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HOUSE FILE 377

MAR 4 1983

BY COMMITTEE ON LOCAL GOVERNMENT

Place On Calendar

(Formerly Study Bill 103)

Passed House, Date 3-14-83 (p. 719) Passed Senate, Date _____
Vote: Ayes 96 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the financing of public projects through
2 bonds, warrants, special assessments, and other obligations,
3 by amending procedures for the issuance of bonds, warrants,
4 special assessments, and other obligations, by providing
5 for the registration of bonds or other obligations, by
6 authorizing interim financing of projects, and making
7 corresponding amendments to the Code.

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

HOUSE FILE 377

H-3251

1 Amend House File 377 as follows:

A 2 1. Page 6, line 8, by striking the word "once"
3 and inserting in lieu thereof the words "twice at
4 unspecified intervals one of which shall be".

B 5 2. Page 6, lines 9 and 10, by striking the words
6 "located of general circulation" and inserting in
7 lieu thereof the word "located".

H-3251 FILED MARCH 11, 1983 BY SKOW of Guthrie

A- Adopted 3/14/83 (p. 718)
B- Lost (p. 719)

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1 Section 1. Chapter 76, Code 1983, is amended by adding
2 sections 2 through 6 of this Act.

3 Sec. 2. NEW SECTION. 76.10 REGISTRATION OF PUBLIC BONDS.
4 Notwithstanding any other provision in the Code:

5 1. All public bonds or obligations issued before or after
6 the effective date of this Act may be in registered form.
7 An issuer of public bonds or obligations may designate for
8 a term as agreed upon, one or more persons, corporations,
9 partnerships or other associations located within or without
10 the state to serve as trustee, transfer agent, registrar,
11 depository or paying or other agent in connection with the
12 public bonds or obligations and to carry out services and
13 functions which are customary in such capacities or convenient
14 or necessary to comply with the intent and provisions of this
15 chapter.

16 2. An issuer of public bonds or obligations may provide
17 for the immobilization of the bonds through the designation
18 of a bond depository or through a book-entry system of
19 registration.

20 3. Any designated trustee, transfer agent, registrar,
21 depository or paying or other agent may serve in multiple
22 capacities with respect to an issue of public bonds or
23 obligations.

24 4. Public bonds or obligations or certificates of ownership
25 of the public bonds or obligations may be issued in any form
26 or pursuant to any system necessary to be in compliance with
27 standards issued from time to time by the municipal securities
28 rule-making board of the United States, the American national
29 standards institute, any other securities industry standard,
30 or the requirements of section 103 of the Internal Revenue
31 Code of 1954.

32 5. Registration or immobilization of a public bond or
33 obligation does not disqualify it as a lawful investment for
34 depository institutions, trustees, public bodies, or other
35 investors regulated by law.

1 Sec. 3. NEW SECTION. 76.11 CONFIDENTIALITY OF BOND
2 HOLDERS--EXCEPTIONS. Records of identity of owners of public
3 bonds or obligations maintained as provided in section 76.10
4 or by the issuer of the bonds are confidential records entitled
5 to protection under section 9 of this Act. However, the
6 issuer of the bonds or a state or federal agency may obtain
7 information as necessary.

8 Sec. 4. NEW SECTION. 76.12 REPRODUCTION AND VALIDITY
9 OF SIGNATURES.

10 1. A provision requiring that public bonds or obligations
11 or certificates of ownership of public bonds or obligations
12 issued by a public entity be executed or signed by particular
13 public officers permits the signatures to be affixed by
14 printing or other mechanical means. However, each instrument
15 shall bear at least one original and manual signature, which
16 may be the signature of any officer designated by law to
17 execute the instrument or the signature of a registrar or
18 trustee authenticating the instrument.

19 2. Public bonds and obligations are valid and binding
20 if they bear the signature of the officials in office on the
21 date of execution of the bonds, notwithstanding that any or
22 all of the persons whose signatures appear on the public bonds
23 or obligations have ceased to hold the office before the
24 delivery of the public bonds or obligations. Reprinted or
25 reissued bonds are valid and binding if they bear facsimilies
26 of the signatures of either the public officials who executed
27 the original issue of the bonds or the officials in office
28 at the time of execution of the reprinted or reissued bonds.

29 Sec. 5. NEW SECTION. 76.13 INTERIM FINANCING.

30 1. A public body authorized to issue bonds may issue
31 project notes in anticipation of the receipt of any of the
32 following:

33 a. Proceeds from the issuance of public bonds or
34 obligations previously authorized.

35 b. Proceeds to be received pursuant to law or agreement

1 from any state or federal agency.

2 c. Income or revenues from sources to be received and
3 expended for the project during the project construction or
4 acquisition period.

5 d. Any combination of paragraphs a through c.

6 2. Notes shall be issued in the form and manner provided
7 in a resolution of the governing body of the issuer. The
8 resolution may set forth and appropriate the moneys anticipated
9 by the notes.

10 3. The resolution may provide that to the extent issued
11 in anticipation of public bonds or obligations, notes shall
12 be paid from the proceeds of the issuance of public bonds
13 or obligations. To the extent issued in anticipation of
14 bonds, note proceeds shall be expended only for the purposes
15 for which the bond proceeds may be expended.

16 4. Notes shall not be issued in anticipation of public
17 bonds or obligations in an amount greater than the authorized
18 amount of the public bonds or obligations and moneys
19 appropriated for the same purposes.

20 5. a. Notes may be sold at public or private sale and
21 bear interest at rates set by the governing body of the issuer
22 at the time of their issuance notwithstanding chapter 74A.

23 b. The authority of a public body to issue project notes
24 under this section is in addition to any other authority of
25 the public body to issue other obligations as otherwise
26 provided by law.

27 Sec. 6. NEW SECTION. 76.14 DEFINITION. As used in this
28 chapter, unless the context otherwise requires, "public bond
29 or obligation" means any obligation issued by or on behalf
30 of the state, an agency of the state, or a political
31 subdivision of the state.

32 Sec. 7. Section 76.3, Code 1983, is amended to read as
33 follows:

34 76.3 TAX LIMITATIONS. Tax limitations in any law or
35 proposition for the issuance of bonds or obligations, including

1 any law or proposition for the issuance of bonds or obligations
2 in anticipation of levies or collections of taxes or both,
3 shall be based on the latest equalized actual valuation then
4 existing and shall only restrict the amount of bonds or
5 obligations which may be issued. For the sole purpose of
6 computing the amount of bonds which may be issued as a result
7 of the application of ~~any-such~~ a tax limitation, all interest
8 on the bonds or obligations in excess of that accruing in
9 the first twelve months may be excluded from the first annual
10 levy of taxes, so that the need for including more than one
11 year's interest in the first annual levy of taxes to pay the
12 bonds or obligations and interest ~~shall~~ does not operate to
13 further restrict the amount of bonds or obligations which
14 may be issued, and in certifying the annual levies to the
15 county auditor or auditors ~~such~~ the first annual levy of taxes
16 shall be sufficient to pay all principal of and interest on
17 ~~said~~ the bonds or obligations becoming due prior to the next
18 succeeding annual levy and the full amount of ~~such~~ the first
19 annual levy shall be entered for collection by ~~said~~ the auditor
20 or auditors, as provided in this chapter.

21 Sec. 8. Section 76.6, Code 1983, is amended to read as
22 follows:

23 76.6 PLACE OF PAYMENT. The principal and interest of
24 all public bonds or obligations of a public corporation in
25 this state are payable at the office of the treasurer or
26 public official charged with the duty of making payment,
27 unless the proceedings of the governing body authorizing the
28 issuance of the public bonds or obligations provide that the
29 public bonds or obligations and interest ~~thereon-may-also~~
30 be on the public bonds or obligations are payable at one or
31 more banks or trust companies within or without the state
32 of Iowa, or as ~~may-be~~ otherwise provided by chapter 419, or
33 by mail, wire transfer, or similar means.

34 Sec. 9. Section 68A.7, Code 1983, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. Records of identity of owners of public
2 bonds or obligations maintained as provided in section 76.10
3 or by the issuer of the public bonds or obligations. However,
4 the issuer of the public bonds or obligations and a state
5 or federal agency shall have the right of access to the
6 records.

7 Sec. 10. Section 74.1, subsection 4, Code 1983, is amended
8 to read as follows:

9 4. ~~The procedures of this~~ This chapter also ~~apply~~ applies
10 to anticipatory warrants, ~~pledge orders~~, improvement
11 certificates, anticipatory certificates or similar obligations
12 payable from special assessments against benefited properties,
13 or payable from charges, fees or other operating income from
14 a publicly owned enterprise or utility.

15 Sec. 11. Section 74A.3, Code 1983, is amended by adding
16 the following new unnumbered paragraph:

17 NEW UNNUMBERED PARAGRAPH. The interest rates authorized
18 by this section to be set by the issuing governmental body
19 or agency shall be set in each instance by the governing body
20 which, in accordance with applicable provisions of law then
21 in effect, authorizes the issuance of the bonds, warrants,
22 pledge orders, certificates, obligations, or other evidences
23 of indebtedness.

24 Sec. 12. Chapter 74A, Code 1983, is amended by adding
25 the following new section:

26 NEW SECTION. 74A.8 INTEREST RATE ON ISSUE DATE. An
27 interest rate limit, provision that no interest rate limit
28 exists, or authorization to set interest rates, as provided
29 by this chapter or any other law, applies to all bonds,
30 warrants, pledge orders, certificates, obligations, or other
31 evidences of indebtedness issued and delivered after the
32 effective date of the provision, regardless of whether the
33 bonds, warrants, pledge orders, certificates, obligations,
34 or other evidences of indebtedness were authorized to be
35 issued pursuant to election, public hearing, or otherwise

1 before the effective date of the provision. This section
2 operates both retroactively and prospectively.

3 Sec. 13. Section 75.2, Code 1983, is amended to read as
4 follows:

5 75.2 NOTICE OF SALE. When public bonds are offered for
6 sale, the official or officials in charge of ~~such~~ the bond
7 issue shall, by advertisement published ~~for-two-or-more~~
8 ~~successive-weeks-in~~ at least one once not less than four nor
9 more than twenty days before the sale in a newspaper located
10 of general circulation in the county in which the place of
11 sale is located, give notice of the time and place of sale
12 of ~~said~~ the bonds, the amount to be offered for sale, and
13 any further information which ~~may-be-deemed~~ the official or
14 officials deem pertinent.

