

FILED MAR 04 '04

SENATE FILE 2252  
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 1135)

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

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

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the establishment of a regional transit  
2 district within the unincorporated areas of certain counties  
3 and within certain cities, requiring creation of a regional  
4 transit district commission, authorizing the voluntary  
5 imposition of a regional transit property tax levy, and  
6 providing for the issuance of general obligation bonds and  
7 revenue bonds.

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

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

SF 2252  
TRANSPORTATION

1 Section 1. NEW SECTION. 28M.1 REGIONAL TRANSIT DISTRICT  
2 DEFINED.

3 As used in this chapter, unless the context otherwise  
4 requires:

5 1. "Commission" means a regional transit district  
6 commission appointed pursuant to section 28M.4.

7 2. "Regional transit district" means a public transit  
8 district created by agreement pursuant to chapter 28E by one  
9 or more counties and participating cities to provide support  
10 for transportation of passengers by one or more public transit  
11 systems which may be designated as a public transit system  
12 under chapter 324A.

13 Sec. 2. NEW SECTION. 28M.2 REGIONAL TRANSIT DISTRICT  
14 CREATED.

15 1. A county with a population in excess of three hundred  
16 thousand and participating cities may create, by chapter 28E  
17 agreement, a regional transit district in the county pursuant  
18 to this chapter. Two or more contiguous counties and  
19 participating cities may create, by chapter 28E agreement, a  
20 regional transit district pursuant to this chapter if one of  
21 the counties has a population in excess of three hundred  
22 thousand. A district shall consist of the unincorporated area  
23 of any participating county and the incorporated area of any  
24 city in the county that does not have an urban transit system.  
25 However, a city without an urban transit system may decline,  
26 by resolution forwarded to the board of supervisors, to  
27 participate in a regional transit district.

28 2. A city with an urban transit system may participate in  
29 a regional transit district if the city council, by resolution  
30 forwarded to the board of supervisors, notifies the county  
31 that the city wishes to participate.

32 3. A city that is located in a nonparticipating county  
33 that is contiguous to a county with a population in excess of  
34 three hundred thousand that is creating a regional transit  
35 district may notify that county, by resolution forwarded to

1 the board of supervisors of that county, that the city wishes  
2 to participate.

3 4. The chapter 28E agreement shall include a map showing  
4 the area and boundaries of the regional transit district.

5 Sec. 3. NEW SECTION. 28M.3 REGIONAL TRANSIT DISTRICT  
6 AUTHORITY -- COUNTY ENTERPRISE -- BONDING AUTHORITY.

7 A regional transit district shall have all the rights,  
8 powers, and duties of a county enterprise pursuant to sections  
9 331.462 through 331.469 as they relate to the purpose for  
10 which the regional transit district is created, including the  
11 authority to issue revenue bonds for the establishment,  
12 construction, reconstruction, repair, equipping, remodeling,  
13 extension, maintenance, and operation of works, vehicles, and  
14 facilities of a regional transit district. In addition, a  
15 regional transit district, with the approval of the board of  
16 supervisors, may issue general obligation bonds as an  
17 essential county purpose pursuant to chapter 331, division IV,  
18 part 3, for the establishment, construction, reconstruction,  
19 repair, equipping, remodeling, extension, maintenance,  
20 operation of works, vehicles, and facilities of a regional  
21 transit district. Such general obligation bonds are payable  
22 from the property tax levy authorized in section 28M.5.

23 The commission appointed pursuant to section 28M.4 shall  
24 exercise all powers of the board of supervisors in management  
25 and administration of the regional transit district as if it  
26 were a board of supervisors under sections 331.462 through  
27 331.469.

28 Sec. 4. NEW SECTION. 28M.4 REGIONAL TRANSIT DISTRICT  
29 COMMISSION -- MEMBERSHIP -- POWERS.

30 1. The governing bodies of counties and cities  
31 participating in a regional transit district shall appoint a  
32 commission to manage and administer the regional transit  
33 district. Commission members shall serve for staggered six-  
34 year terms. The agreement creating the regional transit  
35 district shall set the compensation of commission members.

