

CHAPTER 195

PUBLIC TRANSPORTATION SUBSIDY

S. F. 341

AN ACT to provide subsidization of public transportation facilities by taxation of real and personal property in cities and towns.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. The qualified voters of any following named district
2 may file a petition under the conditions hereinafter specified to vote
3 taxes not exceeding one-eighth mill on the assessed value of the real
4 and personal property within the district for aid to a public transpor-
5 tation company operating within said district. Said district shall be
6 composed of all the area within the city where the principal office of
7 the company to be aided is located plus all the area of any other city
8 or town, through, or along all routes traveled by the vehicles of such
9 transportation company.

1 SEC. 2. The petition shall show:

- 2 1. The name and the location of the principal office of the company
- 3 to be aided.
- 4 2. The rate of tax proposed and the number of years not exceeding
- 5 five in which it shall be levied and paid in equal installments.
- 6 3. The location of the lines of travel of the vehicles of the company
- 7 for which it is proposed to vote the tax.
- 8 4. The limits of the proposed taxing district.
- 9 5. Any other conditions which shall be performed before any part
- 10 of the tax shall be payable.
- 11 6. The signatures of at least five percent of the qualified voters
- 12 residing within such district.

1 SEC. 3. Said petition shall be filed in the office of the clerk of said
2 city where the principal office of such company is located.

1 SEC. 4. After such petition is filed the council of such city shall
2 arrange for a joint meeting of the councils of all cities and towns in-
3 volved and the council, or joint councils, if more than one, shall can-
4 vass the petition, and if found to meet the requirements of the law,
5 shall fix a time and places for holding a special election in the proposed
6 district, appoint judges and clerks of such election, fix the hours when
7 the polls shall open and close and cause notice to be given as herein-
8 after provided. The date of such election shall be at least ten days
9 after completed service of such notice. The transportation company
10 for whose benefit such election is held shall pay the expense thereof,
11 including publication of notice and printing of ballots.

1 SEC. 5. The notice shall be addressed to the qualified electors of
2 the district or territory in which the election is to be held and shall
3 state:

- 4 1. The time and place of holding such election and the hours at
- 5 which the polls will open and close.
- 6 2. The name and location of the principal office of the corporation
- 7 to which it is proposed to vote the tax.
- 8 3. The purpose for which it is proposed to vote such tax.
- 9 4. The rate of such tax, the installments into which it shall be di-

10 vided, the years in which it is payable, and the rate of interest on
11 deferred payments.

12 5. Any other special conditions set forth in the petition.

1 SEC. 6. The city clerk of the principal city shall cause such notice
2 to be published for three consecutive weeks in the official newspapers
3 published in said city. Proof of such publication, by affidavit of the
4 publisher, shall be filed with the city clerk on completion of the pub-
5 lication.

1 SEC. 7. The clerk of the principal city shall cause to be prepared
2 and printed the ballots for such election on which shall be plainly
3 stated the proposition to be voted upon, placed in interrogatory form
4 with the words "yes" and "no" so arranged as to enable the voter
5 to clearly indicate his vote for or against such proposition, which
6 ballots shall be delivered to the judges of election by the time the polls
7 are open.

1 SEC. 8. The judges and clerks shall count the ballots cast as soon
2 as the polls close and certify and file the returns, with all the ballots
3 cast, in the office of the clerk of the principal city.

1 SEC. 9. On the filing of the returns the council or joint councils
2 shall convene and canvass the same and certify the result to the county
3 board of supervisors. If a majority of the votes cast are in favor of
4 such taxes, the board shall, at the time of levying the ordinary taxes
5 next following, levy such taxes as are voted and cause the same to be
6 placed on the proper tax lists.

1 SEC. 10. Special taxes voted for the purpose aforesaid, shall be
2 collected at the same time and in the same manner as other taxes, with
3 the same penalties for delinquency and the same manner of enforcing
4 collection by sale as ordinary taxes. When collected they shall be kept
5 in a separate fund and paid out only for the purposes for which and
6 on the terms and conditions upon which they were voted, all of which
7 shall be shown by the records and files of each clerk's office relating
8 thereto.

1 SEC. 11. The moneys collected under the provisions of this Act
2 shall be paid out by the county treasurer to the treasurer of the trans-
3 portation company for whom the same were voted, upon orders of the
4 president or managing director thereof, at any time after the city
5 clerk of each city and town where such taxes were assessed shall have
6 certified to the county treasurer that the conditions required of the
7 transportation company and set forth in the notice of the special
8 election have been complied with, but if the costs and expenses of
9 holding the election have not been paid, then the treasurer shall first
10 deduct from the moneys collected the amount thereof, and pay same
11 to the parties entitled thereto.

1 SEC. 12. Any provision of this Act to the contrary notwithstand-
2 ing, no municipal corporation shall be authorized to pay over any of
3 the moneys above provided until the following requirements are com-
4 plied with:

5 1. The transit company shall provide the municipal corporation
6 with copies of state and federal income tax returns for the five years

7 preceding the year for which payment is contemplated or for such
 8 lesser period of time as the company has been in operation.
 9 2. The municipal corporation shall, in any given year, be authorized
 10 to pay over only such sums as will yield not to exceed two percent
 11 (2%) of the public transportation company's investment as the same
 12 is valued in its tax depreciation schedule, provided that corporate
 13 profits and losses for the five preceding years or for such lesser period
 14 of time as the company has been in operation shall not average in
 15 excess of a two percent (2%) net return. Nothing herein shall be
 16 construed to permit the payment of funds to subsidize any losses in-
 17 curred prior to the adoption of this Act.

Approved May 17, 1955.

CHAPTER 196

MUNICIPAL TRANSIT SYSTEMS

H. F. 422

AN ACT authorizing municipal corporations to establish, purchase, acquire, enlarge, extend, improve, maintain and operate transit systems; to issue bonds and equipment trust certificates in connection therewith; providing for a board of transit trustees to operate such system, and authorizing the use of municipal funds and the levy of municipal taxes to meet any deficiency in available revenues to pay operating, maintenance, depreciation and reserve expenses of such transit systems.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. **Definitions.** The following words or terms, as used
 2 in this Act, shall have the respective meanings as stated:
 3 1. "Municipal corporation" shall mean any city of more than twelve
 4 thousand (12,000) population or any city or town lying adjacent to a
 5 city of more than twelve thousand (12,000) population, regardless of
 6 form of government or manner of incorporation.
 7 2. "Transit system" shall mean all plants, equipment, property and
 8 rights useful for transportation of passengers for hire except taxi-
 9 cabs and includes, without limiting the generality of the foregoing,
 10 street railways, motor vehicles, trolley buses, motor buses, and any
 11 combination thereof.
 12 3. "Board" or "transit board" shall mean the board of transit
 13 trustees who shall not be under the provisions of chapter 365, Code
 14 1954.
 15 4. "Council" shall mean the city or town council constituting the
 16 governing body of the municipal corporation.

1 SEC. 2. Any municipal corporation shall have the power to es-
 2 tablish or to acquire by purchase, construction, gift, condemnation
 3 and to equip, enlarge, extend, improve, maintain and operate a transit
 4 system operating or to be operated either within or without the cor-
 5 porate limits of such municipal corporation and either within or with-
 6 out the territorial limits of this state, including all or any part of the
 7 plant, equipment, vehicles, property, contracts and agreements of
 8 every kind and nature, reserve funds, employees' pension or retire-
 9 ment funds, special funds, franchises, licenses, patents, permits and