds of the sale
7 of the obligations, and no such moneys may be used
8 for the payment of bond service charges on any such
9 obligations, except for accrued interest, capitalized
10 interest, and reserves funded from proceeds received
11 upon the sale of the obligations."

12 14. Page 23, by inserting after line 14 the
13 following:

14 "7. If a railroad company believes that the method
15 of computing the tax by the prescribed mileage formula
16 has operated or will so operate as to subject to
17 taxation a greater portion of fuel than is reasonably
18 attributable to use for the propulsion of a railway
19 vehicle in this state, it shall be entitled to file
20 with the department a statement of objections and
21 of such alternative method of determining fuel use
22 in this state as it believes to be proper under the
23 circumstances. If the department concludes that the
24 mileage formula, in fact, does not reasonably attribute
25 fuel use to the state, it shall redetermine the tax
26 per gallons of fuel by such methods as seems best
27 calculated to assign to the state the portion of fuel
28 reasonably used in this state."

H-4501 FILED
AUGUST 13, 1981

RECEIVED FROM THE SENATE

Done concurred 6/14/81 (p. 82)

HOUSE FILE 874

S-3933

1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 20, line 9, by striking the words and
4 figure "29 of this Act" and inserting in lieu thereof
5 the words and figures "422.43, section 423.24".

6 2. Page 20, by inserting after line 30, the
7 following:

8 "Sec. 25. Section 422.43, unnumbered paragraph
9 5, Code 1981, is amended to read as follows:

10 All revenues arising under the operation of the
11 ~~provisions of this section~~ derived from the tax on
12 the gross receipts from the sale of fuel used or to
13 be used for the generation of power for the propulsion
14 of railroad rolling stock shall be credited to the
15 special railroad facility fund established in section
16 19 of this Act. All other revenues arising under
17 the operation of this section shall become part of
18 the state general fund.

19 Sec. 26. Section 422.45, subsection 10, Code 1981,
20 is amended to read as follows:

21 10. The gross receipts from sales of tangible
22 personal property used or to be used as railroad
23 rolling stock for transporting persons or property,
24 or as materials or parts therefor. This exemption
25 does not apply to fuel used or to be used for the
26 generation of power for the propulsion of railroad
27 rolling stock.

28 Sec. 27. Section 423.4, subsection 6, Code 1981,
29 is amended to read as follows:

30 6. Tangible personal property used or to be used
31 as railroad rolling stock for transporting persons
32 or property, or as materials or parts therefor. This
33 exemption does not apply to fuel used or to be used
34 for the generation of power for the propulsion of
35 railroad rolling stock.

36 Sec. 28. Section 423.24, Code 1981, is amended
37 to read as follows:

38 423.24 DEPOSIT OF REVENUE. All revenue arising
39 under the operation of this chapter, derived from
40 the use tax on motor vehicles, trailers, and motor
41 vehicle accessories and equipment, as same may be
42 collected as provided by section 423.7 shall be
43 credited to the road use tax fund. All revenue arising
44 under the operation of this chapter derived from the
45 use tax on fuel used or to be used for the generation
46 of power for the propulsion of railroad rolling stock
47 shall be credited to the special railroad facility
48 fund established in section 19 of this Act. All other
49 revenue arising under the operation of this chapter
50 shall be credited to the general fund of the state."

- 1 3. Page 21, by striking line 12 through page 23,
- 2 line 34.
- 3 4. Page 24, by inserting after line 2 the follow-
- 4 ing:
- 5 "Sec. ____ Sections 25 through 28 of this Act
- 6 take effect October 1, 1981."
- 7 5. Page 24, line 3, by inserting after the word
- 8 and figure "section 1" the words and figures "and
- 9 sections 25 through 28".
- 10 6. Title page, by striking line 2 and inserting
- 11 in lieu thereof the words "the imposition of the state
- 12 sales, services, and use tax on the sale or use of
- 13 fuel used".
- 14 7. By numbering, renumbering, and correcting
- 15 internal references as necessary.

S-3933 FILED
AUGUST 13, 1981

BY JOHN NYSTROM
TOM SLATER
DALE L. TIEDEN

LOST (p. 20)
RECONSIDERED & LOST (p. 23)

HOUSE FILE 874

S-3927

- 1 Amend House File 874 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 6, by striking lines 12 through 27 and
- 4 inserting in lieu thereof the following: "However,
- 5 the authority, alone or through or in conjunction
- 6 with a partnership or other association, shall not
- 7 purchase or submit a bid for the acquisition of any
- 8 railroad line for which any railroad company or person
- 9 has submitted a good faith written offer, in excess
- 10 of net salvage value, to acquire and operate within
- 11 five years that railroad line."
- 12 2. Page 9, line 25, by striking the words "the
- 13 state or".
- 14 3. Page 9, line 27, by striking the words ",
- 15 except for those" and inserting in lieu thereof the
- 16 words ". Except for those tax".
- 17 4. Page 9, line 28, by inserting after the word
- 18 "fund" the following: "as provided in section 307.29,
- 19 section 20 of this Act, and section 29 of this Act,
- 20 the state shall not appropriate tax funds, directly
- 21 or indirectly, to the authority for the purpose of
- 22 payment of obligations of the authority".
- 23 5. Page 14, by striking lines 22 and 23 and
- 24 inserting in lieu thereof the following: "or provision
- 25 and no appropriation shall be made, directly or
- 26 indirectly,".
- 27 6. Page 14, line 25, by inserting after the word
- 28 "judgments" the words "or to fund any deficiency in
- 29 the special railroad facility fund".

S-3927 FILED

AUGUST 13, 1981 ^{blawd}
DIVISION A - RULED OUT OF ORDER (p. 29)
DIVISION B - ADOPTED (p. 27)

BY COMMITTEE ON WAYS AND MEANS
ROLF V. CRAFT, CHAIRPERSON

S-3929

1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, lines 4 and 5, by striking the words
4 "to this state or a political subdivision of this
5 state" and inserting in lieu thereof the words "to
6 ~~a political subdivision of this state~~".

7 2. Page 6, by striking lines 12 through 27 and
8 inserting in lieu thereof the following: "The
9 authority shall not submit a bid to acquire a railway
10 facility if any railroad company or person is
11 negotiating for the facility's purchase and if the
12 railroad company's or person's offer exceeds the net
13 salvage value set by the trustee and the offer is
14 for a segment which originates and terminates at the
15 intersection of another railroad mainline or is for
16 a segment which connects to a mainline if the facility
17 is a branchline. However, even if a railroad company
18 or person is negotiating for a facility's purchase,
19 the authority may submit a bid for the acquisition
20 of the railway facility upon approval of a resolution
21 by the state transportation commission stating that
22 the best interests of the state and the transportation
23 needs thereof might not be served by the railroad
24 company's or person's offer or negotiation because
25 there is no satisfactory assurance to the commission
26 that any rail service will be provided and that the
27 railway facility will remain in service for a minimum
28 of ten years."

29 3. Page 7, line 24, by inserting after the word
30 "facility" the words "that is owned or financially
31 assisted by the authority alone or in any other
32 association with any other person".