1        2. The title to all property of a regional transit  
2 district shall be held in the name of the district, and the  
3 commission has all the powers and authorities of a board of  
4 supervisors with respect to the acquisition by purchase,  
5 condemnation or otherwise, lease, sale, or other disposition  
6 of the property, and the management, control, and operation of  
7 the property, subject to the requirements, terms, covenants,  
8 conditions, and provisions of any resolutions authorizing the  
9 issuance of revenue bonds, pledge orders, or other obligations  
10 which are payable from the revenues of the regional transit  
11 district, and which are then outstanding.

12       3. A commission shall adopt and certify an annual budget  
13 for the regional transit district. A commission in its budget  
14 shall allocate the revenue responsibilities of each county and  
15 city participating in the regional transit district. A  
16 commission shall be considered a municipality for purposes of  
17 adopting and certifying a budget pursuant to chapter 24.

18       4. A commission may establish a schedule of fares and  
19 collect fares for the transportation of passengers.

20       5. A commission shall levy for and control any tax  
21 revenues paid to the regional transit district the commission  
22 administers and all moneys derived from the operation of the  
23 regional transit district, the sale of its property, interest  
24 on investments, or from any other source related to the  
25 regional transit district.

26       6. All moneys received by the commission shall be held by  
27 the county treasurer in a separate fund. If more than one  
28 county is participating in the regional transit district, the  
29 moneys shall be paid to the county treasurer of the  
30 participating county with the largest population. Moneys may  
31 be paid out of the fund only at the direction of the  
32 commission.

33       7. A commission is subject to section 331.341, subsections  
34 1, 2, 4, and 5, and section 331.342, in contracting for public  
35 improvements.

1 8. Immediately following a regular or special meeting of a  
2 commission, the secretary of the commission shall prepare a  
3 condensed statement of the proceedings of the commission and  
4 cause the statement to be published not more than twenty days  
5 following the meeting in one or more newspapers which meet the  
6 requirements of section 618.14. The statement shall include a  
7 list of all claims allowed, showing the name of the person or  
8 firm making the claim, the reason for the claim, and the  
9 amount of the claim. Salary claims must show the gross amount  
10 of the claim except that salaries paid to persons regularly  
11 employed by the commission, for services regularly performed  
12 by the persons shall be published once annually showing the  
13 gross amount of the salary.

14 9. A commission shall submit to the governing body of each  
15 participating county and city a detailed annual report,  
16 including a complete financial statement.

17 Sec. 5. NEW SECTION. 28M.5 REGIONAL TRANSIT DISTRICT  
18 LEVY.

19 1. The commission, with the approval of the board of  
20 supervisors of participating counties and the city council of  
21 participating cities, may levy annually a tax not to exceed  
22 ninety-five cents per thousand dollars of the assessed value  
23 of all taxable property in a regional transit district.  
24 However, for a city participating in a regional transit  
25 district, the total of all the tax levies imposed in the city  
26 pursuant to section 384.12, subsection 10, and this section  
27 shall not exceed the aggregate of ninety-five cents per  
28 thousand dollars of the assessed value of all taxable property  
29 in the participating city.

30 The amount of the regional transit district levy that is  
31 the responsibility of a participating county shall be deducted  
32 from the maximum rates of taxes authorized to be levied by the  
33 county pursuant to section 331.423, subsections 1 and 2, as  
34 applicable.

35 The regional transit district tax levy imposed in a

1 participating city located in a nonparticipating contiguous  
2 county shall, when collected, be paid to the county treasurer  
3 of the participating county.

4 2. The proceeds of the tax levy shall be used for the  
5 operation and maintenance of a regional transit district, for  
6 payment of debt obligations of the district, and for the  
7 creation of a reserve fund. The commission may divide the  
8 territory of a regional transit district outside the  
9 boundaries of a city into separate service areas and impose a  
10 regional transit district levy not to exceed the maximum rate  
11 authorized by this section in each service area.

