

2. Section 657.10 as created in this Act is repealed.

Sec. 30. REPEALS.

1. Sections 654A.2 and 654A.3, Code 1989, are repealed.
2. Sections 654A.14 and 654A.15, Code Supplement 1989, are repealed.
3. 1986 Iowa Acts, chapter 1214, section 29, as amended by 1989 Iowa Acts, chapter 108, section 1, is repealed.

Sec. 31. EXISTING FARM MEDIATION SERVICE CONTRACTS.

This Act does not affect any agreement with the organization selected by the farm crisis program coordinator to be the farm mediation service pursuant to section 654A.3, Code 1989.

Sec. 32. EFFECTIVE DATE.

1. Except as provided in subsection 2, all sections of this Act, being deemed of immediate importance, take effect upon enactment.
2. Sections 28 and 29 of this Act take effect on July 1, 1993.

Approved April 4, 1990

CHAPTER 1144

FINANCING E911 TELEPHONE SERVICE

H.F. 2512

AN ACT altering the statutory monetary limitation on the local option E911 emergency telephone service surcharge, authorizing the Iowa finance authority to issue bonds and notes secured by certain designated sources to finance E911 service nonrecurring and recurring expenses, providing related procedures and conditions, and providing an effective date.

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

Section 1. Section 477B.6, subsection 1, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

"Should enhanced 911 emergency telephone service be funded, in whole or in part, by a monthly surcharge of (an amount determined by the local joint E911 service board of up to twenty-five cents one dollar) per month per on each telephone access line collected as part of each telephone subscriber's monthly phone bill if provided within (description of the proposed E911 service area)?"

Sec. 2. Section 477B.7, subsection 1, paragraph a, unnumbered paragraph 1, Code Supplement 1989, is amended to read as follows:

To encourage local implementation of E911 service, one source of funding for E911 emergency telephone communication systems shall come from a surcharge of twenty-five cents per month, per access line on each access line subscriber, except as provided in subsection 5, equal to the lowest amount of the following:

One dollar.

An amount less than one dollar, which would fully pay both recurring and nonrecurring costs of the E911 service system within five years from the date the maximum surcharge is imposed.

The maximum monetary limitation approved by referendum.

PARAGRAPH DIVIDED. The surcharge shall be imposed by order of the administrator as follows:

Sec. 3. Section 477B.7, subsection 5, Code Supplement 1989, is amended by striking the subsection and inserting in lieu thereof the following:

5. USE OF MONEYS IN FUND — PRIORITY AND LIMITATIONS ON EXPENDITURE.

a. Moneys deposited in the E911 service fund shall be used for the repayment of any bonds issued for the benefit of or loan made to the joint E911 service board pursuant to sections 477B.20 through 477B.22, and as long as any such bond or loan remains unpaid the surcharge shall not be reduced or eliminated. Moneys deposited in the fund shall be subject to such terms and conditions as may be contained in the relevant bond documents, trust indenture, resolution, loan agreement, or other instrument pursuant to which bonds are issued or a loan is made, without regard to any limitation otherwise provided by law. The surcharge may be increased, but shall not exceed the maximum allowed in subsection 1, upon approval of the authority upon such terms and conditions as may be contained in the relevant bond documents, trust indenture, resolution, loan agreement, or other instrument pursuant to which bonds are issued or a loan is made, as deemed necessary or prudent by the authority to secure repayment and assure marketability or a reasonable interest rate.

b. Moneys deposited in the E911 service fund shall be used for the following, in order of priority if paragraph "a" does not apply:

(1) Money shall first be spent for actual recurring costs of operating the E911 service plan.

(2) If money remains in the fund after fully paying for recurring costs incurred in the preceding year, the remainder may be spent to pay for nonrecurring costs, not to exceed actual non-recurring costs as approved by the administrator.