15 Sec. 14. Section 75.3, Code 1983, is amended to read as
16 follows:

17 75.3 SEALED AND OPEN BIDS. Sealed bids may be received
18 at any time prior to the calling for open bids, if open bids
19 are provided for in the notice of sale. After the sealed
20 bids are all filed, the official or officials shall call for
21 open bids, if open bids are provided for in the notice of
22 sale. After all of the open bids have been received the
23 substance of the best open bid shall be noted in the minutes.
24 If open bids are not permitted in the notice of sale, sealed
25 bids may be received until it is announced that all sealed
26 bids shall be opened. The official or officials shall then
27 open any sealed bids that ~~may~~ have been filed and they shall
28 note in the minutes the substance of the best sealed bid.

29 Sec. 15. Section 75.5, Code 1983, is amended to read as
30 follows:

31 75.5 SELLING PRICE. ~~No~~ All public bond-shall bonds issued
32 under this chapter may be sold for at a price not less than
33 ninety-eight percent of par, plus accrued interest from the
34 date of the bonds to the date of delivery of the bonds.

35 Sec. 16. Section 75.9, Code 1983, is amended to read as

1 follows:

2 75.9 EXCHANGE OF BONDS. ~~Nothing-in-this~~ This chapter
3 ~~shall-be-deemed-to~~ does not prevent the exchange of bonds
4 for legal indebtedness evidenced by bonds, warrants, ~~or~~
5 judgments as, or otherwise as provided by law. Bonds shall
6 not be exchanged for notes issued pursuant to section 76.13
7 in anticipation of the issuance of bonds.

8 Sec. 17. Section 75.10, Code 1983, is amended by striking
9 the section and inserting in lieu thereof the following:

10 75.10 DENOMINATIONS OF BONDS. Notwithstanding any contrary
11 provision in the Code, public bonds may be in one or more
12 denominations as provided by the proceedings of the governing
13 body authorizing their issuance.

14 Sec. 18. Section 296.2, Code 1983, is amended to read
15 as follows:

16 296.2 PETITION FOR ELECTION. Before ~~such~~ indebtedness
17 can be contracted in excess of one and one-quarter percent
18 of the assessed value of the taxable property, a petition
19 signed by a number equal to twenty-five percent of those
20 voting at the last election of school officials shall be filed
21 with the president of the board of directors, asking that
22 an election be called, stating the amount of bonds proposed
23 to be issued and the purpose or purposes for which the
24 indebtedness is to be created, and that the ~~necessary~~
25 ~~schoolhouse-or-schoolhouses~~ purpose or purposes cannot be
26 ~~built-and-equipped,-or-that-sufficient-land-cannot-be-purchased~~
27 ~~to-add-to-a-site-already-owned,~~ accomplished within the limit
28 of one and one-quarter percent of the valuation. The petition
29 may request the calling of an election on one or more
30 propositions and a proposition may include one or more
31 purposes.

32 Sec. 19. Section 296.3, Code 1983, is amended to read
33 as follows:

34 296.3 ELECTION CALLED. The president of the board of
35 directors on receipt of a petition under section 296.2 shall,

1 within ten days after considering the suggestions of the area
2 education agency board, or the board of a district contiguous
3 to the district for which the petition is received, under
4 section 297.7, subsection 3, shall call a meeting of the board
5 which shall call the election, fixing the time of the election,
6 which may be at the time and place of holding the regular
7 school election, unless the board determines by unanimous
8 vote that the proposition or propositions requested by a
9 petition to be submitted at an election are grossly unrealistic
10 or contrary to the needs of the school district. The decision
11 of the board may be appealed to the state board of public
12 instruction as provided in chapter 290. The president shall
13 notify the county commissioner of elections of the time of
14 the election.

15 Sec. 20. Chapter 364, Code 1983, is amended by adding
16 after section 364.13 the following new sections:

17 NEW SECTION. 364.13A SPECIAL ASSESSMENTS--LIEN AND
18 PRECEDENCE. A special assessment levied pursuant to section
19 364.11 or 364.12, including all interest and penalties is
20 a lien against the benefited property from the date of filing
21 the schedule of assessments until the assessment is paid.
22 Special assessments have equal precedence with ordinary taxes
23 and are not divested by judicial sale.

24 NEW SECTION. 364.13B SPECIAL ASSESSMENTS--PROCEDURES
25 FOR LEVY. The procedures for making and levying a special
26 assessment pursuant to this chapter and for an appeal of the
27 assessment are the same procedures as provided in sections
28 384.59 through 384.67 and sections 384.72 through 384.75.

29 Sec. 21. Section 384.24, subsection 3, paragraph o, Code
30 1983, is amended to read as follows:

31 o. The rehabilitation and improvement of parks already
32 owned, including the removal, replacement and planting of
33 trees thereon in the parks, and facilities, equipment, and
34 improvements commonly found in city parks.

35 Sec. 22. Section 384.28, Code 1983, is amended by adding

1 the following new unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. Definitions of city enterprises,
3 essential corporate purposes, and general corporate purposes
4 are not mutually exclusive and shall be liberally construed.
5 The detailing of examples is not intended to modify or restrict
6 the meaning of general words used. If a project or activity
7 may be reasonably construed to be included in more than one
8 classification, the council may elect at any time between
9 the classifications and the procedures respectively applicable
10 to each classification.

11 Sec. 23. Section 384.37, subsection 5, Code 1983, is
12 amended to read as follows:

13 5. "Lot" means a ~~lot, part of lot, tract, or~~ parcel of
14 land under one ownership, including improvements, against
15 which a separate assessment is made. Two or more contiguous
16 ~~lots, tracts, or~~ parcels ~~upon which a single improvement has~~
17 ~~been erected by a common owner are one lot for purposes of~~
18 this part under common ownership may be treated as one lot
19 for purposes of this division if such lots the parcels bear
20 common improvements or if the council finds that the parcels
21 have been assembled into a single unit for the purpose of
22 use or development.

23 Sec. 24. Section 384.63, unnumbered paragraph 2, Code
24 1983, is amended to read as follows:

25 The council shall, by resolution, provide that the
26 deficiencies for the lots specially benefited by a public
27 improvement shall be certified to the county treasurer, who
28 shall record them in a separate book entitled "Special
29 Assessment Deficiencies", and to the appropriate city official
30 charged with the responsibility of issuing building permits,
31 who shall notify the council when a private improvement is
32 subsequently constructed on any lot subject to a deficiency.
33 Certification to the county treasurer shall include a legal
34 description of each lot. ~~The council shall establish by~~
35 ~~ordinance~~ a period of amortization for a public improvement

1 for which there are deficiencies, ~~based upon the useful life~~
2 ~~of the public improvement, but not to exceed ten years~~ shall
3 commence with the adoption of the resolution of necessity
4 and extend for the same period for which installments of
5 assessments for the project are made payable. Deficiencies
6 may be assessed only during the period of amortization, which
7 shall also be certified to the county treasurer and the city
8 official charged with the responsibility of issuing building
9 permits. Certification to the county treasurer shall include
10 a legal description of each lot. When a private improvement
11 is constructed on a lot subject to a deficiency, during the
12 period of amortization, the council shall, by resolution,
13 assess a pro rata portion of the deficiency on that lot, in
14 the same proportion to the total deficiency on that lot as
15 the number of ~~full calendar years remaining in the period~~
16 ~~of amortization is to the total number of years in the period~~
17 ~~of amortization~~ future installments of special assessments
18 remaining to be paid is to the total number of installments
19 of assessments for the project, subject to the twenty-five
20 percent limitation of section 384.62. A deficiency assessment
21 becomes a lien on the property and is payable in the same
22 manner, and subject to the same interest and penalties as
23 the other special assessments. The council shall direct the
24 clerk to certify a deficiency assessment to the county
25 treasurer, and to send a notice of the deficiency assessment
26 by certified mail to each owner, as provided in section 384.60,
27 subsection 5, but publication of the notice is not required.
28 An owner may appeal from the amount of the assessment within
29 thirty days of the date notice is mailed. County officials
30 shall collect a deficiency assessment, commencing in the year
31 following the assessment, in the manner provided for the
32 collection of other special assessments. Upon collection,
33 the county treasurer shall make the appropriate credit entries
34 in the "Special Assessment Deficiencies" book, and shall
35 credit the amounts collected as provided for other special

1 assessments on the same public improvement, or to the city,
2 to the extent that the deficiency has been previously paid
3 from other city funds.

4 Sec. 25. Section 384.83, subsection 2, Code 1983, is
5 amended to read as follows:

6 2. a. Before the governing body institutes proceedings
7 for the issuance of revenue bonds, it shall fix a time and
8 place of meeting at which it proposes to take action and give
9 notice by publication in the manner directed in section 362.3.
10 The notice must include a statement of the time and place
11 of the meeting, the maximum amount of the proposed revenue
12 bonds, the purpose or purposes for which the revenue bonds
13 will be issued, and the city utility, combined utility system,
14 city enterprise, or combined city enterprise whose net revenues
15 will be used to pay the revenue bonds and interest ~~thereon~~
16 on them. The governing body shall at the meeting receive
17 oral or written objections from any resident or property owner
18 of the city. After all objections have been received and
19 considered, the governing body may, at the meeting or any
20 adjournment ~~thereof~~ of the meeting, take additional action
21 for the issuance of the bonds or abandon the proposal to issue
22 bonds. Any resident or property owner of the city may appeal
23 a decision of the governing body to take additional action
24 to the district court of the county in which any part of the
25 city is located within fifteen days after the additional
26 action is taken, but the additional action of the governing
27 body is final and conclusive unless the court finds that the
28 governing body exceeded its authority. The provisions of
29 this subsection with respect to notice, hearing, and appeal
30 in connection with the issuance of revenue bonds are in lieu
31 of those contained in chapter 23 or any other law.

32 b. Separate purposes may be incorporated in a single
33 notice of intention to institute proceedings or separate
34 purposes may be incorporated in separate notices and, after
35 an opportunity for filing objections, the governing body may

1 include in a single issue of revenue bonds any number or
2 combination of purposes.