12 Sec. 6. Section 331.441, subsection 2, paragraph b, Code  
13 2003, is amended by adding the following new subparagraph:

14 NEW SUBPARAGRAPH. (15) The establishment, construction,  
15 reconstruction, repair, equipping, remodeling, extension,  
16 maintenance, and operation of works, vehicles, and facilities  
17 of a regional transit district.

18 Sec. 7. Section 331.461, subsection 2, Code 2003, is  
19 amended by adding the following new paragraph:

20 NEW PARAGRAPH. h. A regional transit district but only as  
21 provided for in chapter 28M.

22 Sec. 8. Section 384.12, subsection 10, Code 2003, is  
23 amended to read as follows:

24 10. A tax for the operation and maintenance of a municipal  
25 transit system or for operation and maintenance of a regional  
26 transit district, and for the creation of a reserve fund for  
27 the system or district, in an amount not to exceed ninety-five  
28 cents per thousand dollars of assessed value each year, when  
29 the revenues from the transit system or district are  
30 insufficient for such purposes, ~~but proceeds of the tax may~~  
31 ~~not be used to pay interest and principal on bonds issued for~~  
32 ~~the purposes of the transit system.~~

33

EXPLANATION

34 This bill authorizes the creation, by Code chapter 28E  
35 agreement, of a regional transit district in a county with a

1 population in excess of 300,000 or in one or more contiguous  
2 counties and in certain cities if one of the counties has a  
3 population excess of 300,000.

4 The bill provides that a regional transit district shall  
5 consist of the unincorporated area of a participating county  
6 and cities without an urban transit system within the county  
7 unless the city, by resolution, declines to participate. A  
8 city that has an urban transit system and is located in a  
9 participating county may, by resolution, participate in the  
10 regional transit district. The bill also provides that a city  
11 located in a nonparticipating contiguous county may, by  
12 resolution, participate in the regional transit district.

13 The bill provides that a regional transit district shall  
14 have the rights, powers, and duties of a county enterprise  
15 under Code sections 331.462 through 331.469. The bill  
16 requires the participating counties and cities to appoint a  
17 commission to manage and administer the regional transit  
18 district.

19 The bill provides that the commission of a regional transit  
20 district may establish a schedule of fares and collect fares  
21 for its transportation services. The bill authorizes the  
22 commission to adopt a budget and certify for levy a regional  
23 transit district property tax with the approval of the  
24 participating counties and cities not to exceed 95 cents per  
25 \$1,000 of the assessed value of all taxable property in the  
26 county within a regional transit district, including within a  
27 participating city. The levy is for maintenance and operation  
28 of a regional transit district, for payment of debt  
29 obligations, and for a reserve fund. If a city is included in  
30 a regional transit district, the regional district levy and  
31 the supplemental levy for municipal transit purposes shall not  
32 exceed the current limitation of 95 cents per \$1,000 of  
33 assessed value. The bill amends the city supplemental levy  
34 provision to allow the tax levy for municipal transit to be  
35 used for payment on bonds issued for the transit system. The

1 county portion of a regional transit district levy is to be  
2 deducted from the basic levies for general and rural services  
3 in the county, as applicable.

4 The bill amends the county bonding laws to provide that a  
5 regional transit district is an essential county purpose for  
6 the purpose of issuing general obligation bonds, by the  
7 commission with the approval of the board of supervisors, to  
8 finance its works, equipment, and facilities.

- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

# Fiscal Services Division Legislative Services Agency Fiscal Note

SF 2252 - Regional Transit Districts (LSB 6792 SV)  
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)  
Fiscal Note Version - New

## Description

Senate File 2252 permits a county with more than 300,000 population (Polk County), participating cities, and counties contiguous to Polk County to create a regional transit district through a Chapter 28E agreement. The regional transit district has the rights, powers, and duties of a county enterprise. The participating counties and cities are required to appoint a commission to administer the district. The Commission can establish a fare schedule and collect fares. The Commission can adopt a budget, issue bonds, and levy a regional transit district property tax of up to \$0.95 per \$1,000 of taxable valuation. The levy may be used for maintenance and operations, to pay debt obligations, and for a reserve fund.

