

Senate Study Bill 1026 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED JUDICIAL BRANCH
BILL)

A BILL FOR

1 An Act relating to authorization procedures for certain county
2 projects involving real property.

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

1 Section 1. Section 331.301, subsection 10, paragraph e,
2 subparagraph (1), subparagraph divisions (a) and (b), Code
3 2015, are amended to read as follows:

4 (a) The board must follow substantially the authorization
5 procedures of section 331.443 to authorize a lease or
6 lease-purchase contract for personal property which is payable
7 from the general fund. The board must follow substantially
8 the authorization procedures of section 331.443 to authorize
9 a lease or lease-purchase contract for real property which is
10 payable from the general fund if the principal amount of the
11 lease-purchase contract does not exceed the following limits:

12 (i) ~~Four~~ Six hundred thousand dollars in a county having a
13 population of twenty-five thousand or less.

14 (ii) ~~Five~~ Seven hundred fifty thousand dollars in a county
15 having a population of more than twenty-five thousand but not
16 more than fifty thousand.

17 (iii) ~~Six~~ Nine hundred thousand dollars in a county having
18 a population of more than fifty thousand but not more than one
19 hundred thousand.

20 (iv) ~~Eight~~ One million two hundred thousand dollars in a
21 county having a population of more than one hundred thousand
22 but not more than two hundred thousand.

23 (v) One million five hundred thousand dollars in a county
24 having a population of more than two hundred thousand.

25 (b) (i) However, if the principal amount of a lease or
26 lease-purchase contract pursuant to this subparagraph (1) is
27 less than twenty-five thousand dollars, the board may authorize
28 the lease or lease-purchase contract without following the
29 authorization procedures of section 331.443.

30 (ii) If the board determines that at least fifty percent of
31 the real property to be leased or lease-purchased is to be used
32 or occupied by the judicial branch as referenced in section
33 602.1102, the board may follow the authorization procedures of
34 section 331.443 even if the principal amount of the lease or
35 lease-purchase contract exceeds the limitations in subparagraph

1 division (a).

2 Sec. 2. Section 331.402, subsection 3, paragraph d,
3 subparagraph (1), Code 2015, is amended to read as follows:

4 (1) (a) The board shall follow substantially the
5 authorization procedures of section 331.443 to authorize a
6 loan agreement for personal property which is payable from
7 the general fund. The board must follow substantially the
8 authorization procedures of section 331.443 to authorize a loan
9 agreement for real property which is payable from the general
10 fund if the principal amount of the loan agreement does not
11 exceed the following limits:

12 (a) (i) ~~Four~~ Six hundred thousand dollars in a county
13 having a population of twenty-five thousand or less.

14 (b) (ii) ~~Five~~ Seven hundred fifty thousand dollars in a
15 county having a population of more than twenty-five thousand
16 but not more than fifty thousand.

17 (c) (iii) ~~Six~~ Nine hundred thousand dollars in a county
18 having a population of more than fifty thousand but not more
19 than one hundred thousand.

20 (d) (iv) ~~Eight~~ One million two hundred thousand dollars in
21 a county having a population of more than one hundred thousand
22 but not more than two hundred thousand.

23 (e) (v) One million five hundred thousand dollars in a
24 county having a population of more than two hundred thousand.

25 (b) If the board determines that at least fifty percent of
26 the real property that is the subject of the loan agreement is
27 to be used or occupied by the judicial branch as referenced
28 in section 602.1102, the board may follow the authorization
29 procedures of section 331.443 even if the principal amount of
30 the loan agreement exceeds the limitations in subparagraph
31 division (a).

32 Sec. 3. Section 331.441, subsection 2, paragraph b,
33 subparagraph (5), Code 2015, is amended to read as follows:

34 (5) (a) Public buildings, including the site or grounds of,
35 and the erection, equipment, remodeling, or reconstruction of,

1 and additions or extensions to the buildings, and including the
2 provision and maintenance of juvenile detention or shelter care
3 facilities, when the ~~cost~~ principal amount of bonds does not
4 exceed the following limits:

5 ~~(a)~~ (i) Six hundred thousand dollars in a county having a
6 population of twenty-five thousand or less.

7 ~~(b)~~ (ii) Seven hundred fifty thousand dollars in a county
8 having a population of more than twenty-five thousand but not
9 more than fifty thousand.

10 ~~(c)~~ (iii) Nine hundred thousand dollars in a county having
11 a population of more than fifty thousand but not more than one
12 hundred thousand.

13 ~~(d)~~ (iv) One million two hundred thousand dollars in a
14 county having a population of more than one hundred thousand
15 but not more than two hundred thousand.

16 ~~(e)~~ (v) One million five hundred thousand dollars in a
17 county having a population of more than two hundred thousand.

18 (b) If the board determines that at least fifty percent of
19 the public building will be used or occupied by the judicial
20 branch as referenced in section 602.1102, the board may
21 follow the authorization procedures of section 331.443 even
22 if the principal amount of bonds exceeds the limitations in
23 subparagraph division (a).

24 Sec. 4. Section 331.441, subsection 2, paragraph c,
25 subparagraph (9), Code 2015, is amended to read as follows:

26 (9) Public buildings, including the site or grounds of,
27 the erection, equipment, remodeling, or reconstruction of, and
28 additions or extensions to the buildings, and including the
29 provision and maintenance of juvenile detention or shelter care
30 facilities, when the ~~cost~~ principal amount of the bonds exceeds
31 the limits stated in subsection 2, paragraph "b", subparagraph
32 (5).

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill relates to the authorization procedures for county
2 projects involving real property by raising certain limitation
3 amounts and by making an exception for projects involving
4 property to be used by the judicial branch.

5 The bill provides that if a county project involves a real
6 property lease contract, lease-purchase contract, or loan
7 agreement, and at least 50 percent of the real property is
8 to be used or occupied by the judicial branch, the county,
9 when entering into the contract or agreement, is authorized to
10 follow the procedures for issuance of essential county purpose
11 bonds.

12 The bill also amends the definition of "essential county
13 purpose", relating to issuance of bonds for public buildings,
14 to provide that the dollar limitations on the principal amount
15 of the bonds does not apply if at least 50 percent of the public
16 building will be used or occupied by the judicial branch.

17 Generally, an essential county purpose does not require
18 approval of the voters.

19 The bill increases the threshold amounts that determine
20 whether a project can be undertaken using the procedures for
21 essential county purpose bonds when the project involves a
22 lease contract, lease-purchase contract, or loan agreement.
23 The bill increases the threshold amounts in the following
24 manner: For counties with a population of 25,000 or less, the
25 threshold amount is increased from \$400,000 to \$600,000; for
26 counties with a population of more than 25,000 but not more
27 than 50,000, the threshold amount is increased from \$500,000 to
28 \$750,000; for counties with a population of more than 50,000
29 but not more than 100,000, the threshold amount is increased
30 from \$600,000 to \$900,000; for counties with a population of
31 more than 100,000 but not more than 200,000, the threshold
32 amount is increased from \$800,000 to \$1.2 million; and for
33 counties with a population of more than 200,000, the threshold
34 amount is increased from \$1 million to \$1.5 million.