3 Sec. 26. Section 384.84, subsection 1, Code 1983, is
4 amended to read as follows:

5 1. The governing body of a city utility, combined utility
6 system, city enterprise, or combined city enterprise may
7 establish, impose, adjust, and provide for the collection
8 of rates to produce gross revenues at least sufficient to
9 pay the expenses of operation and maintenance of the city
10 utility, combined utility system, city enterprise, or combined
11 city enterprise and, ~~whenever~~ when revenue bonds or pledge
12 orders are issued and outstanding pursuant to this division,
13 shall establish, impose, adjust, and provide for the collection
14 of rates to produce gross revenues at least sufficient to
15 pay the expenses of operation and maintenance of the city
16 utility, combined utility system, city enterprise, or combined
17 city enterprise, and to leave a balance of net revenues
18 sufficient at all times to pay the principal of and interest
19 on the revenue bonds and pledge orders as they become due
20 and to maintain a reasonable reserve for the payment of
21 principal and interest, and a sufficient portion of net
22 revenues must be pledged for that purpose. Rates must be
23 established by ordinance of the council or by resolution of
24 the trustees, published in the same manner as an ordinance.
25 All rates or charges for the services of sewer systems, sewage
26 treatment, solid waste collection, solid waste disposal, or
27 any of these, if not paid as provided by ordinance of council,
28 or resolution of trustees, ~~constitute~~ are a lien upon the
29 premises served by any of these services ~~upon certification~~
30 ~~to the county auditor that the rates or charges are owing.~~
31 The rates or charges lien has equal precedence with ordinary
32 taxes, may be certified to the county auditor and collected
33 in the same manner as taxes, and is not divested by a judicial
34 sale.

35 Sec. 27. Section 419.3, subsection 2, Code 1983, is amended

1 to read as follows:

2 2. The bonds referred to in subsection 1 of this section
3 may be executed and delivered at any time and from time to
4 time; be in such form and denominations; without limitation
5 as to the denomination of any bond, any other law to the
6 contrary notwithstanding; be of such tenor; be fully
7 registered, registrable as to principal or in bearer form;
8 be transferable; be payable in such installments and at such
9 time or times, not exceeding thirty years from their date;
10 be payable at such place or places in or out of the state
11 of Iowa; bear interest at such rate or rates, payable at such
12 place or places in or out of the state of Iowa; be evidenced
13 in such manner and may contain other provisions not
14 inconsistent ~~herewith~~ with this chapter; all as shall be
15 provided ~~in-respect-of-the-foregoing-or-other-matters~~ in the
16 proceedings of the governing body ~~whereunder~~ where the bonds
17 are authorized to be issued. The governing body may provide
18 for the exchange of coupon bonds for fully registered bonds
19 and of fully registered bonds for coupon bonds and for the
20 exchange of any such bonds after issuance for bonds of larger
21 or smaller denominations, all in ~~such~~ the manner as may be
22 provided in the proceedings authorizing their issuance,
23 provided the bonds in changed form or denominations shall
24 be exchanged for the surrendered bonds in the same aggregate
25 principal amounts and in such manner that no overlapping
26 interest is paid, and ~~such~~ the bonds in changed form or
27 denominations shall bear interest at the same rate or rates
28 and shall mature on the same date or dates as the bonds for
29 which they are exchanged. ~~Where-any~~ If an exchange is made
30 under this section, the bonds surrendered by the holders at
31 the time of the exchange shall be canceled or held by a trustee
32 for subsequent exchanges in accordance with this section.
33 The exchange shall be made only at the request of the holders
34 of the bonds to be surrendered, and the governing body may
35 require all expenses incurred in connection with the exchange

1 to be paid by the holders. ~~In case~~ If any of the officers
 2 whose signatures appear on the bonds or coupons ~~shall~~ cease
 3 to be officers before the delivery of ~~such~~ the bonds, such
 4 signatures ~~shall~~ are, nevertheless, ~~be~~ valid and sufficient
 5 for all purposes, the same as if ~~they~~ the officers had remained
 6 in office until delivery.

7 Sec. 28. Section 419.16, Code 1983, is amended to read
 8 as follows:

9 419.16 INTENT OF LAW. In order to provide available
 10 alternatives to enable municipalities to accomplish the
 11 purposes of this chapter in the manner deemed most advisable
 12 by ~~the~~ their governing ~~body~~ bodies, it is the intent of this
 13 chapter that a lessee or contracting party under a sale
 14 contract or loan agreement is not required to be the eventual
 15 user of a project, ~~provided,~~ that ~~any-sublessee-or-assignee~~
 16 ~~shall-assume-all-of-the-obligations-of-the-lessee-or~~
 17 ~~contracting-party-under-the-lease,-sale-contract-or-loan~~
 18 ~~agreement,-the-lessee-or-contracting-party-remains-primarily~~
 19 ~~liable-for-all-of-its-obligations-under-the-lease,-sale~~
 20 ~~contract-or-loan-agreement,-and~~ the use of the project is
 21 consistent with the purposes of this chapter.

22 Sec. 29. Section 554.9403, subsection 6, Code 1983, is
 23 amended to read as follows:

24 6. If the debtor is a transmitting utility (section
 25 554.9401, subsection 5), and a filed financing statement so
 26 states, or if a filed financing statement relates to a lien,
 27 pledge, or security interest incident to bonds issued under
 28 chapter 419 and the filed financing statement so states, it
 29 is effective until a termination statement is filed. A real
 30 estate mortgage which is effective as a fixture filing under
 31 section 554.9402, subsection 6, remains effective as a fixture
 32 filing until the mortgage is released or satisfied of record
 33 or its effectiveness otherwise terminates as to the real
 34 estate.

35

EXPLANATION

1 Section 1 is a technical section stating that the five
2 succeeding sections are added to chapter 76.

3 Sections 2, 3, and 4 provide for the issuance of public
4 bonds in registered form, to comply with the 1983 federal
5 income tax law amendments.

6 Section 5 provides authorization for issuance of temporary
7 notes in anticipation of authorized bonds or federal or state
8 aid.

9 Section 6 defines public bond or obligation.

10 Section 7 applies tax limitations relating to bonds to
11 other obligations.

12 Section 8 authorizes payment of bonds or other obligations
13 and interest and penalties on bonds or obligations at places
14 authorized by issuing authority including by mail, wire
15 transfer, and similar means.

16 Section 9 provides that records of the identity of owners
17 of public bonds or obligations are to be kept confidential,
18 but state or federal agencies have a right of access.

19 Section 10 deletes a reference to pledge orders from chapter
20 74 which deals with the issuance of warrants.

21 Section 11 provides which governing body determines interest
22 rates under the chapter.

23 Section 12 establishes that a provision for interest rates,
24 whether set by law or order, apply to bonds and other
25 obligations issued and delivered after the effective date
26 of the provision.

27 Section 13 simplifies the selection of newspapers for
28 publication of bond sale notices, and makes that requirement
29 similar to other publication requirements in the Code. This
30 section is amended with respect to its application to political
31 subdivisions which are located in more than one county, and
32 the total publication period is shortened from a minimum
33 period of fifteen days to a minimum period of four days.
34 This will permit local government bodies to react more quickly
35 in line with bond markets. It also conforms more readily

1 to the prevailing pattern of newspapers being published on
2 Thursday and most public meetings being held on Monday and
3 Tuesday.

4 Section 14 makes provisions for open bids on the sale of
5 bonds optional with the governing body.

6 Sections 15 and 17 amend certain restrictions relating
7 to the issue sale of public bonds, permitting bonds to be
8 sold at ninety-eight percent of par, interest to accrue from
9 date of issue, and one or more denominations to be determined
10 by the governing body.

11 Section 16 prohibits the exchange of bonds for notes issued
12 in anticipation of the bonds.

13 Section 18 provides that one or more purposes may be
14 combined in a single building program by school districts.

15 Section 19 permits a school board of directors to reject
16 a petition if it determines unanimously that the petition
17 is grossly unrealistic or contrary to the needs of the school
18 district. Presently, the receipt of a petition requires that
19 the matter be submitted to the voters.

20 Section 20 provides an assessment levied under chapter
21 364 is a lien on benefited property and has equal precedence
22 with ordinary taxes. Procedures for levy of special assessment
23 are the same as provided under chapter 384.

24 Section 21 provides that improvements in parks may include
25 items other than the removal and replacement of trees.

26 Section 22 provides that the definitions of city
27 enterprises, essential corporate purposes or general corporate
28 purposes are not mutually exclusive, and if they overlap and
29 more than one definition applies to a single project, the
30 council may choose which classification to act under.

31 Section 23 amends the definition of lot for special
32 assessment purposes. This definition applies to the situation
33 where a number of parcels have been assembled into a single
34 unit for the purpose of development. Present law permits
35 those parcels to be treated as one lot only if a common

1 improvement is constructed on the parcels.

2 Section 24 relates to deficiency amortization. Provision
3 is made for the deficiency period to automatically be the
4 same period over which assessments are payable for the project.
5 Also, a reference to calendar years is eliminated and a
6 deficiency is assessed in proportion to the remaining
7 installments.

8 Section 25 provides that more than one purpose may be
9 considered at a hearing and included in a revenue bonding
10 project. This authorizes the holding of a hearing on the
11 unified proposal rather than separate hearings for each part.

12 Section 26 provides that priority of liens for sewer and
13 solid waste service be of equal rank with taxes and shall
14 not be divested by judicial sale.

15 Sections 27 and 28 amend two provisions of chapter 419
16 relating to exchange of industrial revenue bonds and the
17 obligations of a sublessee or assignee of a project.

18 Section 29 provides that a financing statement which relates
19 to bonds issued under chapter 419 is effective until
20 terminated.

21 New Code section numbers are assigned in sections 2 through
22 6 of this bill and internal references in the bill are made
23 to the assigned Code section numbers. In section 20 of this
24 bill, temporary Code section numbers are assigned to show
25 recommended placement of the new sections.

