

2/25/98 Do Pass

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STATE GOVERNMENT

SENATE FILE 2130

BY KIBBIE

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

A BILL FOR

1 An Act authorizing the issuance of revenue bonds by county fairs
 2 and the levy of a property tax for repayment security.
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2130

1 Section 1. Section 174.1, Code Supplement 1997, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 0A. "Bond issuer" means a county fair
4 society.

5 Sec. 2. NEW SECTION. 174.28 ISSUANCE OF REVENUE BONDS --
6 STANDBY TAX LEVY -- PROCEDURES.

7 1. The governing body of a bond issuer may issue bonds
8 payable from revenue generated by the operations of the county
9 fair and the use or rental of the real and personal property
10 owned or leased by the bond issuer. The governing body of a
11 bond issuer shall comply with all of the procedures as
12 follows:

13 a. A bond issuer may institute proceedings for the
14 issuance of bonds by causing a notice of the proposal to issue
15 the bonds, including a statement of the amount and purpose of
16 the bonds, together with the maximum rate of interest which
17 the bonds are to bear, and the right to petition for an
18 election, to be published at least once in a newspaper of
19 general circulation within the county at least ten days prior
20 to the meeting at which the bond issuer proposes to take
21 action for the issuance of the bonds.

22 b. If at any time before the date fixed for taking action
23 for the issuance of the bonds, a petition signed by three
24 percent of the registered voters of the county is filed with
25 the board of supervisors, asking that the question of issuing
26 the bonds be submitted to the registered voters, the board of
27 supervisors shall either by resolution declare the proposal to
28 issue the bonds to have been abandoned or shall direct the
29 county commissioner of elections to call a special election
30 upon the question of issuing the bonds. The proposition of
31 issuing bonds under this subsection is not approved unless the
32 vote in favor of the proposition is equal to at least sixty
33 percent of the vote cast. If a petition is not filed, or if a
34 petition is filed and the proposition of issuing the bonds is
35 approved at an election, the board of supervisors acting on

1 behalf of the bond issuer may proceed with the authorization
2 and issuance of the bonds. Bonds may be issued for the
3 purpose of refunding outstanding and previously issued bonds
4 under this subsection without otherwise complying with the
5 provisions of this subsection.

6 c. All bonds issued under this subsection shall be payable
7 solely from and shall be secured by an irrevocable pledge of a
8 sufficient portion of the net rents, profits, and income
9 derived from the operation of the county fair and the use or
10 rental of the real and personal property owned or leased by
11 the bond issuer. Bonds issued pursuant to this section shall
12 not constitute an indebtedness within the meaning of any
13 constitutional or statutory debt limitation or restriction,
14 and shall not be subject to the provisions of any other law or
15 charter relating to the authorization, issuance, or sale of
16 bonds. Bonds issued under this subsection shall not limit or
17 restrict the authority of the bond issuer as otherwise
18 provided by law.

19 2. To further secure the payment of the bonds, the board
20 of supervisors shall, by resolution, provide for the
21 assessment of an annual levy of a standby tax upon all taxable
22 property within the county. A copy of the resolution shall be
23 sent to the county auditor. The revenues from the standby tax
24 shall be deposited in a special fund and shall be expended
25 only for the payment of principal of and interest on the bonds
26 issued as provided in this section, when the receipt of
27 revenues pursuant to subsection 1 is insufficient. If
28 payments are necessary and made from the special fund, the
29 amount of the payments shall be promptly repaid into the
30 special fund from the first available payments received which
31 are not required for the payment of principal of or interest
32 on bonds due. Reserves shall not be built up in the special
33 fund in anticipation of a projected default. The board of
34 supervisors shall adjust the annual standby tax levy for each
35 year to reflect the amount of revenues in the special fund and

1 the amount of principal and interest which is due in that
2 year.

3 EXPLANATION

4 This bill provides that a county fair society may issue
5 bonds which are payable from revenue generated by the
6 operations of the county fair and the use and rental of the
7 real and personal property owned or leased by the county fair
8 society. After 10-days' notice of the proposal to issue bonds
9 including the amount of the bond issue, purpose, maximum rate
10 of interest, and the right to petition for an election, the
11 county fair society may take action to issue the bonds. If a
12 petition signed by 3 percent of the registered voters of the
13 county requesting an election is filed before the date fixed
14 for taking action on issuance of the bond, a special election
15 shall be called and the bond issue is not approved unless the
16 vote in favor of the proposal is equal to at least 60 percent
17 of the vote cast.

18 To further secure the payment of any bonds issued, the
19 board of supervisors shall provide for the assessment of an
20 annual levy of a standby tax upon all taxable property within
21 the county. The revenues from the standby tax shall be
22 deposited in a special fund and shall be expended only for the
23 payment of the principal and interest on the bonds when the
24 receipts of pledged revenues are insufficient to pay the
25 principal and interest on the bonds due.

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