

FEB 10 1997
WAYS AND MEANS

HOUSE FILE 195
BY HEATON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring an election prior to issuance of bonds by an
2 aviation authority and providing an applicability provision
3 and an effective date.

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

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HF 195

1 Section 1. Section 330A.8, subsection 8, Code 1997, is
2 amended to read as follows:

3 8. To borrow money, make and issue negotiable bonds,
4 certificates, refunding bonds, and other obligations ~~therein~~
5 called-"bonds" and notes of an authority, in accordance with
6 section 330A.8A, and to secure ~~the~~ their ~~payment of-such-bonds~~
7 ~~or-any-part-thereof~~ by a pledge of any or all of an
8 authority's revenues, rates, fees, rentals, or other charges,
9 and any other funds which it has a right to, or may hereafter
10 have the right to pledge ~~for-such-purposes-(hereafter~~
11 ~~sometimes-referred-to-as-"revenues")~~, and to mortgage its
12 property as security for the payment of ~~such~~ the bonds; and in
13 general, to provide for the security of ~~said~~ the bonds and the
14 rights and remedies of the ~~holders-thereof~~ bondholders. For
15 purposes of this section, "bonds" includes negotiable bonds,
16 certificates, refunding bonds, and other obligations and notes
17 of an authority. ~~Such~~ The bonds may be issued to finance
18 either one or more or a combination of aviation facilities and
19 the revenues of any one or more aviation facilities may,
20 subject to any prior rights of bondholders, be pledged for any
21 one or more or a combination of aviation facilities. Any
22 revenues from existing aviation facilities ~~theretofore~~
23 constructed or acquired pursuant to this chapter or existing
24 laws, or existing aviation facilities constructed or acquired
25 by an authority from any source may be pledged for any one or
26 more or a combination of aviation facilities financed under
27 this chapter, regardless of whether or not ~~such~~ the existing
28 aviation facilities are ~~then~~ being improved or financed by the
29 proceeds of the bonds to be issued to finance the one or more
30 or the combination of aviation facilities for which ~~such~~
31 revenues ~~of-such~~ from the existing aviation facilities are to
32 be pledged.

33 Sec. 2. NEW SECTION. 330A.8A BOND ELECTION.

34 1. Bonds authorized under section 330A.8, subsection 8,
35 shall not be issued by an authority under section 330A.9

1 unless approved by the voters at a special election. Each of
2 the member municipalities shall call a special election to
3 vote upon the question of issuing the bonds. At the election
4 the proposition must be submitted in the following form:

5 Shall the (insert the name of the
6 aviation authority) issue its bonds in an amount not exceeding
7 the amount of \$..... for the purpose of
8

9 2. Notice of the election must be given by publication as
10 required by section 49.53 in a newspaper of general
11 circulation in the member municipality. At the election the
12 ballot used for the submission of the proposition must be in
13 substantially the form for submitting special questions at
14 general elections.

15 3. The proposition is not carried or adopted unless the
16 vote in favor of the proposition is equal to at least sixty
17 percent of the total vote cast for and against the proposition
18 at the election. If the proposition is approved by the
19 voters, the authority may proceed with the issuance of the
20 bonds. If the proposition is not approved, it shall not be
21 resubmitted to voters for a period of six months following the
22 date of the special election.

23 Sec. 3. Section 330A.9, subsection 1, Code 1997, is
24 amended to read as follows:

25 1. The bonds issued by an authority pursuant to this
26 chapter shall be authorized by ~~resolution-of-the-board~~ an
27 election in accordance with section 330A.8A and shall be
28 either term or serial bonds, shall ~~bear-such~~ mature at a date
29 ~~or-dates, mature-at-such-time-or-times,~~ not exceeding to
30 exceed forty years from ~~their-respective-dates~~ the date of
31 issuance, bear interest at ~~such-rate-or-rates, not-exceeding a~~
32 rate not to exceed that permitted by chapter 74A payable
33 semiannually, be in such denominations, be in such form,
34 either coupon or fully registered, ~~shall~~ carry such
35 registration, exchangeability and interchangeability

1 privileges, be payable in such medium of payment and at such
2 place or places, within or without the state, be subject to
3 such terms of redemption and be entitled to such priorities on
4 the revenues, rates, fees, rentals, or other charges or
5 receipts of the authority as ~~the resolution or any subsequent~~
6 ~~resolution may provide~~ provided by the authority. The bonds
7 shall be executed either by manual or facsimile signature by
8 the officers as an authority shall determine, provided that
9 the bonds shall bear at least one signature which is manually
10 executed thereon, and the coupons attached to the bonds shall
11 bear the facsimile signature or signatures of the officer or
12 officers as shall be designated by an authority and the bonds
13 shall have the seal of the authority, affixed, imprinted,
14 reproduced, or lithographed thereon, all as may be prescribed
15 in the resolution or resolutions. The bonds may be sold at
16 public or private sale at the price or prices as the authority
17 shall determine to be in the best interests of the authority.
18 However, the net interest cost shall not exceed that permitted
19 by chapter 74A. Pending the preparation of definitive bonds,
20 interim certificates or temporary bonds may be issued to the
21 purchaser or purchasers of the bonds, and may contain terms
22 and conditions as the authority may determine.

23 Sec. 4. APPLICABILITY. This Act does not apply to bonds
24 issued under chapter 330A prior to the effective date of this
25 Act.

26 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
27 immediate importance, is effective upon enactment.

28 EXPLANATION

29 This bill requires an aviation authority's member
30 municipalities to call a special election prior to issuing
31 bonds. The bonds must be approved by 60 percent of all voters
32 voting on the proposition. An aviation authority is a public
33 body created by ordinance by one or more municipalities.

34 This bill does not apply to bonds issued under chapter 330A
35 prior to the effective date of this bill which is effective

1 upon enactment.

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