26 This bill takes effect July 1 following its enactment.

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HOUSE FILE 377

Local Government
A. Miller, Chair
C. Miller
Biles

HOUSE FILE 377

BY COMMITTEE ON LOCAL GOVERNMENT

(As Amended and Passed by the House)

By Passed House, Date 4-26-83 (p. 1431) Passed Senate, Date 4-13-83 (p. 1237)

Vote: Ayes 94 Nays 0 Vote: Ayes 44 Nays 1

Approved May 6 1983 (p. 1914)

Written to recommend (p. 1436) 4/24/83 (p. 1516)

A BILL FOR

1 An Act relating to the financing of public projects through
2 bonds, warrants, special assessments, and other obligations,
3 by amending procedures for the issuance of bonds, warrants,
4 special assessments, and other obligations, by providing
5 for the registration of bonds or other obligations, by
6 authorizing interim financing of projects, and making
7 corresponding amendments to the Code.

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

SENATE AMENDMENT TO HOUSE FILE 377

H-3770

- 1 Amend House File 377 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 6, by striking lines 10 and 11 and
- 4 inserting in lieu thereof the words "days before the
- 5 sale in a newspaper located in the county or a county
- 6 contiguous to the place of sale".
- 7 2. Page 6, line 12, by striking the word "located".
- 8 3. Page 11, by inserting after line 4 the
- 9 following:
- 10 "Sec. ____ . Section 384.65, subsection 1, Code
- 11 1983, is amended to read as follows:
- 12 1. The first installment of each assessment, or
- 13 the total amount if less than fifty dollars, is due
- 14 and payable on July 1 next succeeding the date of
- 15 the levy, unless the assessment is filed with the
- 16 county ~~auditor~~ treasurer after May 31 in any year.
- 17 The first installment shall bear interest on the whole
- 18 unpaid assessment from the date of acceptance of the
- 19 work by the council to the first day of December
- 20 following the due date."
- 21 4. Renumber as necessary.

H-3770 FILED APRIL 18, 1983

RECEIVED FROM THE SENATE

House concurred 4/26/83 (p. 1431)

1 Section 1. Chapter 76, Code 1983, is amended by adding
2 sections 2 through 6 of this Act.

3 Sec. 2. NEW SECTION. 76.10 REGISTRATION OF PUBLIC BONDS.
4 Notwithstanding any other provision in the Code:

5 1. All public bonds or obligations issued before or after
6 the effective date of this Act may be in registered form.
7 An issuer of public bonds or obligations may designate for
8 a term as agreed upon, one or more persons, corporations,
9 partnerships or other associations located within or without
10 the state to serve as trustee, transfer agent, registrar,
11 depository or paying or other agent in connection with the
12 public bonds or obligations and to carry out services and
13 functions which are customary in such capacities or convenient
14 or necessary to comply with the intent and provisions of this
15 chapter.

16 2. An issuer of public bonds or obligations may provide
17 for the immobilization of the bonds through the designation
18 of a bond depository or through a book-entry system of
19 registration.

20 3. Any designated trustee, transfer agent, registrar,
21 depository or paying or other agent may serve in multiple
22 capacities with respect to an issue of public bonds or
23 obligations.

24 4. Public bonds or obligations or certificates of ownership
25 of the public bonds or obligations may be issued in any form
26 or pursuant to any system necessary to be in compliance with
27 standards issued from time to time by the municipal securities
28 rule-making board of the United States, the American national
29 standards institute, any other securities industry standard,
30 or the requirements of section 103 of the Internal Revenue
31 Code of 1954.

32 5. Registration or immobilization of a public bond or
33 obligation does not disqualify it as a lawful investment for
34 depository institutions, trustees, public bodies, or other
35 investors regulated by law.

1 Sec. 3. NEW SECTION. 76.11 CONFIDENTIALITY OF BOND
2 HOLDERS--EXCEPTIONS. Records of identity of owners of public
3 bonds or obligations maintained as provided in section 76.10
4 or by the issuer of the bonds are confidential records entitled
5 to protection under section 9 of this Act. However, the
6 issuer of the bonds or a state or federal agency may obtain
7 information as necessary.

8 Sec. 4. NEW SECTION. 76.12 REPRODUCTION AND VALIDITY
9 OF SIGNATURES.

10 1. A provision requiring that public bonds or obligations
11 or certificates of ownership of public bonds or obligations
12 issued by a public entity be executed or signed by particular
13 public officers permits the signatures to be affixed by
14 printing or other mechanical means. However, each instrument
15 shall bear at least one original and manual signature, which
16 may be the signature of any officer designated by law to
17 execute the instrument or the signature of a registrar or
18 trustee authenticating the instrument.

19 2. Public bonds and obligations are valid and binding
20 if they bear the signature of the officials in office on the
21 date of execution of the bonds, notwithstanding that any or
22 all of the persons whose signatures appear on the public bonds
23 or obligations have ceased to hold the office before the
24 delivery of the public bonds or obligations. Reprinted or
25 reissued bonds are valid and binding if they bear facsimilies
26 of the signatures of either the public officials who executed
27 the original issue of the bonds or the officials in office
28 at the time of execution of the reprinted or reissued bonds.

29 Sec. 5. NEW SECTION. 76.13 INTERIM FINANCING.

30 1. A public body authorized to issue bonds may issue
31 project notes in anticipation of the receipt of any of the
32 following:

33 a. Proceeds from the issuance of public bonds or
34 obligations previously authorized.

35 b. Proceeds to be received pursuant to law or agreement

1 from any state or federal agency.

2 c. Income or revenues from sources to be received and
3 expended for the project during the project construction or
4 acquisition period.

5 d. Any combination of paragraphs a through c.

6 2. Notes shall be issued in the form and manner provided
7 in a resolution of the governing body of the issuer. The
8 resolution may set forth and appropriate the moneys anticipated
9 by the notes.

10 3. The resolution may provide that to the extent issued
11 in anticipation of public bonds or obligations, notes shall
12 be paid from the proceeds of the issuance of public bonds
13 or obligations. To the extent issued in anticipation of
14 bonds, note proceeds shall be expended only for the purposes
15 for which the bond proceeds may be expended.

16 4. Notes shall not be issued in anticipation of public
17 bonds or obligations in an amount greater than the authorized
18 amount of the public bonds or obligations and moneys
19 appropriated for the same purposes.

20 5. a. Notes may be sold at public or private sale and
21 bear interest at rates set by the governing body of the issuer
22 at the time of their issuance notwithstanding chapter 74A.

23 b. The authority of a public body to issue project notes
24 under this section is in addition to any other authority of
25 the public body to issue other obligations as otherwise
26 provided by law.

27 Sec. 6. NEW SECTION. 76.14 DEFINITION. As used in this
28 chapter, unless the context otherwise requires, "public bond
29 or obligation" means any obligation issued by or on behalf
30 of the state, an agency of the state, or a political
31 subdivision of the state.

32 Sec. 7. Section 76.3, Code 1983, is amended to read as
33 follows:

34 76.3 TAX LIMITATIONS. Tax limitations in any law or
35 proposition for the issuance of bonds or obligations, including

1 any law or proposition for the issuance of bonds or obligations
2 in anticipation of levies or collections of taxes or both,
3 shall be based on the latest equalized actual valuation then
4 existing and shall only restrict the amount of bonds or
5 obligations which may be issued. For the sole purpose of
6 computing the amount of bonds which may be issued as a result
7 of the application of ~~any-such~~ a tax limitation, all interest
8 on the bonds or obligations in excess of that accruing in
9 the first twelve months may be excluded from the first annual
10 levy of taxes, so that the need for including more than one
11 year's interest in the first annual levy of taxes to pay the
12 bonds or obligations and interest ~~shall~~ does not operate to
13 further restrict the amount of bonds or obligations which
14 may be issued, and in certifying the annual levies to the
15 county auditor or auditors ~~such~~ the first annual levy of taxes
16 shall be sufficient to pay all principal of and interest on
17 ~~said~~ the bonds or obligations becoming due prior to the next
18 succeeding annual levy and the full amount of ~~such~~ the first
19 annual levy shall be entered for collection by ~~said~~ the auditor
20 or auditors, as provided in this chapter.

21 Sec. 8. Section 76.6, Code 1983, is amended to read as
22 follows:

23 76.6 PLACE OF PAYMENT. The principal and interest of
24 all public bonds or obligations of a public corporation in
25 this state are payable at the office of the treasurer or
26 public official charged with the duty of making payment,
27 unless the proceedings of the governing body authorizing the
28 issuance of the public bonds or obligations provide that the
29 public bonds or obligations and interest ~~thereon-may-also~~
30 be on the public bonds or obligations are payable at one or
31 more banks or trust companies within or without the state
32 of Iowa, or as ~~may-be~~ otherwise provided by chapter 419, or
33 by mail, wire transfer, or similar means.

34 Sec. 9. Section 68A.7, Code 1983, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. Records of identity of owners of public
2 bonds or obligations maintained as provided in section 76.10
3 or by the issuer of the public bonds or obligations. However,
4 the issuer of the public bonds or obligations and a state
5 or federal agency shall have the right of access to the
6 records.

7 Sec. 10. Section 74.1, subsection 4, Code 1983, is amended
8 to read as follows:

9 ~~4. The procedures of this~~ This chapter also ~~apply~~ applies
10 to anticipatory warrants, ~~pledge orders,~~ improvement
11 certificates, anticipatory certificates or similar obligations
12 payable from special assessments against benefited properties,
13 or payable from charges, fees or other operating income from
14 a publicly owned enterprise or utility.

15 Sec. 11. Section 74A.3, Code 1983, is amended by adding
16 the following new unnumbered paragraph:

17 NEW UNNUMBERED PARAGRAPH. The interest rates authorized
18 by this section to be set by the issuing governmental body
19 or agency shall be set in each instance by the governing body
20 which, in accordance with applicable provisions of law then
21 in effect, authorizes the issuance of the bonds, warrants,
22 pledge orders, certificates, obligations, or other evidences
23 of indebtedness.

24 Sec. 12. Chapter 74A, Code 1983, is amended by adding
25 the following new section:

26 NEW SECTION. 74A.8 INTEREST RATE ON ISSUE DATE. An
27 interest rate limit, provision that no interest rate limit
28 exists, or authorization to set interest rates, as provided
29 by this chapter or any other law, applies to all bonds,
30 warrants, pledge orders, certificates, obligations, or other
31 evidences of indebtedness issued and delivered after the
32 effective date of the provision, regardless of whether the
33 bonds, warrants, pledge orders, certificates, obligations,
34 or other evidences of indebtedness were authorized to be
35 issued pursuant to election, public hearing, or otherwise

1 before the effective date of the provision. This section
2 operates both retroactively and prospectively.

