

MAR 19 1997

COMMERCE AND REGULATION

HOUSE FILE **689**  
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HSB 79)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the joint financing of public works and  
2 facilities.

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

4

5

**HOUSE FILE 689**

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**H-1306**

7

1 Amend House File 689 as follows:

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2 1. Page 1, by inserting after line 34 the  
3 following:

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4 "A city shall not join an entity created under this  
5 chapter or any separate administrative or legal entity  
6 created pursuant to chapter 28E for the purpose of  
7 utilizing the provisions of this chapter for financing  
8 electric power facilities until the proposal for the  
9 city to join the entity has been authorized by a  
10 resolution adopted by the city council."

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By RICHARDSON of Warren

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H-1306 FILED MARCH 24, 1997

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**#F 689**

1 Section 1. Section 28F.1, Code 1997, is amended by  
2 striking the section and inserting in lieu thereof the  
3 following:

4 28F.1 SCOPE OF CHAPTER.

5 This chapter provides a means to reduce the cost of local  
6 government by assisting public agencies in the undertaking of  
7 joint financing and is intended to provide specific state  
8 legislation consistent with criteria established by  
9 regulations and rulings of the commissioner of internal  
10 revenue, United States department of treasury, in order for a  
11 separate joint financing entity to be treated as a constituted  
12 authority empowered to issue obligations on behalf of  
13 political subdivisions of this state. This chapter provides a  
14 means for the joint financing by public agencies of works or  
15 facilities which are part of any city enterprise as defined in  
16 section 384.24, county enterprise as defined in section  
17 331.461, city utility as defined in section 362.2, joint water  
18 utility as defined in section 389.1, or sanitary district as  
19 defined in chapter 358. This chapter applies to the  
20 acquisition, construction, reconstruction, ownership,  
21 operation, repair, extension, or improvement of the works or  
22 facilities, by a separate administrative or legal entity  
23 created pursuant to chapter 28E or chapter 389. When the  
24 legal entity created under this chapter is comprised solely of  
25 cities, counties, or sanitary districts established under  
26 chapter 358 or any combination of these political  
27 subdivisions, or any combination of the public agencies  
28 previously specified in this section with other public  
29 agencies, the entity shall be both a corporation and a  
30 political subdivision with the name under which it was  
31 organized. The legal entity may sue and be sued, contract,  
32 acquire and hold real and personal property necessary for  
33 corporate purposes, adopt a corporate seal and alter the seal  
34 at pleasure, and execute all powers conferred by this chapter.  
35 Sec. 2. Section 28F.2, Code 1997, is amended to read as

1 follows:

2 28F.2 DEFINITIONS.

3 The terms "public agency", "state", and "private agency"  
4 shall have the meanings prescribed by section 28E.2. The term  
5 "project" or "projects" shall mean any works or facilities  
6 referred to in section 28F.1 and shall include all property  
7 real and personal, pertinent thereto or connected with such  
8 project or projects, and the existing works or facilities, if  
9 any, to which such project or projects are an extension,  
10 addition, betterment, or improvement. ~~"Electric-power-agency"~~  
11 ~~means-an-entity-financing-or-acquiring-electric-power~~  
12 ~~facilities-pursuant-to-this-chapter-or-chapter-28E-~~

13 Sec. 3. Section 28F.3, Code 1997, is amended by adding the  
14 following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. An entity created to carry out  
16 an agreement authorizing the joint exercise of powers  
17 enumerated in section 28F.1 with regard to electric power  
18 facilities shall keep accurate books, records, and accounts of  
19 all its dealings. These books, records, and accounts shall be  
20 open to inspection and audit by the representatives of any  
21 member of the agency and shall be audited annually by the  
22 auditor of state or a certified public accountant as provided  
23 in section 11.6.

24 Sec. 4. Section 28F.7, unnumbered paragraph 2, Code 1997,  
25 is amended by striking the unnumbered paragraph.

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#### EXPLANATION

27 This bill provides that specified public agencies and  
28 political subdivisions of this state which separately have the  
29 authority to undertake certain public works, as specified in  
30 the bill, may join other public agencies or political  
31 subdivisions to carry out those projects jointly and fund the  
32 projects or facilities through a separate joint financing  
33 entity acting on behalf of the political subdivisions. The  
34 separate funding entities created under this chapter are to  
35 meet the regulations and rulings of the commissioner of

1 internal revenue.

2 The bill also strikes certain restrictions on cities' use  
3 of joint financing of public works and facilities, strikes a  
4 definition of electric power agency which is no longer needed,  
5 and strikes a requirement that a power facility operating  
6 under chapter 28F meet standards of the national electric  
7 safety code of 1968, as amended.

8 The bill provides that an entity created to carry out an  
9 agreement authorizing the joint exercise of powers by public  
10 agencies or political subdivisions to undertake public works  
11 shall keep accurate books, records, and accounts which shall  
12 be open to inspection.

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Vande Hoef, Ch  
Klemme  
Mertz

HSB 79  
LOCAL GOVERNMENT

Succeeded By  
HOUSE FILE SF (HF) 689  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON VANDE HOEF)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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