33 4. Page 17, line 21, by inserting after the word
34 "authority." the following: "However, properties
35 owned by the authority which are leased or rented
36 to a private person shall include as part of the
37 rates, rents, fees, or charges payable by that person
38 a sum equal to the amount of tax, determined by
39 applying the tax rate of the taxing district to the
40 assessed value of the property, which the state,
41 county, city, school district or other political
42 subdivision would receive if the property were owned
43 by a private person, any other statute to the contrary
44 notwithstanding. This sum shall be distributed to
45 each taxing district based upon its tax equivalent.
46 For purposes of arriving at that tax equivalent, the
47 property shall be valued and assessed by the assessor
48 in whose jurisdiction the property is located, in
49 accordance with chapter 441, but the authority, the
50 lessee or renter on behalf of the authority, and other

S-3929
PAGE 2

1 persons as are authorized by chapter 441 shall be
2 entitled to protest any assessment and take appeals
3 in the same manner as any taxpayer. The valuations
4 shall be included in any summation of valuations in
5 the taxing district for all purposes known to the
6 law. Income from this source shall be considered
7 under the provisions of section 384.16, subsection
8 1, paragraph "b".

9 5. Page 20, line 21, by inserting after the word

B 10 "authority." the following: "The state treasurer
11 is authorized to invest the funds deposited in the
12 special railroad facility fund at the direction of
13 the authority and subject to any limitations contained
14 in the bond proceedings. The income from such
15 investment shall be credited to and deposited in the
16 special railroad facility fund."

17 6. Page 23, by inserting after line 14 the
18 following:

19 "7. If a railroad company believes that the method
20 of computing the tax by the prescribed mileage formula
21 has operated or will so operate as to subject to
22 taxation a greater portion of fuel than is reasonably
23 attributable to use for the propulsion of a railway
24 vehicle in this state, it shall be entitled to file
25 with the department a statement of objections and
26 of such alternative method of determining fuel use
27 in this state as it believes to be proper under the
28 circumstances. If the department concludes that the
29 mileage formula, in fact, does not reasonably attribute
30 fuel use to the state, it shall redetermine the tax
31 per gallons of fuel by such methods as seems best
32 calculated to assign to the state the portion of fuel
33 reasonably used in this state."

S-3929 FILED
AUGUST 13, 1981

BY RICHARD F. DRAKE
C. W. HUTCHINS

DIVISION A - ADOPTED AS AMENDED *by 3934 (p. 29)*
DIVISION B - ADOPTED *(p. 25)*

HOUSE FILE 874

S-3930

1 Amend amendment S-3929 to House File 874 as
2 amended, passed and reprinted by the House as
3 follows:

4 1. Page 1, line 28, by striking the word "ten"
5 and inserting in lieu thereof the word "five".

S-3930 FILED
AUGUST 13, 1981

BY RICHARD F. DRAKE
C. W. HUTCHINS

RULED OUT OF ORDER *(p. 29)*
Placed

HOUSE FILE 874

S-3925

- 1 Amend the Drake amendment S-3917 to House File
- 2 874 as amended, passed and reprinted by the House
- 3 as follows:
- 4 1. Page 1, line 12, by inserting after the word
- 5 "trustee" the words "by at least fifteen percent".

S-3925 FILED
AUGUST 13, 1981

BY ARNE WALDSTEIN
C. W. HUTCHINS

Placed out of order 5/13 (p. 23)

HOUSE FILE 874

S-3928

- 1 Amend amendment S-3917 to House File 874 as
- 2 follows:
- 3 1. Page 1, line 13, by inserting after the word
- 4 "segment" the words "in its entirety".
- 5 2. Page 1, line 15, by inserting after the word
- 6 "segment" the words "in its entirety".

S-3928 FILED
AUGUST 13, 1981

BY C. W. HUTCHINS

Placed out of order 5/13 (p. 28)

HOUSE FILE 874

S-3931

- 1 Amend amendment S-3929 to House File 874, as
- 2 amended, passed and reprinted by the House as
- 3 follows:
- 4 1. Page 1, line 14, by inserting after the word
- 5 "segment" the words "in its entirety".
- 6 2. Page 1, line 16, by inserting after the word
- 7 "segment" the words "in its entirety".
- 8 3. Page 2, line 8, by inserting after the period
- 9 the following:
- 10 "However, properties comprising railroad facilities
- 11 financially assisted under this chapter and upgraded
- 12 which are owned by persons other than the authority
- 13 shall qualify for the industrial real estate new
- 14 construction tax exemption allowed under chapter 427B
- 15 and shall claim the exemption in the manner provided
- 16 under chapter 427B."

S-3931 FILED
AUGUST 13, 1981

BY C. W. HUTCHINS

DIVISION A - LOST (p. 28)
DIVISION B - LOST (p. 28)

HOUSE FILE 874

S-3936

- 1 Amend House File 874 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 12, line 5, by inserting before the
- 4 word "twenty" the words "at least".

S-3936 FILED & ADOPTED
AUGUST 13, 1981 (p. 29)

BY DICK RAMSEY

HOUSE FILE 874

S-3932

- 1 Amend the Committee on Ways and Means amendment,
2 S-3927, to House File 874 as amended, passed and
3 reprinted by the House as follows:
4 1. Page 1, line 11, by inserting after the word
5 "line." the words "The authority may submit a
6 competitive bid should any railroad company or person
7 refuse to file with the authority an enforceable
8 agreement that it intends to operate the railroad
9 line after its acquisition."

S-3932 FILED BY ROLF V. CRAFT

AUGUST 13, 1981

RULED OUT OF ORDER (p. 29)

Placed

HOUSE FILE 874

S-3934

- 1 Amend the Drake amendment S-3929 to House File
2 874 as amended, passed and reprinted by the House
3 as follows:
4 1. Page 1, line 13, by inserting after the word
5 "trustee" the words "by at least fifteen percent".

S-3934 FILED & ADOPTED

BY ARNE WALDSTEIN

AUGUST 13, 1981 (p. 29)

C. W. HUTCHINS

HOUSE FILE 874

S-3935

- 1 Amend amendment S-3929 to House File 874 as
2 amended, passed and reprinted by the House as
3 follows:
4 1. Page 1, by striking lines 24 through 28 and
5 inserting in lieu thereof the following: "company's
6 or person's offer or negotiation. However, the
7 commission shall not adopt such a resolution if the
8 competing railroad corporation or person files with
9 the state department of transportation an enforceable
10 undertaking to operate the facility for a period of
11 five years after its purchase."

S-3935 FILED & ADOPTED

BY CLARENCE S. CARNEY

AUGUST 13, 1981 (p. 29)

HOUSE FILE 874

S-3937

- 1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 10, line 27, by striking the word "may"
4 and inserting in lieu thereof the word "shall".

S-3937 FILED & ADOPTED
AUGUST 13, 1981 (p. 31)

BY DICK RAMSEY

S-3917

1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, lines 4 and 5, by striking the words
4 "to this state or a political subdivision of this
5 state" and inserting in lieu thereof the words "~~to~~
6 ~~a-political-subdivision-of-this-state~~".