3 Sec. 13. Section 75.2, Code 1983, is amended to read as
4 follows:

5 75.2 NOTICE OF SALE. When public bonds are offered for
6 sale, the official or officials in charge of such the bond
7 issue shall, by advertisement published ~~for-two-or-more~~
8 ~~successive-weeks-in~~ at least one twice at unspecified intervals
9 one of which shall be not less than four nor more than twenty
10 days before the sale in a newspaper located of general
11 circulation in the county in which the place of sale is
12 located, give notice of the time and place of sale of said
13 the bonds, the amount to be offered for sale, and any further
14 information which ~~may-be-deemed~~ the official or officials
15 deem pertinent.

16 Sec. 14. Section 75.3, Code 1983, is amended to read as
17 follows:

18 75.3 SEALED AND OPEN BIDS. Sealed bids may be received
19 at any time prior to the calling for open bids, if open bids
20 are provided for in the notice of sale. After the sealed
21 bids are all filed, the official or officials shall call for
22 open bids, if open bids are provided for in the notice of
23 sale. After all of the open bids have been received the
24 substance of the best open bid shall be noted in the minutes.
25 If open bids are not permitted in the notice of sale, sealed
26 bids may be received until it is announced that all sealed
27 bids shall be opened. The official or officials shall then
28 open any sealed bids that may have been filed and they shall
29 note in the minutes the substance of the best sealed bid.

30 Sec. 15. Section 75.5, Code 1983, is amended to read as
31 follows:

32 75.5 SELLING PRICE. ~~No~~ All public bond-shall bonds issued
33 under this chapter may be sold for at a price not less than
34 ninety-eight percent of par, plus accrued interest from the
35 date of the bonds to the date of delivery of the bonds.

1 Sec. 16. Section 75.9, Code 1983, is amended to read as
2 follows:

3 75.9 EXCHANGE OF BONDS. ~~Nothing-in-this~~ This chapter
4 ~~shall-be-deemed-to~~ does not prevent the exchange of bonds
5 for legal indebtedness evidenced by bonds, warrants, or
6 judgments as, or otherwise as provided by law. Bonds shall
7 not be exchanged for notes issued pursuant to section 76.13
8 in anticipation of the issuance of bonds.

9 Sec. 17. Section 75.10, Code 1983, is amended by striking
10 the section and inserting in lieu thereof the following:

11 75.10 DENOMINATIONS OF BONDS. Notwithstanding any contrary
12 provision in the Code, public bonds may be in one or more
13 denominations as provided by the proceedings of the governing
14 body authorizing their issuance.

15 Sec. 18. Section 296.2, Code 1983, is amended to read
16 as follows:

17 296.2 PETITION FOR ELECTION. Before ~~such~~ indebtedness
18 can be contracted in excess of one and one-quarter percent
19 of the assessed value of the taxable property, a petition
20 signed by a number equal to twenty-five percent of those
21 voting at the last election of school officials shall be filed
22 with the president of the board of directors, asking that
23 an election be called, stating the amount of bonds proposed
24 to be issued and the purpose or purposes for which the
25 indebtedness is to be created, and that the ~~necessary~~
26 ~~schoolhouse-or-schoolhouses~~ purpose or purposes cannot be
27 ~~built-and-equipped,-or-that-sufficient-land-cannot-be-purchased~~
28 ~~to-add-to-a-site-already-owned,~~ accomplished within the limit
29 of one and one-quarter percent of the valuation. The petition
30 may request the calling of an election on one or more
31 propositions and a proposition may include one or more
32 purposes.

33 Sec. 19. Section 296.3, Code 1983, is amended to read
34 as follows:

35 296.3 ELECTION CALLED. The president of the board of

1 directors on receipt of a petition under section 296.2 shall,
2 within ten days after considering the suggestions of the area
3 education agency board, or the board of a district contiguous
4 to the district for which the petition is received, under
5 section 297.7, subsection 3, shall call a meeting of the board
6 which shall call the election, fixing the time of the election,
7 which may be at the time and place of holding the regular
8 school election, unless the board determines by unanimous
9 vote that the proposition or propositions requested by a
10 petition to be submitted at an election are grossly unrealistic
11 or contrary to the needs of the school district. The decision
12 of the board may be appealed to the state board of public
13 instruction as provided in chapter 290. The president shall
14 notify the county commissioner of elections of the time of
15 the election.

16 Sec. 20. Chapter 364, Code 1983, is amended by adding
17 after section 364.13 the following new sections:

18 NEW SECTION. 364.13A SPECIAL ASSESSMENTS--LIEN AND
19 PRECEDENCE. A special assessment levied pursuant to section
20 364.11 or 364.12, including all interest and penalties is
21 a lien against the benefited property from the date of filing
22 the schedule of assessments until the assessment is paid.
23 Special assessments have equal precedence with ordinary taxes
24 and are not divested by judicial sale.

25 NEW SECTION. 364.13B SPECIAL ASSESSMENTS--PROCEDURES
26 FOR LEVY. The procedures for making and levying a special
27 assessment pursuant to this chapter and for an appeal of the
28 assessment are the same procedures as provided in sections
29 384.59 through 384.67 and sections 384.72 through 384.75.

30 Sec. 21. Section 384.24, subsection 3, paragraph o, Code
31 1983, is amended to read as follows:

32 o. The rehabilitation and improvement of parks already
33 owned, including the removal, replacement and planting of
34 trees thereon in the parks, and facilities, equipment, and
35 improvements commonly found in city parks.

1 Sec. 22. Section 384.28, Code 1983, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Definitions of city enterprises,
4 essential corporate purposes, and general corporate purposes
5 are not mutually exclusive and shall be liberally construed.
6 The detailing of examples is not intended to modify or restrict
7 the meaning of general words used. If a project or activity
8 may be reasonably construed to be included in more than one
9 classification, the council may elect at any time between
10 the classifications and the procedures respectively applicable
11 to each classification.

12 Sec. 23. Section 384.37, subsection 5, Code 1983, is
13 amended to read as follows:

14 5. "Lot" means a ~~lot, part of lot, tract, or~~ parcel of
15 land under one ownership, including improvements, against
16 which a separate assessment is made. Two or more contiguous
17 ~~lots, tracts, or parcels upon which a single improvement has~~
18 ~~been erected by a common owner are one lot for purposes of~~
19 this part under common ownership may be treated as one lot
20 for purposes of this division if such lots the parcels bear
21 common improvements or if the council finds that the parcels
22 have been assembled into a single unit for the purpose of
23 use or development.

24 Sec. 24. Section 384.63, unnumbered paragraph 2, Code
25 1983, is amended to read as follows:

26 The council shall, by resolution, provide that the
27 deficiencies for the lots specially benefited by a public
28 improvement shall be certified to the county treasurer, who
29 shall record them in a separate book entitled "Special
30 Assessment Deficiencies", and to the appropriate city official
31 charged with the responsibility of issuing building permits,
32 who shall notify the council when a private improvement is
33 subsequently constructed on any lot subject to a deficiency.
34 Certification to the county treasurer shall include a legal
35 description of each lot. ~~The council shall establish by~~

1 ordinance-a period of amortization for a public improvement
2 for which there are deficiencies, ~~based upon the useful life~~
3 ~~of the public improvement, but not to exceed ten years~~ shall
4 commence with the adoption of the resolution of necessity
5 and extend for the same period for which installments of
6 assessments for the project are made payable. Deficiencies
7 may be assessed only during the period of amortization, which
8 shall also be certified to the county treasurer and the city
9 official charged with the responsibility of issuing building
10 permits. Certification to the county treasurer shall include
11 a legal description of each lot. When a private improvement
12 is constructed on a lot subject to a deficiency, during the
13 period of amortization, the council shall, by resolution,
14 assess a pro rata portion of the deficiency on that lot, in
15 the same proportion to the total deficiency on that lot as
16 the number of ~~full-calendar-years-remaining-in-the-period~~
17 ~~of amortization is to the total number of years in the period~~
18 ~~of amortization~~ future installments of special assessments
19 remaining to be paid is to the total number of installments
20 of assessments for the project, subject to the twenty-five
21 percent limitation of section 384.62. A deficiency assessment
22 becomes a lien on the property and is payable in the same
23 manner, and subject to the same interest and penalties as
24 the other special assessments. The council shall direct the
25 clerk to certify a deficiency assessment to the county
26 treasurer, and to send a notice of the deficiency assessment
27 by certified mail to each owner, as provided in section 384.60,
28 subsection 5, but publication of the notice is not required.
29 An owner may appeal from the amount of the assessment within
30 thirty days of the date notice is mailed. County officials
31 shall collect a deficiency assessment, commencing in the year
32 following the assessment, in the manner provided for the
33 collection of other special assessments. Upon collection,
34 the county treasurer shall make the appropriate credit entries
35 in the "Special Assessment Deficiencies" book, and shall

1 credit the amounts collected as provided for other special
2 assessments on the same public improvement, or to the city,
3 to the extent that the deficiency has been previously paid
4 from other city funds.

5 Sec. 25. Section 384.83, subsection 2, Code 1983, is
6 amended to read as follows:

7 2. a. Before the governing body institutes proceedings
8 for the issuance of revenue bonds, it shall fix a time and
9 place of meeting at which it proposes to take action and give
10 notice by publication in the manner directed in section 362.3.
11 The notice must include a statement of the time and place
12 of the meeting, the maximum amount of the proposed revenue
13 bonds, the purpose or purposes for which the revenue bonds
14 will be issued, and the city utility, combined utility system,
15 city enterprise, or combined city enterprise whose net revenues
16 will be used to pay the revenue bonds and interest ~~thereon~~
17 on them. The governing body shall at the meeting receive
18 oral or written objections from any resident or property owner
19 of the city. After all objections have been received and
20 considered, the governing body may, at the meeting or any
21 adjournment ~~thereof~~ of the meeting, take additional action
22 for the issuance of the bonds or abandon the proposal to issue
23 bonds. Any resident or property owner of the city may appeal
24 a decision of the governing body to take additional action
25 to the district court of the county in which any part of the
26 city is located within fifteen days after the additional
27 action is taken, but the additional action of the governing
28 body is final and conclusive unless the court finds that the
29 governing body exceeded its authority. The provisions of
30 this subsection with respect to notice, hearing, and appeal
31 in connection with the issuance of revenue bonds are in lieu
32 of those contained in chapter 23 or any other law.