(3) If money remains in the fund after fully paying obligations under subsections 1 and 2, the remainder may be accumulated in the fund as a carryover operating surplus. If the surplus is greater than twenty-five percent of the approved annual operating budget for the next year, the administrator shall reduce the surcharge by an amount calculated to result in a surplus of no more than twenty-five percent of the planned annual operating budget. After non-recurring costs have been paid, if the surcharge is less than the maximum allowed and the fund surplus is less than twenty-five percent of the approved annual operating budget, the administrator shall, upon application of the joint E911 service board, increase the surcharge in an amount calculated to result in a surplus of twenty-five percent of the approved annual operating budget. The surcharge may only be adjusted once in a single year, upon one hundred days' prior notice to the provider.

Sec. 4. Section 477B.7, Code Supplement 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 7. If a local option E911 service surcharge was approved by referendum prior to the effective date of this Act, the maximum E911 service surcharge monetary limitation may be amended up to a total of one dollar, per month, per access line, by another referendum as provided in section 477B.6. A joint E911 service board may adjust its E911 service surcharge within the monetary limitation approved by referendum as provided under this subsection by a simple majority vote of the voting members. As a result of the adjustment, the E911 service surcharge, per month, per access line, on each access line subscriber, except as provided in subsection 5, shall not exceed the lowest amount of the following:

a. One dollar.

b. An amount less than one dollar, which would fully pay both recurring and nonrecurring costs of the E911 service system within five years from the date of the adjustment.

c. The maximum monetary limitation approved by referendum.

Sec. 5. NEW SECTION. 220.161 AUTHORITY TO ISSUE E911 PROGRAM BONDS AND NOTES.

The authority shall assist the department of public defense as provided in chapter 477B, subchapter II and the authority shall have all of the powers delegated to it by a joint E911 service board or the department of public defense in a chapter 28E agreement with respect

to the issuance and securing of bonds or notes and the carrying out of the purposes of chapter 477B.

Sec. 6. NEW SECTION. 477B.20 E911 FINANCING PROGRAM – DEFINITIONS – FUNDING – BONDS AND NOTES.

1. As used in this subchapter, unless the context otherwise requires, “authority” means the Iowa finance authority.

2. The authority shall cooperate with the department of public defense in the creation, administration, and funding of the E911 program established in subchapter I.

3. The authority may issue its bonds and notes for the purpose of funding E911 nonrecurring and recurring costs of one or more E911 service areas.

4. The authority may issue its bonds and notes for the purposes of this chapter and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

a. That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

b. That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

c. That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

d. Other terms and conditions as deemed necessary or appropriate by the authority.

5. The powers granted the authority under this section are in addition to other powers contained in chapter 220. All other provisions of chapter 220, except section 220.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section, except to the extent they are inconsistent with this section.

6. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax, both personal and corporate.

Sec. 7. NEW SECTION. 477B.21 SECURITY – RESERVE FUNDS – PLEDGES – NONLIABILITY – IRREVOCABLE CONTRACTS.

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 477B.20 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

a. The income and receipts or other moneys derived from the projects financed with the proceeds of the bonds or notes.

b. The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The amounts on deposit in the E911 service fund of a joint E911 service board, including, but not limited to revenues from a local option E911 service surcharge.

d. The amounts payable to the authority by jurisdictions within service areas pursuant to loan agreements with service areas.

e. Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection, the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. A pledge made in respect of bonds or notes is valid and binding from the time the pledge is made. The money or property so pledged and received after the pledge by the authority is immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge is valid and binding as against all persons having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, or any other instrument by which a pledge is created needs to be recorded, filed, or perfected under chapter 554, to be valid, binding, or effective against all persons.

4. The members of the authority or persons executing the bonds or notes are not personally liable on the bonds or notes and are not subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The state pledges to and agrees with the holders of bonds or notes issued under this subchapter that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

Sec. 8. NEW SECTION. 477B.22 RULES.

The authority shall adopt rules pursuant to chapter 17A to implement this subchapter.

Sec. 9.

The Code editor shall codify sections 477B.1 through 477B.19 as subchapter I of chapter 477B, entitled, "local option E911 service surcharge and E911 service".

Sec. 10.

The Code editor shall codify sections 477B.20 through 477B.29 as subchapter II of chapter 477B, entitled, "E911 program debt financing".

Sec. 11.

This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 4, 1990