7 2. Page 6, by striking lines 12 through 27 and
8 inserting in lieu thereof the following: "The
9 authority shall not submit a bid to acquire a railway
10 facility if any railroad company is negotiating for
11 the facility's purchase and if the railroad company's
12 offer exceeds the net salvage value set by the trustee
13 and the offer is for a segment which originates and
14 terminates at the intersection of another railroad
15 mainline or is for a segment which connects to a
16 mainline if the facility is a branchline. The
17 authority may submit a bid for the acquisition of
18 a railway facility upon approval of a resolution by
19 the state transportation commission stating that the
20 best interests of the state and the transportation
21 needs thereof might not be served by the railroad
22 company's offer or negotiation."

23 3. Page 7, line 24, by inserting after the word
24 "facility" the words "that is owned or financially
25 assisted by the authority alone or in any other
26 association with any other person".

27 4. Page 17, line 21, by inserting after the word
28 "authority." the following: "However, properties owned
29 by the authority which are leased or rented to a
30 private person shall include as part of the rates,
31 rents, fees, or charges payable by that person a sum
32 equal to the amount of tax, determined by applying
33 the tax rate of the taxing district to the assessed
34 value of the property, which the state, county, city,
35 school district or other political subdivision would
36 receive if the property were owned by a private person,
37 any other statute to the contrary notwithstanding.
38 This sum shall be distributed to each taxing district
39 based upon its tax equivalent. For purposes of
40 arriving at that tax equivalent, the property shall
41 be valued and assessed by the assessor in whose
42 jurisdiction the property is located, in accordance
43 with chapter 441, but the authority, the lessee or
44 renter on behalf of the authority, and other persons
45 as are authorized by chapter 441 shall be entitled
46 to protest any assessment and take appeals in the
47 same manner as any taxpayer. The valuations shall
48 be included in any summation of valuations in the
49 taxing district for all purposes known to the law.
50 Income from this source shall be considered under

1 the provisions of section 384.16, subsection 1,
2 paragraph "b"."

3 5. Page 20, line 21, by inserting after the word
4 "authority." the following: "The state treasurer
5 is authorized to invest the funds deposited in the
6 special railroad facility fund at the direction of
7 the authority and subject to any limitations contained
8 in the bond proceedings. The income from such
9 investment shall be credited to and deposited in the
10 special railroad facility fund."

11 6. Page 23, by inserting after line 14 the
12 following:

13 "7. If a railroad company believes that the method
14 of computing the tax by the prescribed mileage formula
15 has operated or will so operate as to subject to
16 taxation a greater portion of fuel than is reasonably
17 attributable to use for the propulsion of a railway
18 vehicle in this state, it shall be entitled to file
19 with the department a statement of objections and
20 of such alternative method of determining fuel use
21 in this state as it believes to be proper under the
22 circumstances. If the department concludes that the
23 mileage formula, in fact, does not reasonably attribute
24 fuel use to the state, it shall redetermine the tax
25 per gallons of fuel by such methods as seems best
26 calculated to assign to the state the portion of fuel
27 reasonably used in this state."

S-3917 FILED

BY RICHARD F. DRAKE

AUGUST 12, 1981

W/S 8/12/81 (p. 27)

HOUSE FILE 874

S-3919

1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 20, by inserting after line 30 the
4 following:

5 "Any moneys credited to the special railroad
6 facility fund under sections 20 and 29 of this Act
7 shall be deposited in a separate account within the
8 special railroad facility fund. The authority may
9 issue obligations under this chapter which are secured
10 solely by the moneys to be deposited in that separate
11 account and the holders or owners of any such
12 obligations shall have no rights to payment of bond
13 service charges from any other funds in the special
14 railroad facility fund, including any moneys accruing
15 to the authority from the lease, sale or other
16 disposition, or use of railway facilities, or from
17 payment of the principal of or interest on loans made,
18 or from any other use of the proceeds of the sale
19 of the obligations, and no such moneys may be used
20 for the payment of bond service charges on any such
21 obligations, except for accrued interest, capitalized
22 interest, and reserves funded from proceeds received
23 upon the sale of the obligations."

S-3919 FILED

BY RICHARD F. DRAKE

AUGUST 12, 1981

Adopted 8/13/81 (p. 31)

S-3916

1 Amend House File 874 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 20, by inserting after line 30 the follow-
4 ing:

5 "Sec. ____ Chapter 327C, Code 1981, is amended
6 by adding the following new sections as sections
7 327G.78 and 327G.79:

8 NEW SECTION. 327G.78 SALE OF RAILROAD PROPERTY.
9 Subject to sections 327C.77, 471.16, and 471.17, when
10 the interests of a railroad corporation or trustee
11 of a railroad corporation in a railroad right of way
12 or other real property adjacent to a railroad right
13 of way are abandoned by order of the interstate
14 commerce commission, reorganization court, bankruptcy
15 court or board or is otherwise abandoned as defined
16 by section 471.15, or when a railroad corporation
17 or trustee seeks to sell its interests in that property
18 under any other circumstance, the railroad corpora-
19 tion or trustee shall first extend a written offer
20 to sell at a fair market value price to the person
21 who leased on or before September 1, 1979, that
22 property and thereafter to the persons who leased
23 or owned on or before September 1, 1979, property
24 adjacent to that property. If a disagreement arises
25 between the railroad corporation or trustee and the
26 person wishing to purchase that property concerning
27 the price or other terms of the sale transaction,
28 the railroad corporation, trustee or person may make
29 written application to the board. The application
30 shall only be made after sixty days after an initial
31 written offer to purchase was served upon the railroad
32 corporation or trustee by the person wishing to
33 purchase the property. The board shall hear the
34 controversy and make a final determination of the
35 fair market value of the property within ninety days
36 after the application is filed.

37 NEW SECTION. 327G.79 VALUING RAIL PROPERTY.
38 The board's determination and order shall be just
39 and equitable and shall be based in part upon at least
40 two independent appraisals prepared by certified
41 appraisers. Each appraisal shall be paid for by the
42 party for whom the appraisal is prepared. A railroad
43 corporation or trustee shall not sell property subject
44 to section 327G.78 for an amount in excess of fair
45 market value as determined by the board.

46 The board's determination and order shall be final
47 for the purpose of administrative review to district
48 court as provided in chapter 17A. The district court's
49 scope of review shall be confined to whether there
50 is substantial evidence to support the board's

S-3916
PAGE 2

1 determination and order.

2 For purposes of this section and section 327G.78,
3 "board" means the transportation regulation board
4 or its successor agency."

5 2. Title page, line 11, by inserting after the
6 word "authority" the words ", that a railroad
7 corporation or trustee of a railroad corporation must
8 first offer to sell at fair market value to the lessee
9 of the railroad right of way or property adjacent
10 to it before the railroad corporation or trustee may
11 abandon or sell that property".

12 3. By numbering, renumbering, and correcting
13 internal references as necessary.