33 b. Separate purposes may be incorporated in a single
34 notice of intention to institute proceedings or separate
35 purposes may be incorporated in separate notices and, after

1 an opportunity for filing objections, the governing body may
2 include in a single issue of revenue bonds any number or
3 combination of purposes.

4 Sec. 26. Section 384.84, subsection 1, Code 1983, is
5 amended to read as follows:

6 1. The governing body of a city utility, combined utility
7 system, city enterprise, or combined city enterprise may
8 establish, impose, adjust, and provide for the collection
9 of rates to produce gross revenues at least sufficient to
10 pay the expenses of operation and maintenance of the city
11 utility, combined utility system, city enterprise, or combined
12 city enterprise and, ~~whenever~~ when revenue bonds or pledge
13 orders are issued and outstanding pursuant to this division,
14 shall establish, impose, adjust, and provide for the collection
15 of rates to produce gross revenues at least sufficient to
16 pay the expenses of operation and maintenance of the city
17 utility, combined utility system, city enterprise, or combined
18 city enterprise, and to leave a balance of net revenues
19 sufficient at all times to pay the principal of and interest
20 on the revenue bonds and pledge orders as they become due
21 and to maintain a reasonable reserve for the payment of
22 principal and interest, and a sufficient portion of net
23 revenues must be pledged for that purpose. Rates must be
24 established by ordinance of the council or by resolution of
25 the trustees, published in the same manner as an ordinance. .
26 All rates or charges for the services of sewer systems, sewage
27 treatment, solid waste collection, solid waste disposal, or
28 any of these, if not paid as provided by ordinance of council,
29 or resolution of trustees, ~~constitute~~ are a lien upon the
30 premises served by any of these services ~~upon-certification~~
31 ~~to-the-county-auditor-that-the-rates-or-charges-are-owing.~~
32 The rates-or-charges lien has equal precedence with ordinary
33 taxes, may be certified to the county auditor and collected
34 in the same manner as taxes, and is not divested by a judicial
35 sale.

1 Sec. 27. Section 419.3, subsection 2, Code 1983, is amended
2 to read as follows:

3 2. The bonds referred to in subsection 1 of this section
4 may be executed and delivered at any time and from time to
5 time; be in such form and denominations; without limitation
6 as to the denomination of any bond, any other law to the
7 contrary notwithstanding; be of such tenor; be fully
8 registered, registrable as to principal or in bearer form;
9 be transferable; be payable in such installments and at such
10 time or times, not exceeding thirty years from their date;
11 be payable at such place or places in or out of the state
12 of Iowa; bear interest at such rate or rates, payable at such
13 place or places in or out of the state of Iowa; be evidenced
14 in such manner and may contain other provisions not
15 inconsistent ~~herewith~~ with this chapter; all as shall be
16 provided ~~in-respect-of-the-foregoing-or-other-matters~~ in the
17 proceedings of the governing body ~~whereunder~~ where the bonds
18 are authorized to be issued. The governing body may provide
19 for the exchange of coupon bonds for fully registered bonds
20 and of fully registered bonds for coupon bonds and for the
21 exchange of any such bonds after issuance for bonds of larger
22 or smaller denominations, all in ~~such~~ the manner as may be
23 provided in the proceedings authorizing their issuance,
24 provided the bonds in changed form or denominations shall
25 be exchanged for the surrendered bonds in the same aggregate
26 principal amounts and in such manner that no overlapping
27 interest is paid, and ~~such~~ the bonds in changed form or
28 denominations shall bear interest at the same rate or rates
29 and shall mature on the same date or dates as the bonds for
30 which they are exchanged. ~~Where-any~~ If an exchange is made
31 under this section, the bonds surrendered by the holders at
32 the time of the exchange shall be canceled or held by a trustee
33 for subsequent exchanges in accordance with this section.
34 The exchange shall be made only at the request of the holders
35 of the bonds to be surrendered, and the governing body may

1 require all expenses incurred in connection with the exchange
 2 to be paid by the holders. ~~In case~~ If any of the officers
 3 whose signatures appear on the bonds or coupons ~~shall~~ cease
 4 to be officers before the delivery of ~~such~~ the bonds, such
 5 signatures ~~shall~~ are, nevertheless, be valid and sufficient
 6 for all purposes, the same as if ~~they~~ the officers had remained
 7 in office until delivery.

8 Sec. 28. Section 419.16, Code 1983, is amended to read
 9 as follows:

10 419.16 INTENT OF LAW. In order to provide available
 11 alternatives to enable municipalities to accomplish the
 12 purposes of this chapter in the manner deemed most advisable
 13 by ~~the~~ their governing ~~body~~ bodies, it is the intent of this
 14 chapter that a lessee or contracting party under a sale
 15 contract or loan agreement is not required to be the eventual
 16 user of a project, ~~provided,~~ that ~~any-sublessee-or-assignee~~
 17 ~~shall-assume-all-of-the-obligations-of-the-lessee-or~~
 18 ~~contracting-party-under-the-lease,-sale-contract-or-loan~~
 19 ~~agreement,-the-lessee-or-contracting-party-remains-primarily~~
 20 ~~liable-for-all-of-its-obligations-under-the-lease,-sale~~
 21 ~~contract-or-loan-agreement,-and~~ the use of the project is
 22 consistent with the purposes of this chapter.

23 Sec. 29. Section 554.9403, subsection 6, Code 1983, is
 24 amended to read as follows:

25 6. If the debtor is a transmitting utility (section
 26 554.9401, subsection 5), and a filed financing statement so
 27 states, or if a filed financing statement relates to a lien,
 28 pledge, or security interest incident to bonds issued under
 29 chapter 419 and the filed financing statement so states, it
 30 is effective until a termination statement is filed. A real
 31 estate mortgage which is effective as a fixture filing under
 32 section 554.9402, subsection 6, remains effective as a fixture
 33 filing until the mortgage is released or satisfied of record
 34 or its effectiveness otherwise terminates as to the real
 35 estate.

HOUSE FILE 377

S-3414

- 1 Amend House File 377, as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 11, by inserting after line 4 the
4 following:
5 "Sec. ____ Section 384.65, subsection 1, Code
6 1983, is amended to read as follows:
7 1. The first installment of each assessment, or
8 the total amount if less than fifty dollars, is due
9 and payable on July 1 next succeeding the date of
10 the levy, unless the assessment is filed with the
11 county ~~auditor~~ treasurer after May 31 in any year.
12 The first installment shall bear interest on the whole
13 unpaid assessment from the date of acceptance of the
14 work by the council to the first day of December
15 following the due date."
16 2. Renumber as necessary.

S-3414 FILED

BY DONALD V. DOYLE

MARCH 30, 1983

Adopted 4/13/83 (p. 1237)

HOUSE FILE 377

S-3472

- 1 Amend House File 377, as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 6, by striking lines 10 and 11 and
4 inserting in lieu thereof the words "days before the
5 sale in a newspaper located in the county or a county
6 contiguous to the place of sale".
7 2. Page 6, line 12, by striking the word "located".

S-3472 FILED

BY BERL E. PRIEBE

APRIL 8, 1983

RICHARD VANDE HOEF

Adopted 4/13 (p. 1237)

HOUSE FILE 377

S-3496

1 Amend House File 377 as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 7, by inserting after line 14, the
4 following:

5 "Sec. _____. Section 91A.10, Code 1983, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. The commissioner may enforce
8 payment of the prevailing wage under the provisions
9 of section 100 of this Act."

10 2. Page 14, by inserting after line 35 the
11 following:

12 "Sec. 100. Chapter 573, Code 1983, is amended
13 by adding the following new section:

14 NEW SECTION. PREVAILING WAGE. The contracts for
15 the construction authorized by this resolution shall
16 contain a provision to the effect that the rate of
17 wage for all persons employed by the contractors or
18 subcontractors on the construction project shall be
19 not less than the prevailing rate of wages for work
20 of a similar nature in the locality in which the work
21 is performed. If a dispute arises as to what are
22 the prevailing rates of wages for work of a similar
23 nature applicable to the contracts which cannot be
24 adjusted by the contracting officer, the dispute shall
25 be referred to the labor commissioner, and the labor
26 commissioner's decision shall be conclusive on all
27 parties to the contract. The labor commissioner shall
28 adopt rules under chapter 17A to carry out this duty.
29 The labor commissioner may institute actions in the
30 district court for temporary or permanent injunctive
31 relief to prevent the letting of a public contract
32 or to void a public contract which is let or entered
33 into in violation of this resolution. An action shall
34 be instituted in the district court of the county
35 of location of the project. Notwithstanding the Iowa
36 rules of civil procedure rule 326, if the district
37 court determines the granting of a temporary injunction
38 is appropriate, the court shall issue it without
39 notice and hearing. The prevailing rates of wages
40 shall be stated in the invitation for bids and shall
41 be included in proposals or bids for the work."

S-3496 FILED

APRIL 11, 1983

4/15 4/13 (p. 1237)

BY ROBERT M. CARR

WALLY E. HORN

HOUSE FILE 377

S-3552

Amend House File 377 as amended, passed and reprinted by the House, as follows:

1. Page 7, by inserting after line 14, the following:

"Sec. ____ Section 91A.10, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. The commissioner may enforce payment of the prevailing wage under the provisions of section 100 of this Act."

2. Page 14, by inserting after line 35 the following:

"Sec. 100. Chapter 573, Code 1983, is amended by adding the following new section:

NEW SECTION. PREVAILING WAGE. The contracts for the construction of a public improvement or project to be financed by the issuance of public bonds or obligations shall contain a provision to the effect that the rate of wage for all persons employed by the contractors or subcontractors on the construction project shall be not less than the prevailing rate of wages for work of a similar nature in the locality in which the work is performed. If a dispute arises as to what are the prevailing rates of wages for work of a similar nature applicable to the contracts which cannot be adjusted by the contracting officer, the dispute shall be referred to the labor commissioner, and the labor commissioner's decision shall be conclusive on all parties to the contract. The labor commissioner shall adopt rules under chapter 17A to carry out this duty. The labor commissioner may institute actions in the district court for temporary or permanent injunctive relief to prevent the letting of a public contract or to void a public contract which is let or entered into in violation of this section. An action shall be instituted in the district court of the county of location of the project. Notwithstanding the Iowa rules of civil procedure, rule 326, if the district court determines the granting of a temporary injunction is appropriate, the court shall issue it without notice and hearing. The prevailing rates of wages shall be stated in the invitation for bids and shall be included in proposals or bids for the work."

