

FEB 17 2000

LOCAL GOVERNMENT

HOUSE FILE

2341

BY HAHN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to payment of bonded indebtedness and lease  
2 obligations for joint property of a city and county.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2341

1 Section 1. Section 28E.16, Code 1999, is amended to read  
2 as follows:

3 28E.16 ELECTION FOR BONDS.

4 When bonds which require a vote of the people are to be  
5 issued for financing joint facilities of a county and one or  
6 more cities within the county, pursuant to an agreement made  
7 under the authority of this chapter, or pursuant to other  
8 provisions of law, the board of supervisors and the council of  
9 each city shall arrange for a single election on the question  
10 of issuing the bonds, but if the county and the cities are  
11 proposing to make separate bond issues, the ballot shall  
12 contain separate questions, one to be voted upon by all voters  
13 of the county, and one or more to be voted upon only by the  
14 voters of the city which is to make a separate bond issue.  
15 The applicable bonding provisions of chapters 74, 75, 331 and  
16 384 shall apply to bonds voted upon or issued pursuant to an  
17 agreement made under this section.

18 Sec. 2. NEW SECTION. 346.26 ALLOCATION OF LOCAL OPTION  
19 SALES TAX.

20 A county or city shall not obligate its local option sales  
21 tax allocation under section 422B.10 to the authority before  
22 the voters have approved the imposition of the local option  
23 sales tax under chapter 422B.

24 Sec. 3. Section 346.27, subsection 10, Code 1999, is  
25 amended to read as follows:

26 10. After the incorporation of an authority, and before  
27 the sale of any issue of revenue bonds, except refunding  
28 bonds, the authority shall submit in a single countywide  
29 election to the registered voters of the city and county, at a  
30 general, primary, or special election called for that purpose,  
31 the question of whether an authority shall issue and sell  
32 revenue bonds, stating the amount, for any of the purposes for  
33 which it is incorporated. An affirmative vote of a majority  
34 sixty percent of the votes cast on the proposition is required  
35 to authorize the issuance and sale of revenue bonds. A notice

1 of the election shall be published once each week for at least  
2 two weeks in some newspaper published in the county. The  
3 notice shall name the time when the question shall be  
4 submitted, and a copy of the question to be submitted shall be  
5 posted at each polling place during the day of election. The  
6 authority shall call this election with the concurrence of  
7 both incorporating units, and it shall establish the voting  
8 precincts and polling places, and appoint the election judges,  
9 and in so doing such election procedures shall be in  
10 accordance with the provisions of chapters 49 and 50.

11 Sec. 4. Section 346.27, subsection 22, Code 1999, is  
12 amended to read as follows:

13 22. When an incorporating unit enters into a lease with  
14 the authority, the governing body of the incorporating unit  
15 shall provide by ordinance or resolution for the levy and  
16 collection of a direct annual tax sufficient to pay the annual  
17 rent payable under the lease as and when it becomes due and  
18 payable. The tax shall be levied and collected in like manner  
19 with the other taxes of the incorporating unit and shall be in  
20 addition to all other taxes authorized to be levied by that  
21 incorporating unit. ~~This tax shall not be included within and~~  
22 ~~shall be in addition to any statutory limitation of rate or~~  
23 ~~amount for that incorporating unit.~~ The tax may exceed and be  
24 in addition to any statutory limitation of rate or amount for  
25 that incorporating unit if the tax is approved by an  
26 affirmative vote of sixty percent of the votes cast on a  
27 proposition approving the increase in the statutory limitation  
28 on the rate or amount. The fund realized from the tax levy  
29 shall be set aside for the payment of the annual rent and  
30 shall not be disbursed for any other purpose until the annual  
31 rental has been paid in full.

32 EXPLANATION

33 This bill requires cities and counties to follow the  
34 applicable bonding procedures when issuing bonds for  
35 construction or acquisition of a building constructed or

1 acquired jointly by a city and county. The bill increases to  
2 60 percent the majority necessary to approve issuance of  
3 revenue bonds for a joint facility and allows a city or county  
4 to exceed its statutory property tax rate limit to fund joint  
5 facility bonds approved by a 60 percent majority.

6 Finally, the bill provides that a city or county's  
7 allocation of local option sales tax revenues shall not be  
8 obligated for construction or acquisition of a joint facility  
9 until the voters of the city or county have approved  
10 imposition of the sales tax in their jurisdiction.

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