S-3916 FILED
August 12, 1981

BY RICHARD DRAKE

Lost 8/12/81 (p. 21)

HOUSE FILE 874

AN ACT

RELATING TO RAILWAY TRANSPORTATION BY PROVIDING FOR THE IMPOSITION AND COLLECTION OF A TAX ON THE USE OF FUEL FOR THE PROPULSION OF RAILWAY VEHICLES, FOR THE CREATION OF A SPECIAL RAILROAD FACILITY FUND TO WHICH CERTAIN TAX MONEYS ARE CREDITED, FOR THE PLEDGING OF THE MONEYS IN THE SPECIAL RAILROAD FACILITY FUND FOR OBLIGATIONS ISSUED BY THE IOWA RAILWAY FINANCE AUTHORITY, FOR THE INCREASE IN THE AMOUNT OF OUTSTANDING OBLIGATIONS THAT THE IOWA RAILWAY FINANCE AUTHORITY MAY HAVE, FOR AN EXPANSION AND CLARIFICATION OF THE POWERS AND DUTIES OF THE IOWA RAILWAY FINANCE AUTHORITY.

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

Section 1. Section 307.29, subsections 1 and 3, Code 1981, are amended to read as follows:

1. Sixty days after the tax obligations of a railway company which are owed ~~to a political subdivision of this state~~ become delinquent as provided in section 445.37 and remain unpaid, the state department of transportation shall become responsible for collection of the delinquent taxes. The county treasurer of each affected county shall transmit the unpaid tax statement of the railway company to the state department of transportation.

3. Upon the acquisition by the department of payment from the railway company in full liquidation of the delinquent taxes including payment by means of transfer of title to rights of way or other real estate, any tax lien existing prior to ~~such~~ the acquisition on the property on which the taxes were delinquent ~~shall be null and is void and the department shall not pay any of these delinquent taxes to the county treasurer.~~ The department shall take title to the rights-of-way or other real estate for administration, management, collection of rents, and disposal and shall credit all moneys collected or received from the rental or disposal of rights-of-way or other real estate to the special railroad facility fund established in section 19 of this Act. Any moneys received as payment for delinquent property taxes shall be credited to the special railroad facility fund established in section 19 of this Act.

Sec. 2. Section 307B.2, Code 1981, is amended to read as follows:

307B.2 DECLARATION OF NECESSITY AND PURPOSE. The purpose of this chapter is to benefit the citizens of Iowa by improving their general health, welfare and prosperity and insuring the economic and commercial development of the state and by promoting agricultural and industrial improvement. Access to adequate railway transportation facilities is essential to the economic welfare of the state. ~~This~~ One purpose of this chapter is intended to preserve or provide for the citizens of Iowa those railway facilities services now in existence or needed in the state which have a viable future but which for a variety of economic and legal reasons may well go out of service not exist if the state does not provide the financing mechanism contained or other mechanisms referred to in this chapter. It is the intent of the chapter that any public ownership and control of railway facilities provided for in this chapter be transferred to private ownership as promptly as economically practicable subject to financing requirements. It is further intended that the authority created ~~herein in this chapter~~ be vested with all powers to

enable it to accomplish its the purposes of this chapter except the power to operate rolling stock except-as-incidental-to-the-repair-or-renovation-of-a-railway-facility.

It is the further intent of this chapter and of the general assembly that, in order to preserve rail competition and to provide for railway service in this state, the authority work primarily with railroad carriers already providing service in this state based upon their willingness and ability to meet these objectives.

Sec. 3. Section 307B.3, subsections 1, 3, and 10, Code 1981, are amended to read as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare, for the preservation and creation of employment, and for the promotion of the economy and of agricultural and industrial improvement, which are public purposes.

3. There will exist a serious shortage of viable rail lines and railway facilities serving the urban, rural and agricultural, and industrial communities of the state.

10. It is necessary to create a railway finance authority to encourage the investment of private capital and stimulate the construction, rehabilitation and repair of railway facilities and to prevent the abandonment of others through the use of public financing, publicly assisted financing, and other forms of public assistance.

Sec. 4. Section 307B.4, subsections 2, 3, and 6, Code 1981, are amended to read as follows:

2. "Railway facilities" means land, structures, fixtures, buildings and equipment, except rolling stock, necessary or useful in providing railroad transportation services, including, but not limited to, roadbeds, track, trestle, depot, switching and signaling equipment and all necessary, useful and related equipment and appurtenances and all franchises, easements and other interests in land and rights of way necessary or convenient as a site or sites for any of the foregoing or any part of or combination of the foregoing.

3. "Project costs" as-applied-to-railway-facilities financed-under-the-provisions-of-this-chapter-means-the-total-of-all-reasonable-or-necessary-costs-for-or-incidental-to the means any portion of the costs of railway rehabilitation, acquisition, construction, reconstruction, repair, alteration, improvement or extension of any railway facilities including, but-not-limited-to,-the-cost-of, providing, supplementing, and relocating public capital facilities, studies and, surveys, plans, specifications, architectural and engineering services, estimates of costs, legal, organizational, marketing or other special-services,-financing,-acquisition,-demolition,-construction,-equipment-and-site-development-of-new-and rehabilitated-buildings-and-facilities,-rehabilitation,-reconstruction,-repair-or-remodeling-of-existing-buildings and-facilities feasibility studies, and all other necessary and incidental expenses including,-but-not-limited-to,-an initial-bond related to the foregoing, and reimbursement of any moneys advanced or applied by a governmental agency or other person for project costs. Project costs include, in connection with obligations, a principal and interest reserve together with interest on bonds-issued-to-finance-the-railway facilities obligations to a date not later than six months subsequent to the estimated date of completion of the railway facilities that are the object of the financial assistance.

6. "Bonds Obligations" means negotiable bonds, notes or other obligations, except-these-obligations-to-the-federal government, evidence of debt, including interest coupons of the foregoing, issued under this chapter.

Sec. 5. Section 307B.4, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. "Financial assistance" means direct loans and other loans, grants, and forms of assistance authorized under this chapter.

NEW SUBSECTION. "Governmental action" means any action by a governmental agency relating to the establishment, development, or operation of railway facilities that the governmental agency acting has authority to take or provide

for the purpose under law, including, but not limited to, actions relating to contracts and agreements, zoning, building, permits, acquisition and disposition of property, public capital improvements, utility and transportation service, taxation, employee recruitment and training, and liaison and coordination with and among governmental agencies.

NEW SUBSECTION. "Governmental agency" means the state or any state department, division, commission, institution, or authority; a municipal corporation, city, county, or township, or any agency thereof; any other political subdivision or public corporation; the United States or any agency thereof; any agency, commission, or authority established pursuant to an interstate compact or agreement; or any combination of the foregoing.

NEW SUBSECTION. "Person" means an individual, firm, partnership, association, corporation, or governmental agency, or any combination thereof.

NEW SUBSECTION. "Public capital improvements" means capital improvements or facilities including, but not limited to, railroad facilities and related ancillary facilities, that a governmental agency has authority to acquire, pay the costs of, own, or maintain, or to do the foregoing by contract with other persons.

NEW SUBSECTION. "Bond proceedings" means the resolution, order, trust agreement, indenture, lease, and other agreements, and amendments, and supplements to the foregoing authorizing or providing for the terms and conditions applicable to or the provisions contained within, or providing for the security of, obligations issued pursuant to this chapter.

NEW SUBSECTION. "Bond service charges" means principal, including mandatory sinking fund requirements for retirement of obligations, interest, and redemption premium, if any, required to be paid by the authority on obligations.