S-3552 FILED

APRIL 13, 1983

RULED OUT OF ORDER (p. 1237)

BY BOB CARR

WALLY HORN

HOUSE FILE 377

AN ACT

RELATING TO THE FINANCING OF PUBLIC PROJECTS THROUGH BONDS, WARRANTS, SPECIAL ASSESSMENTS, AND OTHER OBLIGATIONS, BY AMENDING PROCEDURES FOR THE ISSUANCE OF BONDS, WARRANTS, SPECIAL ASSESSMENTS, AND OTHER OBLIGATIONS, BY PROVIDING FOR THE REGISTRATION OF BONDS OR OTHER OBLIGATIONS, BY AUTHORIZING INTERIM FINANCING OF PROJECTS, AND MAKING CORRESPONDING AMENDMENTS TO THE CODE.

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

Section 1. Chapter 76, Code 1983, is amended by adding sections 2 through 6 of this Act.

Sec. 2. NEW SECTION. 76.10 REGISTRATION OF PUBLIC BONDS. Notwithstanding any other provision in the Code:

1. All public bonds or obligations issued before or after the effective date of this Act may be in registered form. An issuer of public bonds or obligations may designate for a term as agreed upon, one or more persons, corporations, partnerships or other associations located within or without the state to serve as trustee, transfer agent, registrar, depository or paying or other agent in connection with the public bonds or obligations and to carry out services and functions which are customary in such capacities or convenient or necessary to comply with the intent and provisions of this chapter.

2. An issuer of public bonds or obligations may provide for the immobilization of the bonds through the designation of a bond depository or through a book-entry system of registration.

3. Any designated trustee, transfer agent, registrar, depository or paying or other agent may serve in multiple

capacities with respect to an issue of public bonds or obligations.

4. Public bonds or obligations or certificates of ownership of the public bonds or obligations may be issued in any form or pursuant to any system necessary to be in compliance with standards issued from time to time by the municipal securities rule-making board of the United States, the American national standards institute, any other securities industry standard, or the requirements of section 103 of the Internal Revenue Code of 1954.

5. Registration or immobilization of a public bond or obligation does not disqualify it as a lawful investment for depository institutions, trustees, public bodies, or other investors regulated by law.

Sec. 3. NEW SECTION. 76.11 CONFIDENTIALITY OF BOND HOLDERS--EXCEPTIONS. Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the bonds are confidential records entitled to protection under section 9 of this Act. However, the issuer of the bonds or a state or federal agency may obtain information as necessary.

Sec. 4. NEW SECTION. 76.12 REPRODUCTION AND VALIDITY OF SIGNATURES.

1. A provision requiring that public bonds or obligations or certificates of ownership of public bonds or obligations issued by a public entity be executed or signed by particular public officers permits the signatures to be affixed by printing or other mechanical means. However, each instrument shall bear at least one original and manual signature, which may be the signature of any officer designated by law to execute the instrument or the signature of a registrar or trustee authenticating the instrument.

2. Public bonds and obligations are valid and binding if they bear the signature of the officials in office on the

date of execution of the bonds, notwithstanding that any or all of the persons whose signatures appear on the public bonds or obligations have ceased to hold the office before the delivery of the public bonds or obligations. Reprinted or reissued bonds are valid and binding if they bear facsimiles of the signatures of either the public officials who executed the original issue of the bonds or the officials in office at the time of execution of the reprinted or reissued bonds.

Sec. 5. NEW SECTION. 76.13 INTERIM FINANCING.

1. A public body authorized to issue bonds may issue project notes in anticipation of the receipt of any of the following:

- a. Proceeds from the issuance of public bonds or obligations previously authorized.
- b. Proceeds to be received pursuant to law or agreement from any state or federal agency.
- c. Income or revenues from sources to be received and expended for the project during the project construction or acquisition period.
- d. Any combination of paragraphs a through c.

2. Notes shall be issued in the form and manner provided in a resolution of the governing body of the issuer. The resolution may set forth and appropriate the moneys anticipated by the notes.

3. The resolution may provide that to the extent issued in anticipation of public bonds or obligations, notes shall be paid from the proceeds of the issuance of public bonds or obligations. To the extent issued in anticipation of bonds, note proceeds shall be expended only for the purposes for which the bond proceeds may be expended.

4. Notes shall not be issued in anticipation of public bonds or obligations in an amount greater than the authorized amount of the public bonds or obligations and moneys appropriated for the same purposes.

5. a. Notes may be sold at public or private sale and bear interest at rates set by the governing body of the issuer at the time of their issuance notwithstanding chapter 74A.

b. The authority of a public body to issue project notes under this section is in addition to any other authority of the public body to issue other obligations as otherwise provided by law.

Sec. 6. NEW SECTION. 76.14 DEFINITION. As used in this chapter, unless the context otherwise requires, "public bond or obligation" means any obligation issued by or on behalf of the state, an agency of the state, or a political subdivision of the state.

Sec. 7. Section 76.3, Code 1983, is amended to read as follows:

76.3 TAX LIMITATIONS. Tax limitations in any law or proposition for the issuance of bonds or obligations, including any law or proposition for the issuance of bonds or obligations in anticipation of levies or collections of taxes or both, shall be based on the latest equalized actual valuation then existing and shall only restrict the amount of bonds or obligations which may be issued. For the sole purpose of computing the amount of bonds which may be issued as a result of the application of ~~any such~~ a tax limitation, all interest on the bonds or obligations in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds or obligations and interest ~~shall~~ does not operate to further restrict the amount of bonds or obligations which may be issued, and in certifying the annual levies to the county auditor or auditors ~~such~~ the first annual levy of taxes shall be sufficient to pay all principal of and interest on ~~said~~ the bonds or obligations becoming due prior to the next succeeding annual levy and the full amount of ~~such~~ the first

annual levy shall be entered for collection by ~~said~~ the auditor or auditors, as provided in this chapter.

Sec. 8. Section 76.6, Code 1983, is amended to read as follows:

76.6 PLACE OF PAYMENT. The principal and interest of all public bonds or obligations of a public corporation in this state are payable at the office of the treasurer or public official charged with the duty of making payment, unless the proceedings of the governing body authorizing the issuance of the public bonds or obligations provide that the public bonds or obligations and interest ~~thereon may also~~ be on the public bonds or obligations are payable at one or more banks or trust companies within or without the state of Iowa, or as ~~may be~~ otherwise provided by chapter 419, or by mail, wire transfer, or similar means.

Sec. 9. Section 68A.7, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.

Sec. 10. Section 74.1, subsection 4, Code 1983, is amended to read as follows:

4. ~~The procedures of this~~ This chapter also apply ~~applies~~ to anticipatory warrants, ~~pledge orders,~~ improvement certificates, anticipatory certificates or similar obligations payable from special assessments against benefited properties, or payable from charges, fees or other operating income from a publicly owned enterprise or utility.

Sec. 11. Section 74A.3, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The interest rates authorized by this section to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness.

Sec. 12. Chapter 74A, Code 1983, is amended by adding the following new section:

NEW SECTION. 74A.8 INTEREST RATE ON ISSUE DATE. An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively.

Sec. 13. Section 75.2, Code 1983, is amended to read as follows:

75.2 NOTICE OF SALE. When public bonds are offered for sale, the official or officials in charge of ~~such~~ the bond issue shall, by advertisement published ~~for two or more successive weeks in~~ at least one twice at unspecified intervals one of which shall be not less than four nor more than twenty days before the sale in a newspaper located in the county or a county contiguous to the place of sale, give notice of the time and place of sale of ~~said~~ the bonds, the amount to be offered for sale, and any further information which may ~~be deemed~~ the official or officials deem pertinent.

Sec. 14. Section 75.3, Code 1983, is amended to read as follows:

75.3 SEALED AND OPEN BIDS. Sealed bids may be received at any time prior to the calling for open bids, if open bids are provided for in the notice of sale. After the sealed bids are all filed, the official or officials shall call for open bids, if open bids are provided for in the notice of sale. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. If open bids are not permitted in the notice of sale, sealed bids may be received until it is announced that all sealed bids shall be opened. The official or officials shall then open any sealed bids that may have been filed and they shall note in the minutes the substance of the best sealed bid.

Sec. 15. Section 75.5, Code 1983, is amended to read as follows:

75.5 SELLING PRICE. ~~No~~ All public bond-shall bonds issued under this chapter may be sold ~~for~~ at a price not less than ninety-eight percent of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds.

Sec. 16. Section 75.9, Code 1983, is amended to read as follows:

75.9 EXCHANGE OF BONDS. ~~Nothing-in-this~~ This chapter ~~shall-be-deemed-to~~ does not prevent the exchange of bonds for legal indebtedness evidenced by bonds, warrants, ~~or~~ judgments as, or otherwise as provided by law. Bonds shall not be exchanged for notes issued pursuant to section 76.13 in anticipation of the issuance of bonds.

Sec. 17. Section 75.10, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

75.10 DENOMINATIONS OF BONDS. Notwithstanding any contrary provision in the Code, public bonds may be in one or more denominations as provided by the proceedings of the governing body authorizing their issuance.

Sec. 18. Section 296.2, Code 1983, is amended to read as follows:

296.2 PETITION FOR ELECTION. Before ~~such~~ indebtedness can be contracted in excess of one and one-quarter percent of the assessed value of the taxable property, a petition signed by a number equal to twenty-five percent of those voting at the last election of school officials shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose or purposes for which the indebtedness is to be created, and that the ~~necessary~~ schoolhouse-or-schoolhouse purpose or purposes cannot be ~~built-and-equipped,-or-that-sufficient-land-cannot-be-purchased~~ to-add-to-a-site-already-owned, accomplished within the limit of one and one-quarter percent of the valuation. The petition may request the calling of an election on one or more propositions and a proposition may include one or more purposes.