## Assumptions

8. A regional transit district will have revenues from fares, property taxes, and other sources.
9. The maximum taxable valuation would be the total taxable valuation for Polk County and the surrounding seven counties. If counties or cities opt not to participate, the FY 2004 taxable valuations and maximum potential levies for \$0.95 per \$1,000 taxable valuation are:

<u>County</u>	<u>Taxable Value</u>	<u>Maximum Potential Property Taxes</u>
Boone	\$ 1,287,767,285	\$ 1,223,379
Dallas	2,542,364,439	2,415,246
Jasper	1,696,967,363	1,612,119
Madison	677,963,530	644,065
Marion	1,351,702,267	1,284,117
Story	3,941,923,299	3,744,827
Warren	1,849,003,569	1,756,553
Polk	18,531,143,332	17,604,586
<b>Total</b>	<b>\$ 31,878,835,084</b>	<b>\$ 30,284,892</b>

10. Four cities in Polk and Story counties currently have transit levies. If these cities participate in the regional transit district, their transit property taxes would not exceed the \$0.95 per \$1,000 valuation limit. Their estimated FY 2004 revenues from transit levies are:

<u>City</u>	<u>Transit Levy</u>
Des Moines	\$ 2,494,342
West Des Moines	700,000
Windsor Heights	91,500
Ames	897,728
<b>Total</b>	<b>\$ 4,183,570</b>

### **Fiscal Impact**

Senate File 2252 allows certain cities and counties the option of participating in regional transit districts. Due to insufficient information regarding who would participate, the fiscal impact of SF 2252 cannot be determined.

### **Sources**

Department of Revenue  
Department of Management

Dennis C Prouty

---

March 15, 2004

---

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

---

Shull  
Drake  
Wamstadt

Transportation

SSB 1135

Succeeded By

① HF 2252

SENATE FILE

BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON DRAKE)

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

**A BILL FOR**

1 An Act relating to the establishment of a regional transit  
2 district within the unincorporated areas of one or more  
3 counties and within certain cities, authorizing the imposition  
4 of a limited property tax levy, and providing for the issuance  
5 of general obligation bonds and revenue bonds.

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

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

1 Section 1. NEW SECTION. 331.386 REGIONAL TRANSIT  
2 DISTRICT AUTHORIZED -- DEFINITION -- FINANCE AUTHORITY.

3 1. DEFINITION. As used in this section, unless the  
4 context otherwise requires, "regional transit district" means  
5 a public transit district created pursuant to an agreement  
6 pursuant to chapter 28E by one or more counties and  
7 participating cities to provide support for transportation  
8 passengers by one or more public transit systems designated  
9 under chapter 324A.

10 2. REGIONAL TRANSIT DISTRICT CREATED.

11 a. One or more contiguous counties may, by chapter 28E  
12 agreement, create a regional transit district. The district  
13 shall consist of the unincorporated area of any participating  
14 county and the incorporated area of any city in the county  
15 that does not have an urban transit system. However, a city  
16 without an urban transit system may, by resolution forwarded  
17 to the board of supervisors, decline to participate in a  
18 regional transit district. A city with an urban transit  
19 system may participate in a regional transit district if the  
20 city council, by resolution forwarded to the board of  
21 supervisors, notifies the county that it wishes to  
22 participate. A city that is located in a nonparticipating  
23 county that is contiguous to a county creating a regional  
24 transit district may, by resolution forwarded to the board of  
25 supervisors of the regional transit district county, notify  
26 the county that it wishes to participate.

27 b. The governing body of a regional transit district has  
28 all the rights, powers, privileges, and immunities of a local  
29 government relating to the purpose for which the regional  
30 transit district is created. In exercising its powers, the  
31 governing body may establish a schedule of fares and collect  
32 fares for the transportation of passengers.

33 3. BONDING AUTHORITY.

34 a. The establishment, construction, reconstruction,  
35 repair, equipping, remodeling, extension, maintenance, and

1 operation of works, vehicles, and facilities of a regional  
2 transit district may be financed by general obligation bonds  
3 as an essential county purpose pursuant to division IV, part  
4 3.

5 b. The establishment, construction, reconstruction,  
6 repair, equipping, remodeling, extension, maintenance, and  
7 operation of works, vehicles, and facilities of a regional  
8 transit district may be financed by revenue bonds as a county  
9 enterprise pursuant to division IV, part 4.

10 Sec. 2. NEW SECTION. 331.424D REGIONAL TRANSIT DISTRICT  
11 LEVY.

12 1. The board may levy annually a tax not to exceed ninety-  
13 five cents per thousand dollars of the assessed value of all  
14 taxable property in the county within a regional transit  
15 district. However, for a city participating in a regional  
16 transit district, the tax levy imposed pursuant to section  
17 384.12, subsection 10, and this section shall not exceed the  
18 aggregate of ninety-five cents per thousand dollars of the  
19 assessed value of all taxable property in the participating  
20 city.

21 2. A participating city located in a nonparticipating  
22 contiguous county shall levy for the regional transit district  
23 under section 384.12, subsection 10. The sum of the tax levy  
24 certified for the regional transit district and for any urban  
25 or municipal transit system of the city shall not exceed  
26 ninety-five cents per thousand dollars of assessed value each  
27 year.

28 3. The proceeds of the tax levy shall be used for the  
29 operation and maintenance of a regional transit district and  
30 for the creation of a reserve fund. The board may divide the  
31 territory of a regional transit district outside the  
32 boundaries of a city into separate service areas and impose a  
33 separate levy not to exceed the maximum rate authorized by  
34 this section in each service area.

35 Sec. 3. Section 331.441, subsection 2, paragraph b, Code

1 2003, is amended by adding the following new subparagraph:

2 NEW SUBPARAGRAPH. (15) The establishment, construction,  
3 reconstruction, repair, equipping, remodeling, extension,  
4 maintenance, and operation of works, vehicles, and facilities  
5 of a regional transit district.

6 Sec. 4. Section 331.461, subsection 2, Code 2003, is  
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. h. A regional transit district including  
9 the establishment, construction, reconstruction, repair,  
10 equipping, remodeling, extension, maintenance, and operation  
11 of its works, vehicles, and facilities.

12 EXPLANATION

13 This bill authorizes the creation of a regional transit  
14 district in one or more contiguous counties.

15 The bill provides that a regional transit district shall  
16 consist of the unincorporated area of a participating county  
17 and cities without an urban transit system within the county  
18 unless the city, by resolution, declines to participate. A  
19 city that has an urban transit system and is located in a  
20 participating county may, by resolution, participate in the  
21 regional transit district. The bill also provides that a city  
22 located in a nonparticipating contiguous county may, by  
23 resolution, participate in the regional transit district.

24 The bill provides that the governing body of a regional  
25 transit district may establish a schedule of fares and collect  
26 fares for its transportation services.

27 The bill authorizes imposition of a regional transit  
28 district property tax levy not to exceed 95 cents per \$1,000  
29 of the assessed value of all taxable property in the county  
30 within a regional transit district, including within a  
31 participating city. The levy is for maintenance and operation  
32 of a regional transit district and for a reserve fund. If a  
33 city is included in a regional transit district, the regional  
34 district levy and the supplemental levy for municipal transit  
35 purposes shall not exceed the current limitation of \$.95 per

1 \$1,000 of assessed value.

2 The bill also amends the county bonding laws to provide  
3 that a regional transit district is a county enterprise for  
4 the purpose of issuing revenue bonds and an essential county  
5 purpose for the purpose of issuing general obligation bonds to  
6 finance its works, equipment, and facilities.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35