NEW SUBSECTION. "Pledged receipts" means the revenues and receipts received or to be received by the authority from the lease, operation, or sale or disposition of railway facilities; from loan or other agreements relating to financial

assistance; from grants, gifts, or payments on guarantees made to the authority by any person; from accrued interest received from the sale of obligations; from income from the investment of special funds of the authority, including the special railroad facility fund; from the revenues and receipts deposited in the special railroad facility fund; and from any other moneys which are available for the payment of bond service charges.

NEW SUBSECTION. "Special railroad facility fund" means the fund created in section 19 of this Act.

Sec. 6. Section 307B.5, Code 1981, is amended to read as follows:

307B.5 IOWA RAILWAY FINANCE AUTHORITY. There is created an Iowa railway finance authority for the purpose of providing or providing for the financing of railway facilities and enhancing and continuing the operation of railway facilities as provided in this chapter.

Sec. 7. Section 307B.7, subsections 2, 5, 6, 7, 8, 10, 12, 13, 14, 15, 17, and 18, Code 1981, are amended to read as follows:

2. Adopt rules under chapter 17A for the regulation of its affairs and to carry out its duties and responsibilities. The authority is an agency as that term is defined in chapter 17A and is subject to the provisions of chapter 17A.

5. Acquire railway facilities, whether located within Iowa or a contiguous state, directly or through an agent, by purchase, lease, lease-purchase, gift, devise or otherwise. The authority shall not submit a bid to acquire a railway facility if any railroad company or person is negotiating for the facility's purchase and if the railroad company's or person's offer exceeds the net salvage value set by the trustee by at least fifteen percent and the offer is for a segment which originates and terminates at the intersection of another railroad mainline or is for a segment which connects to a mainline if the facility is a branchline. However, even if a railroad company or person is negotiating for a facility's purchase, the authority may submit a bid for the acquisition

of the railway facility upon approval of a resolution by the state transportation commission stating that the best interests of the state and the transportation needs thereof might not be served by the railroad company's or person's offer or negotiation. However, the commission shall not adopt such a resolution if the competing railroad corporation or person files with the state department of transportation an enforceable undertaking to operate the facility for a period of five years after its purchase.

6. Determine the location ~~and construction~~ of and select any railway facility to be ~~financed~~ provided financial assistance under the ~~provisions of~~ this chapter and to acquire, construct, reconstruct, renovate, rehabilitate, improve, extend, replace, maintain, repair and lease the same facility, and to enter into contracts for any of these purposes.

7. Enter into contracts, including partnership agreements, with any person, ~~federal or state government or subdivision of a state~~ for the ownership, operation, management or use of a railway facility. Provisions shall be made in any contract or partnership agreement entered into by the authority that any additional jobs which may result from the ownership, operation, management, or use of a railway facility shall be offered, when practicable, to qualified former employees of the Milwaukee Road or Rock Island railroad companies.

8. Designate an agent to ~~determine the location and construction of a railway facility under the provisions of this chapter and as agent of the authority, to construct, reconstruct, renovate, replace, maintain, repair, and lease the same and to enter into contracts for any of these purposes including contracts for the operation, management or use of the railway facility~~ perform its powers under subsections 5 and 7.

10. Issue ~~bonds, notes or other~~ obligations for any of its purposes and to ~~refund the same obligations,~~ all as provided for in this chapter. However, the total outstanding principal amount of bonds obligations outstanding at any one time shall not exceed one two hundred million dollars at any one time.

12. Fix ~~and,~~ revise and, charge, and collect rates, rents, fees and charges for the use of any railway facility or any portion of a facility that is owned or financially assisted by the authority alone or in any other association with any other person and to contract with any person, firm or corporation or other public or private body in respect to a facility.

13. Mortgage all or any portion of its railway facilities ~~and the sites,~~ whether then owned or thereafter acquired, ~~to finance the~~ in connection with the financing of the particular railway facility or any portion of the facility.

14. Extend ~~loans~~ financial assistance for the purpose of ~~financing providing for~~ project costs ~~of a railway facility.~~ Make interest-free loans for rehabilitation of railway tracks, roadbeds, or trestles to persons which have repaid in part the original loan from the authority which was made for the purpose of the acquisition or rehabilitation of railway tracks, roadbeds, or trestles. However, an interest-free loan to a person shall not exceed the amount repaid of the original loan made to that person and one-half of the amount of the interest-free loan repaid to the authority shall be credited to the railroad assistance fund established in section 327H.18.

15. Extend ~~loans~~ financial assistance to refund ~~bonds,~~ retire, or refinance obligations, including obligations running to the federal government, mortgages or advances issued, made or given for the project cost of a railway facility including the issuing of bonds and making loans to refinance indebtedness which costs were incurred for railway facilities undertaken and completed prior to or after May 20, 1980 when the governing board finds that this financing financial assistance is in the public interest.

17. Receive and accept from any public person or governmental agency loans, guarantees, or grants for or in aid of project costs and to receive and accept grants, gifts and other contributions from any source.

16. Own a railway facility under this chapter alone, in partnership, or in any other association with any person if

necessary or beneficial to preserve part of a railway system, upon the determination, after consultation with the department, that the railway facility is necessary or beneficial to the railway system, and then shall to be relinquished to private nonauthority ownership or operation as soon as economically practicable.

Sec. 8. Section 307B.7, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. Pledge any funds contained in the special railroad facility fund to the payment of and as security for obligations issued under this chapter.

NEW SUBSECTION. Invest moneys in the special railroad facility fund in general or limited partnership interests in a partnership formed to purchase, renovate, and operate a railway facility.

NEW SUBSECTION. Serve as a general or limited partner in a partnership formed to purchase, renovate, and operate a railway facility.

NEW SUBSECTION. Enter into agreements with persons to develop, equip, furnish, or otherwise develop and operate railway facilities, and make provision in the agreements for railway facilities and governmental actions, as authorized by this chapter and other laws.

NEW SUBSECTION. Enter into appropriate arrangements and agreements with a governmental agency for the taking or the providing by that governmental agency of a governmental action.

Sec. 9. Section 307B.8, subsections 4, 5, and 6, Code 1981, are amended by striking the subsections.

Sec. 10. Section 307B.8, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. Consult with the Iowa conservation commission before taking any action that substantially affects wildlife habitat.

Sec. 11. Section 307B.9, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

307B.9 OBLIGATIONS. Except as provided in this chapter, all obligations are payable solely out of the pledged receipts

as designated in the bond proceedings. Tax funds which the authority receives from a political subdivision of the state shall not be pledged for payment of the obligations. Except for those tax funds deposited in the special railroad facility fund as provided in section 307.29, section 20 of this Act, and section 29 of this Act, the state shall not appropriate tax funds, directly or indirectly, to the authority for the purpose of payment of obligations of the authority. Obligations shall be authorized by resolution of the board and bond proceedings shall provide for the purpose of the obligations, the principal amount, the principal maturity or maturities, not exceeding twenty-five years from the date of issuance, the interest rate or rates or the maximum interest rate, the date of the obligations and the dates of payment of interest on them, their denomination, and the establishment within or without the state of a place or places of payment of bond service charges. As much as is practicable within the legal and fiscal limitations inherent in bond issuance, a portion of the bonds shall be issued in denominations of five thousand (5,000) dollars and smaller, in order to allow smaller investors in the state to purchase the bonds. The purpose of the obligations may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The bond proceedings shall also provide, subject to other applicable bond proceedings, for the pledge of all or such part, as the authority may determine, of the pledged receipts to the payment of bond service charges, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations issued at other times, if and to the extent provided in the bond proceedings. The pledged receipts so pledged and received by the authority are immediately subject to the lien of the pledge without physical delivery or further act, and the pledge of the pledged receipts is effective and these moneys may be applied to the purposes for which pledged without necessity for an act of appropriation. Every pledge and every covenant and agreement

with respect to a pledge made in the bond proceedings may be extended to the benefit of the owners and holders of obligations authorized by this chapter, and to any trustee for owners and holders, for the further security of the payment of the bond service charges. The authority shall issue a prospectus or official statement in connection with the offering of obligations. Obligations may be issued in coupon or in registered form, or both. Provision may be made for the registration of obligations with coupons attached as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons attached of any obligations registered as to both principal and interest, and for reasonable charges for registration, exchange, conversion, and reconversion. Obligations may be sold at public or private sale at the price, in the manner, and at the time determined by the governing board. Chapter 75 and sections 23.12 through 23.16 do not apply to obligations issued under this chapter. All obligations are negotiable instruments.

The bond proceedings may contain additional provisions as to:

1. The redemption of obligations prior to maturity at the option of the authority at the price and under the terms and conditions provided in the bond proceedings.
2. Other terms of the obligation.
3. Limitations on the issuance of additional obligations.
4. The terms of any trust agreement or indenture securing the obligations or under which the obligations may be issued.
5. The deposit, investment, and application of special funds and the safeguarding of moneys on hand or on deposit, without regard to chapter 453, subject to this chapter, with respect to particular funds or moneys; provided that any bank or trust company which acts as depository of any moneys in the special funds may furnish indemnifying bonds or may pledge the securities as required by the authority.

6. The provisions of the bond proceedings which are binding upon the officer, board, commission, authority, agency, department, or other person or body which has the authority under law to take actions as necessary to perform all or any part of the duty required by a provision.

7. Any provision which may be made in a trust agreement or indenture.

8. Additional agreements with the holders of the obligations, or the trustee for the holders, relating to the obligations or the security for the obligations.

Before the authority can incur an obligation for the acquisition or purchase of railway facilities under this chapter, the proceeds of which are to be contributed, loaned, or otherwise provided to a partnership of which the authority is a partner, the other partners of the partnership must pledge to the partnership in the aggregate an amount equal to at least twenty percent of the amount of the obligations to be incurred for the acquisition or purchase.

Sec. 12. Section 307B.10, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

307B.10 REFUNDING OF OBLIGATIONS. The board may authorize and issue obligations for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of any obligations previously issued by the authority. These obligations may be issued in amounts sufficient for payment of the principal amount of the prior obligations, any redemption premiums on the prior obligations, principal maturities of any obligations maturing prior to the redemption of the remaining obligations on a parity with them, interest accrued or to accrue to the maturity date or dates of redemption of the obligations, and any project costs including expenses incurred or to be incurred in connection with this issuance, refunding, funding, and retirement. Subject to the bond proceedings, the portion of proceeds of the sale of obligations issued under this section to be applied to bond service charges on the prior obligations shall be credited to the appropriate account for

those prior obligations. Obligations authorized under this section shall be deemed to be issued for those purposes for which the prior obligations were issued and are subject to the provisions of this chapter pertaining to other obligations. Obligations refunded shall not be considered to be outstanding for purposes of section 307B.7, subsection 10.

Refunding may be made without regard to whether or not the obligations to be refunded were issued in connection with the same railway facilities, separate railway facilities or for other purposes, and without regard to whether or not the obligations proposed to be refunded shall be payable on the same date or different dates or due serially or otherwise.

Sec. 13. Section 307B.11, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

307B.11 SECURITY FOR OBLIGATIONS. Obligations may be additionally secured by a trust agreement or indenture between the authority and a corporate trustee which may be any trust company or bank having its principal place of business within the state. Any such agreement, indenture, mortgage, or deed of trust, or any combination thereof, may contain the resolution authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions which are customary or appropriate in an agreement or indenture of such type, including, but not limited to:

1. Maintenance of each pledge, trust agreement, indenture, or other instrument comprising part of the bond proceedings until the authority has fully paid the bond service charges on the obligations secured by the instrument, or provision for payment has been made.

2. In the event of default in any payments required to be made by the bond proceedings or any other agreement or the authority made as a part of the contract under which the obligations were issued, enforcement of the payments or agreement by mandamus, appointment of a receiver, suit in equity, action at law, or any combination of these.

3. The rights and remedies of the holders of obligations and of the trustee and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations.

4. The replacement of any obligations which become mutilated or are destroyed, lost, or stolen.

The principal of and interest on obligations shall be secured as provided in the bond proceedings by the pledge of pledged receipts and by assignment of leases or other contract rights of the authority, or any person acquiring, leasing, or operating railway facilities assisted under this chapter to third parties, which assignment may cover all or any part of the railway facilities from which the receipts may be derived, including, but not limited to, any enlargements of or additions to any of these railway facilities.

Each pledge shall continue in effect until the principal of and interest on the obligations has been fully paid or provision for the payment has been duly made pursuant to the bond proceedings.

Sec. 14. Section 307B.12, Code 1981, is amended to read as follows:

307B.12 PAYMENT OF BOND OBLIGATIONS--NONLIABILITY OF STATE. Bonds Obligations issued under ~~the provisions of~~ this chapter, and judgments based on contract or tort arising from the activities of the authority or persons acting on its behalf, ~~shall~~ are not ~~constitute~~ a debt or liability of the state or of any political subdivision within the meaning of any constitutional or statutory debt limitation and ~~no~~ are not a pledge of the state's credit or taxing power within the meaning of any constitutional or statutory limitation or provision and no appropriation shall be made, directly or indirectly, by the state or any political subdivision of the state for the payment of the bonds obligations or judgments or to fund any deficiency in the special railroad facility fund, or for the indemnification of a person subject to a judgment arising from that person's actions on the authority's behalf; ~~but~~. These obligations and judgments are special

obligations of the authority payable solely and only from the sources and special funds provided in this chapter. Funds from the general fund of the state shall not be used to pay interest or principal on obligations of the authority in the event that receipts from the taxes designated for deposit in the special railroad facility fund are insufficient.

Sec. 15. Section 307B.13, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

307B.13 REMEDIES OF HOLDERS OF OBLIGATIONS.

1. The bond proceedings may provide that a holder of obligations or a trustee under the bond proceedings, except to the extent that the holder's rights are restricted by the bond proceedings, may by legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond proceedings. These rights include the right to compel the performance of all duties of the authority required by this chapter or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any bond service charges on any obligations or in the performance of any covenant or agreement on the part of the authority in the bond proceedings, to apply to a court to appoint a receiver to receive and administer the pledged receipts which are pledged to the payment of the bond service charges on these obligations or which are the subject of the covenant or agreement, with full power to pay and to provide for payment of bond service charges on these obligations and with powers accorded receivers in general equity cases, excluding any power to pledge additional revenues or receipts or other income or moneys of the authority or the state or governmental agencies of the state to the payment of the bond service charges; and if provided in the bond proceedings, the power to take possession of, mortgage, or cause the sale or otherwise dispose of any railway facilities.

Each duty of the authority and the authority's board, officers, and employees, and of each governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any agreement or lease, lease-purchase

agreement, or loan made under authority of this chapter, and in every agreement by or with the authority, is a duty of the authority, and of each board, officer, member, or employee having authority to perform this duty, which may be specifically enjoined by the law resulting from an office, trust, or station under chapter 661.

2. If the bond proceedings do not contain provisions authorized in subsection 1, if the authority defaults in the payment of principal or interest on obligations as they become due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or if the authority fails or refuses to comply with this chapter or defaults in any covenant or agreement in the bond proceedings made for the benefit of the holders of obligations, the holders of twenty-five percent in aggregate principal amount of obligations of the issue then outstanding by instrument filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded may appoint a trustee to represent the holders of the obligations for the purposes provided in this section.

The trustee selected may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of obligations then outstanding, shall:

- a. Enforce all rights of the holders of the obligations including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter.
- b. Bring suit upon the obligations.
- c. By action require the authority to account as if it were the trustee of an express trust for the holders.
- d. By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.
- e. Declare all the obligations due and payable and, if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of obligations then outstanding, annul the

declaration and its consequences. Before declaring the principal of obligations due and payable, the trustee shall first give thirty days notice in writing to the governor, to the authority, and to the attorney general of the state.

The trustee selected shall also have all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of holders in the enforcement and protection of their rights.

3. The district court has jurisdiction of any action by the trustee on behalf of holders. The venue of the action shall be in the county in which the principal office of the authority is located.

Sec. 16. Section 307B.14, Code 1981, is amended to read as follows:

307B.14 AUTHORITY AS PUBLIC INSTRUMENTALITY. The authority is performing a public function on behalf of the state and is a public instrumentality of the state. Income of the authority and all properties owned by or leased by to the authority ~~shall be~~ are exempt from all taxation in the state of Iowa. This chapter ~~shall~~ does not be ~~construed as exempting~~ exempt from taxation properties comprising railway facilities ~~financed financially assisted under any of the provisions~~ of this chapter which are owned by persons ~~or entities~~ other than the authority except those leased by to the authority. However, properties owned by the authority which are leased or rented to a private person shall include as part of the rates, rents, fees, or charges payable by that person a sum equal to the amount of tax, determined by applying the tax rate of the taxing district to the assessed value of the property, which the state, county, city, school district or other political subdivision would receive if the property were owned by a private person, any other statute to the contrary notwithstanding. This sum shall be distributed to each taxing district based upon its tax equivalent. For purposes of arriving at that tax equivalent, the property shall be valued and assessed by the assessor in whose jurisdiction the property is located, in accordance with

chapter 441, but the authority, the lessee or renter on behalf of the authority, and other persons as are authorized by chapter 441 shall be entitled to protest any assessment and take appeals in the same manner as any taxpayer. The valuations shall be included in any summation of valuations in the taxing district for all purposes known to the law. Income from this source shall be considered under the provisions of section 384.16, subsection 1, paragraph "b".

Sec. 17. Section 307B.15, Code 1981, is amended to read as follows:

307B.15 POWERS NOT RESTRICTED--LAW COMPLETE IN ITSELF. This chapter ~~shall~~ is not be ~~construed as~~ a restriction or limitation upon any powers which the authority ~~might otherwise have~~ or another governmental agency has under any laws of this state, but ~~shall be construed as~~ is cumulative of to any such powers. No proceedings, referendum, notice or approval ~~shall be~~ is required for the creation of the authority or the issuance of any bonds obligations or any instrument as security except as ~~herein provided, any other law to the contrary notwithstanding, provided, that in this chapter.~~ However, nothing herein shall be construed to deprive in this chapter deprives the state and its governmental political subdivisions of their ~~respective~~ respective police powers over properties of the authority or ~~to impair~~ impairs any power ~~thereover~~ over the authority of any official or agency of the state and its governmental political subdivisions which ~~may be~~ is otherwise provided by law.

Sec. 18. Chapter 307B, Code 1981, is amended by adding the following new sections:

NEW SECTION. GOVERNMENTAL AGENCIES. A governmental agency may enter into an agreement with the authority, another governmental agency, or a person to be assisted under this chapter to take or provide for the purposes of this chapter any governmental action it is authorized to take or provide and to undertake on behalf and at the request of the authority any action which the authority and the agency are authorized to undertake. Governmental agencies of the state shall

cooperate with and provide assistance to the director and the authority in the exercise of their functions under this chapter.

NEW SECTION. BOND ANTICIPATION NOTES. The power to issue obligations under this chapter includes power to issue obligations in the form of bond anticipation notes and to renew these notes by the issuance of new notes, but the maximum maturity of these notes, including renewals, unless otherwise authorized by the general assembly, shall not exceed five years from the date of the issuance of the original notes. The holders of these notes or interest coupons of the notes have a right to be paid solely from the pledged receipts pledged to the payment of the bonds anticipated, or from the proceeds of those bonds or renewal notes, or both, as the authority provides in the bond proceedings authorizing the notes. The notes may be additionally secured by covenants of the authority to the effect that the authority will do those acts authorized by this chapter and necessary for the issuance of the bonds or renewal notes in appropriate amount, and either exchange the bonds or renewal notes therefor, or apply the proceeds of the notes to the extent necessary, to make full payment of the principal of and interest on the notes at the time contemplated, as provided in the bond proceedings. For such purpose, the authority may issue bonds or renewal notes in a principal amount and upon terms as are authorized by this chapter and are necessary to provide funds to pay when required the principal of and interest on the outstanding notes, notwithstanding any limitations prescribed by this chapter, other than the limitation contained in section 307B.7, subsection 10. All provisions for and references to obligations in this chapter are applicable to notes authorized under this section to the extent not inconsistent with this section.

NEW SECTION. INVESTMENT IN OBLIGATIONS. All banks, trust companies, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business, all insurance companies,

insurance associations, and other persons carrying on an insurance business 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 obligations issued pursuant to this chapter. However, this section does not relieve any persons from a duty of exercising reasonable care in selecting securities for purchase or investment.

NEW SECTION. NOTICE. The authority shall publish a notice of its intention to issue obligations in a newspaper published in and with general circulation in the state. The notice shall include a statement of the maximum amount of obligations proposed to be issued, and in general terms, what receipts will be pledged to pay bond service charges on the obligations. An action which questions the legality or validity of obligations or the power of the authority to issue the obligations or the effectiveness or validity of any proceedings adopted for the authorization or issuance of the obligations shall not be brought after sixty days from the date of publication of the notice.

Sec. 19. Chapter 307B, Code 1981, is amended by adding the following new section:

NEW SECTION. SPECIAL RAILROAD FACILITY FUND. There is created in the office of the state treasurer a "special railroad facility fund". This fund shall include moneys credited to this fund under section 307.29, section 20 of this Act, section 29 of this Act, and other funds which by law may be credited to the special railroad facility fund. The moneys in the special railroad facility fund are hereby appropriated to and for the purposes of the authority as provided in this chapter. The funds in the special railroad facility fund shall not be considered as a part of the general fund of the state, shall not be subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state but shall remain in the special railroad facility fund to be used for the purposes set forth herein.

The state treasurer shall act as custodian of the fund and disburse amounts contained in it as directed by the authority. The state treasurer is authorized to invest the funds deposited in the special railroad facility fund at the direction of the authority and subject to any limitations contained in the bond proceedings. The income from such investment shall be credited to and deposited in the special railroad facility fund. This fund shall be administered by the authority and may be used to purchase or upgrade railroad right of way and trackage facilities or to purchase general or limited partnership interests in a partnership formed to purchase, upgrade, or operate railroad right of way and trackage facilities, to pay or secure obligations issued by the authority, to pay obligations, judgments, or debts for which the authority becomes liable in its capacity as a general partner, or for any other use authorized under this chapter.

Any moneys credited to the special railroad facility fund under sections 20 and 29 of this Act shall be deposited in a separate account within the special railroad facility fund. The authority may issue obligations under this chapter which are secured solely by the moneys to be deposited in that separate account and the holders or owners of any such obligations shall have no rights to payment of bond service charges from any other funds in the special railroad facility fund, including any moneys accruing to the authority from the lease, sale or other disposition, or use of railway facilities, or from payment of the principal of or interest on loans made, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges on any such obligations, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations.

Sec. 20. Chapter 435, Code 1981, is amended by adding the following new section:

NEW SECTION. For the fiscal years beginning on or after July 1, 1983, the net proceeds of the tax imposed by section 435.2 and penalties collected under this chapter shall be

credited to the special railroad facility fund established in section 19 of this Act and any refunds made pursuant to this chapter shall be made from this fund. However, for each fiscal year of the fiscal biennium beginning July 1, 1981 and ending June 30, 1983, the total of the net proceeds of the tax imposed by section 435.2 and penalties collected under this chapter in excess of one million fifty thousand dollars collected in the fiscal year beginning July 1, 1981 and in excess of one million one hundred forty thousand dollars collected in the fiscal year beginning July 1, 1982 shall be credited to the special railroad facility fund.

Sec. 21. Sections 22 through 29 of this Act shall be codified as a separate chapter.

Sec. 22. NEW SECTION. PURPOSE. The purpose of this chapter is to impose an excise tax upon the use within this state of fuel to power railway vehicles.

Sec. 23. NEW SECTION. DEFINITIONS. As used in this chapter, unless the context otherwise requires:

1. "Fuel" means a combustible gas or liquid suitable for the generation of power for the propulsion of railway vehicles, except that it does not include motor fuel as defined in section 324.2.
2. "Department" means the department of revenue.
3. "Railway vehicle" means a vehicle designed and used primarily upon railways for self propulsion or for propelling conveyances.
4. "Railroad company" means a person responsible for the operation of a railway vehicle within this state.

Sec. 24. NEW SECTION. TAX IMPOSED. For the privilege of operating railway vehicles in this state, an excise tax is imposed at the rate of three cents per gallon beginning October 1, 1981 and is imposed at the rate of eight cents per gallon beginning July 1, 1982 upon the use of fuel for the propulsion of a railway vehicle within the state. The tax attaches at the time of use and shall be paid monthly to the department by the railroad company using the fuel. Fuel dispensed in this state shall only be through meters

which have been approved for accuracy by the department of agriculture and sealed by the department. Fuel dispensed through sealed meters shall be presumed taxable unless the railroad company proves otherwise.

Sec. 25. NEW SECTION. RAILROAD COMPANY LICENSE. A railroad company responsible for paying the tax imposed by this chapter shall obtain a license from the department. To obtain a license a railroad company shall file an application with the department which shall include the following information:

1. The name of the railroad company.
2. The location of its principal office within the state, if any.
3. A list of each location where fuel will be dispensed on a regular basis.
4. Other information the director of revenue requires.

Sec. 26. NEW SECTION. RAILROAD COMPANY REPORTS, TAX COMPUTATION AND TAX PAYMENT. For the purpose of determining a railroad company's tax liability, each railroad company required to obtain a license under this chapter shall file with the department a monthly report. The report shall be filed by the end of the month following the month of use. The report shall include the following information:

1. The total gallons of fuel dispensed in Iowa.
 2. The total gallons of fuel dispensed in Iowa and placed in railway vehicles used solely within the state during the reporting period.
 3. The total gallons of fuel dispensed in Iowa for nontaxable purposes.
 4. The total gallons of fuel dispensed in Iowa and placed in railway vehicles used within and without the state.
 5. The total gallons of fuel dispensed outside Iowa and placed into railway vehicles traveling within and without the state.
 6. Other information the director of revenue requires.
- The report shall be accompanied by a payment equal to the tax due. The taxable gallons of fuel shall be computed by

adding the number of gallons of fuel dispensed in Iowa and placed into railway vehicles traveling solely within the state during the reporting period and the result of multiplying the total gallons of fuel used in railway vehicles traveling within and without Iowa by a fraction the numerator of which is miles traveled in Iowa by railway vehicles traveling within and without Iowa, and the denominator of which is the total miles traveled by the same railway vehicles. The tax shall be computed by multiplying the taxable gallons times the per gallon tax rate.

7. If a railroad company believes that the method of computing the tax by the prescribed mileage formula has operated or will so operate as to subject to taxation a greater portion of fuel than is reasonably attributable to use for the propulsion of a railway vehicle in this state, it shall be entitled to file with the department a statement of objections and of such alternative method of determining fuel use in this state as it believes to be proper under the circumstances. If the department concludes that the mileage formula, in fact, does not reasonably attribute fuel use to the state, it shall redetermine the tax per gallons of fuel by such methods as seems best calculated to assign to the state the portion of fuel reasonably used in this state.

Sec. 27. NEW SECTION. RECORDS RETAINED. Records reasonably required by the department shall be retained by the railroad company for three years.

Sec. 28. NEW SECTION. STATUTES APPLICABLE. The department shall administer the taxes imposed by this chapter in the same manner as and subject to division IV of chapter 324.

Sec. 29. NEW SECTION. DEPOSIT OF REVENUES. The net proceeds of the excise tax imposed on the use of fuel in railway vehicles and any penalties collected under this chapter shall be credited to the special railroad facility fund established in section 19 of this Act.

Sec. 30. The Iowa railway finance authority in conjunction with the Iowa department of transportation shall conduct a study on the feasibility of providing rail passenger service

along any portion of the trackage of the Rock Island railroad company. The report of the study shall be submitted to the Sixty-ninth General Assembly, 1982 Session, not later than January 11, 1982.

Sec. 31. Sections 22 through 29 of this Act are repealed July 1, 2008.

Sec. 32. Section 1 of this Act takes effect July 1, 1982 for delinquent property taxes collected on or after the effective date.

Sec. 33. This Act, except for section 1, being deemed of immediate importance, takes effect from and after its publication in the Muscatine Journal, a newspaper published in Muscatine, Iowa, and in The Red Oak Express, a newspaper published in Red Oak, Iowa.

DELWYN STROMER
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 874, Sixty-ninth General Assembly.

ELIZABETH A. ISAACSON
Acting Chief Clerk of the House

Approved _____, 1981

ROBERT D. RAY
Governor

H.F. 874