Sec. 19. Section 296.3, Code 1983, is amended to read as follows:

296.3 ELECTION CALLED. The president of the board of directors on receipt of a petition under section 296.2 ~~shall~~, within ten days after considering the suggestions of the area education agency board, or the board of a district contiguous to the district for which the petition is received, under section 297.7, subsection 3, ~~shall~~ call a meeting of the board which shall call the election, fixing the time of the election, which may be at the time and place of holding the regular school election, unless the board determines by unanimous vote that the proposition or propositions requested by a petition to be submitted at an election are grossly unrealistic or contrary to the needs of the school district. The decision of the board may be appealed to the state board of public instruction as provided in chapter 290. The president shall

notify the county commissioner of elections of the time of the election.

Sec. 20. Chapter 364, Code 1983, is amended by adding after section 364.13 the following new sections:

NEW SECTION. 364.13A SPECIAL ASSESSMENTS--LIEN AND PRECEDENCE. A special assessment levied pursuant to section 364.11 or 364.12, including all interest and penalties is a lien against the benefited property from the date of filing the schedule of assessments until the assessment is paid. Special assessments have equal precedence with ordinary taxes and are not divested by judicial sale.

NEW SECTION. 364.13B SPECIAL ASSESSMENTS--PROCEDURES FOR LEVY. The procedures for making and levying a special assessment pursuant to this chapter and for an appeal of the assessment are the same procedures as provided in sections 384.59 through 384.67 and sections 384.72 through 384.75.

Sec. 21. Section 384.24, subsection 3, paragraph o, Code 1983, is amended to read as follows:

o. The rehabilitation and improvement of parks already owned, including the removal, replacement and planting of trees thereon in the parks, and facilities, equipment, and improvements commonly found in city parks.

Sec. 22. Section 384.28, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Definitions of city enterprises, essential corporate purposes, and general corporate purposes are not mutually exclusive and shall be liberally construed. The detailing of examples is not intended to modify or restrict the meaning of general words used. If a project or activity may be reasonably construed to be included in more than one classification, the council may elect at any time between the classifications and the procedures respectively applicable to each classification.

Sec. 23. Section 384.37, subsection 5, Code 1983, is amended to read as follows:

5. "Lot" means a ~~lot, part of lot, tract, or~~ parcel of land under one ownership, including improvements, against which a separate assessment is made. Two or more contiguous ~~lots, tracts, or~~ parcels upon which a single improvement has been erected by a common owner ~~are one lot for purposes of this part~~ under common ownership may be treated as one lot for purposes of this division if such lots the parcels bear common improvements or if the council finds that the parcels have been assembled into a single unit for the purpose of use or development.

Sec. 24. Section 384.63, unnumbered paragraph 2, Code 1983, is amended to read as follows:

The council shall, by resolution, provide that the deficiencies for the lots specially benefited by a public improvement shall be certified to the county treasurer, who shall record them in a separate book entitled "Special Assessment Deficiencies", and to the appropriate city official charged with the responsibility of issuing building permits, who shall notify the council when a private improvement is subsequently constructed on any lot subject to a deficiency. Certification to the county treasurer shall include a legal description of each lot. The council shall establish by ordinance a period of amortization for a public improvement for which there are deficiencies, based upon the useful life of the public improvement, but not to exceed ten years shall commence with the adoption of the resolution of necessity and extend for the same period for which installments of assessments for the project are made payable. Deficiencies may be assessed only during the period of amortization, which shall also be certified to the county treasurer and the city official charged with the responsibility of issuing building permits. Certification to the county treasurer shall include

a legal description of each lot. When a private improvement is constructed on a lot subject to a deficiency, during the period of amortization, the council shall, by resolution, assess a pro rata portion of the deficiency on that lot, in the same proportion to the total deficiency on that lot as the number of ~~full-calendar-years-remaining-in-the-period-of-amortization-is-to-the-total-number-of-years-in-the-period-of-amortization~~ future installments of special assessments remaining to be paid is to the total number of installments of assessments for the project, subject to the twenty-five percent limitation of section 384.62. A deficiency assessment becomes a lien on the property and is payable in the same manner, and subject to the same interest and penalties as the other special assessments. The council shall direct the clerk to certify a deficiency assessment to the county treasurer, and to send a notice of the deficiency assessment by certified mail to each owner, as provided in section 384.60, subsection 5, but publication of the notice is not required. An owner may appeal from the amount of the assessment within thirty days of the date notice is mailed. County officials shall collect a deficiency assessment, commencing in the year following the assessment, in the manner provided for the collection of other special assessments. Upon collection, the county treasurer shall make the appropriate credit entries in the "Special Assessment Deficiencies" book, and shall credit the amounts collected as provided for other special assessments on the same public improvement, or to the city, to the extent that the deficiency has been previously paid from other city funds.

Sec. 25. Section 384.65, subsection 1, Code 1983, is amended to read as follows:

1. The first installment of each assessment, or the total amount if less than fifty dollars, is due and payable on July 1 next succeeding the date of the levy, unless the assessment

is filed with the county ~~auditor~~ treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of acceptance of the work by the council to the first day of December following the due date.

Sec. 26. Section 384.83, subsection 2, Code 1983, is amended to read as follows:

2. a. Before the governing body institutes proceedings for the issuance of revenue bonds, it shall fix a time and place of meeting at which it proposes to take action and give notice by publication in the manner directed in section 362.3. The notice must include a statement of the time and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose or purposes for which the revenue bonds will be issued, and the city utility, combined utility system, city enterprise, or combined city enterprise whose net revenues will be used to pay the revenue bonds and interest ~~thereon~~ on them. The governing body shall at the meeting receive oral or written objections from any resident or property owner of the city. After all objections have been received and considered, the governing body may, at the meeting or any adjournment ~~thereof~~ of the meeting, take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner of the city may appeal a decision of the governing body to take additional action to the district court of the county in which any part of the city is located within fifteen days after the additional action is taken, but the additional action of the governing body is final and conclusive unless the court finds that the governing body exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal in connection with the issuance of revenue bonds are in lieu of those contained in chapter 23 or any other law.

b. Separate purposes may be incorporated in a single notice of intention to institute proceedings or separate purposes may be incorporated in separate notices and, after an opportunity for filing objections, the governing body may include in a single issue of revenue bonds any number or combination of purposes.

Sec. 27. Section 384.84, subsection 1, Code 1983, is amended to read as follows:

1. The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise may establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise and, ~~whenever when~~ revenue bonds or pledge orders are issued and outstanding pursuant to this division, shall establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise, and to leave a balance of net revenues sufficient at all times to pay the principal of and interest on the revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of principal and interest, and a sufficient portion of net revenues must be pledged for that purpose. Rates must be established by ordinance of the council or by resolution of the trustees, published in the same manner as an ordinance. All rates or charges for the services of sewer systems, sewage treatment, solid waste collection, solid waste disposal, or any of these, if not paid as provided by ordinance of council, or resolution of trustees, ~~constitute are~~ are a lien upon the premises served by any of these services ~~upon certification to the county auditor that the rates or charges are owing.~~

The rates-or-charges lien has equal precedence with ordinary taxes, may be certified to the county auditor and collected in the same manner as taxes, and is not divested by a judicial sale.

Sec. 28. Section 419.3, subsection 2, Code 1983, is amended to read as follows:

2. The bonds referred to in subsection 1 of this section may be executed and delivered at any time and from time to time; be in such form and denominations; without limitation as to the denomination of any bond, any other law to the contrary notwithstanding; be of such tenor; be fully registered, registrable as to principal or in bearer form; be transferable; be payable in such installments and at such time or times, not exceeding thirty years from their date; be payable at such place or places in or out of the state of Iowa; bear interest at such rate or rates, payable at such place or places in or out of the state of Iowa; be evidenced in such manner and may contain other provisions not inconsistent ~~herewith with this chapter~~; all as shall be provided ~~in-respect-of-the-foregoing-or-other-matters~~ in the proceedings of the governing body ~~whereunder where~~ the bonds are authorized to be issued. The governing body may provide for the exchange of coupon bonds for fully registered bonds and of fully registered bonds for coupon bonds and for the exchange of any such bonds after issuance for bonds of larger or smaller denominations, all in ~~such the~~ manner as may be provided in the proceedings authorizing their issuance, provided the bonds in changed form or denominations shall be exchanged for the surrendered bonds in the same aggregate principal amounts and in such manner that no overlapping interest is paid, and ~~such the~~ bonds in changed form or denominations shall bear interest at the same rate or rates and shall mature on the same date or dates as the bonds for which they are exchanged. ~~Where-any~~ If an exchange is made

under this section, the bonds surrendered by the holders at the time of the exchange shall be canceled or held by a trustee for subsequent exchanges in accordance with this section. The exchange shall be made only at the request of the holders of the bonds to be surrendered, and the governing body may require all expenses incurred in connection with the exchange to be paid by the holders. ~~It is~~ If any of the officers whose signatures appear on the bonds or coupons ~~shall~~ cease to be officers before the delivery of ~~such~~ the bonds, such signatures ~~shall~~ are, nevertheless, be valid and sufficient for all purposes, the same as if they the officers had remained in office until delivery.

Sec. 29. Section 419.16, Code 1983, is amended to read as follows:

419.16 INTENT OF LAW. In order to provide available alternatives to enable municipalities to accomplish the purposes of this chapter in the manner deemed most advisable by the their governing body bodies, it is the intent of this chapter that a lessee or contracting party under a sale contract or loan agreement is not required to be the eventual user of a project, provided, that ~~any sublessee or assignee shall assume all of the obligations of the lessee or contracting party under the lease, sale contract or loan agreement, the lessee or contracting party remains primarily liable for all of its obligations under the lease, sale contract or loan agreement,~~ and the use of the project is consistent with the purposes of this chapter.

Sec. 30. Section 554.9403, subsection 6, Code 1983, is amended to read as follows:

6. If the debtor is a transmitting utility (section 554.9401, subsection 5), and a filed financing statement so states, or if a filed financing statement relates to a lien, pledge, or security interest incident to bonds issued under chapter 419 and the filed financing statement so states, it

is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under section 554.9402, subsection 6, remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 377, Seventieth General Assembly.

Approved May 6, 1983

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor