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ECONOMIC GROWTH

HOUSE FILE 425
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the port authorities including providing for
2 the establishment, control, and dissolution of port
3 authorities and providing for certain powers, limitations, and
4 requirements including issuing revenue bonds and pledge
5 orders, charging fees, entering into contracts and agreements,
6 employing persons and peace officers, and providing for the
7 use of revenues and exemption from property taxes.

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

HF 425

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1 Section 1. NEW SECTION. 28J.1 DEFINITIONS.

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

4 1. "Authorized purposes" means an activity that enhances,
5 fosters, aids, provides, or promotes transportation, economic
6 development, housing, recreation, education, governmental
7 operations, culture, or research within the jurisdiction of a
8 port authority.

9 2. "Board" means the board of directors of a port
10 authority established pursuant to section 28J.2.

11 3. "City" means the same as defined in section 362.2.

12 4. "Construction" means alteration, creation, development,
13 enlargement, erection, improvement, installation,
14 reconstruction, remodeling, and renovation.

15 5. "Contracting governmental agency" means any
16 governmental agency or taxing district of the state that, by
17 action of its legislative authority, enters into an agreement
18 with a port authority pursuant to section 28J.17.

19 6. "Cost" as applied to a port authority facility means
20 any of the following:

21 a. The cost of construction contracts, land, rights-of-
22 way, property rights, easements, franchise rights, and
23 interests required for acquisition or construction.

24 b. The cost of demolishing or removing any buildings or
25 structures on land, including the cost of acquiring any lands
26 to which those buildings or structures may be moved.

27 c. The cost of diverting a highway, interchange of a
28 highway, and access roads to private property, including the
29 cost of land or easements, and relocation of a facility of a
30 utility company or common carrier.

31 d. The cost of machinery, furnishings, equipment,
32 financing charges, interest prior to and during construction
33 and for no more than twelve months after completion of
34 construction, engineering, and expenses of research and
35 development with respect to a facility.

1 e. Legal and administrative expenses, plans,
2 specifications, surveys, studies, estimates of cost and
3 revenues, engineering services, and other expenses necessary
4 or incident to determining the feasibility or practicability
5 of acquiring or constructing a facility.

6 f. The interest upon the revenue bonds and pledge orders
7 during the period or estimated period of construction and for
8 twelve months thereafter, or for twelve months after the
9 acquisition date, reserve funds as the port authority deems
10 advisable in connection with a facility and the issuance of
11 port authority revenue bonds and pledge orders.

12 7. "Facility" or "port authority facility" means real or
13 personal property owned, leased, or otherwise controlled or
14 financed by a port authority and related to or in furtherance
15 of one or more authorized purposes.

16 8. "Governmental agency" means a department, division, or
17 other unit of state government of this state or any other
18 state, city, county, township, or other governmental
19 subdivision, or any other public corporation or agency created
20 under the laws of this state, any other state, the United
21 States, or any department or agency thereof, or any agency,
22 commission, or authority established pursuant to an interstate
23 compact or agreement or combination thereof.

24 9. "Person" means the same as defined in section 4.1.

25 10. "Pledge order" means a promise to pay out of the net
26 revenues of a port authority, which is delivered to a
27 contractor or other person in payment of all or part of the
28 cost of a facility.

29 11. "Political subdivision" means a city, county, city-
30 county consolidation, or multicounty consolidation, or
31 combination thereof.

32 12. "Political subdivisions comprising the port authority"
33 means the political subdivisions which created or participated
34 in the creation of the port authority under section 28J.2, or
35 which joined an existing port authority under section 28J.4.

1 13. "Port authority" means an entity created pursuant to
2 section 28J.2.

3 14. "Port authority revenue bonds" means revenue bonds and
4 revenue refunding bonds issued pursuant to section 28J.21.

5 15. "Public roads" means all public highways, roads, and
6 streets in this state, whether maintained by the state or by a
7 county or city.

8 16. "Revenues" means rental fees and other charges
9 received by a port authority for the use or services of a
10 facility, a gift or grant received with respect to a facility,
11 moneys received with respect to the lease, sublease, sale,
12 including installment sale or conditional sale, or other
13 disposition of a facility, moneys received in repayment of and
14 for interest on any loans made by the port authority to a
15 person or governmental agency, proceeds of port authority
16 revenue bonds for payment of principal, premium, or interest
17 on the bonds authorized by the port authority, proceeds from
18 any insurance, condemnation, or guarantee pertaining to the
19 financing of the facility, and income and profit from the
20 investment of the proceeds of port authority revenue bonds or
21 of any revenues.

22 Sec. 2. NEW SECTION. 28J.2 CREATION AND POWERS OF PORT
23 AUTHORITY.

24 1. Two or more political subdivisions may create a port
25 authority under this chapter by resolution. If a proposal to
26 create a port authority receives a favorable majority of the
27 members of the elected legislative body of the political
28 subdivision, the port authority is created at the time
29 provided in the resolution.

30 2. A port authority created pursuant to this section may
31 sue and be sued, complain, and defend in its name and has the
32 powers and jurisdiction enumerated in this chapter.

33 3. At the time a port authority is created pursuant to
34 this section, the political subdivisions comprising the port
35 authority may restrict the powers granted the port authority

1 pursuant to this chapter by specifically adopting such
2 restrictions in the resolution creating the port authority.

3 4. The political subdivisions comprising the port
4 authority whose powers have been restricted pursuant to
5 subsection 3 may at any time adopt a resolution to grant
6 additional powers to the port authority, so long as the
7 additional powers do not exceed the powers permitted under
8 this chapter.

9 Sec. 3. NEW SECTION. 28J.3 APPROPRIATION AND EXPENDITURE
10 OF PUBLIC FUNDS -- DISSOLUTION.

11 1. The political subdivisions comprising a port authority
12 may appropriate and expend public funds to finance or
13 subsidize the operation and authorized purposes of the port
14 authority. A port authority shall control tax revenues
15 allocated to the facilities the port authority administers and
16 all revenues derived from the operation of the port authority,
17 the sale of its property, interest on investments, or from any
18 other source related to the port authority.

19 2. All revenues received by the port authority shall be
20 held in a separate fund in a manner agreed to by the political
21 subdivisions comprising the port authority. Revenues may be
22 paid out only at the direction of the board of directors of
23 the port authority.

24 3. A port authority shall comply with section 331.341,
25 subsections 1, 2, 4, and 5, and section 331.342, when
26 contracting for public improvements.

27 4. Subject to making due provisions for payment and
28 performance of any outstanding obligations, the political
29 subdivisions comprising the port authority may dissolve the
30 port authority, and transfer the property of the port
31 authority to the political subdivisions comprising the port
32 authority in a manner agreed upon between the political
33 subdivisions comprising the port authority prior to the
34 dissolution of the port authority.

35 Sec. 4. NEW SECTION. 28J.4 JOINING AN EXISTING PORT

1 AUTHORITY.

2 1. A political subdivision which is contiguous to either a
3 political subdivision which participated in the creation of
4 the port authority or a political subdivision which proposes
5 to join the port authority at the same time which is
6 contiguous to a political subdivision which participated in
7 the creation of the port authority may join the port authority
8 by resolution.

9 2. If more than one such political subdivision proposes to
10 join the port authority at the same time, the resolution of
11 each such political subdivision shall designate the political
12 subdivisions which are to be so joined.

13 3. Any territory or city not included in a port authority
14 which is annexed to a city included within the jurisdiction
15 and territory of a port authority shall, on such annexation
16 and without further proceedings, be annexed to and be included
17 in the jurisdiction and territory of the port authority.

18 4. Before a political subdivision is joined to a port
19 authority, other than by annexation to a city, the political
20 subdivisions comprising the port authority shall agree upon
21 the terms and conditions pursuant to which such political
22 subdivision is to be joined.

23 5. For the purpose of this chapter, such political
24 subdivision shall be considered to have participated in the
25 creation of the port authority, except that the initial term
26 of any director of the port authority appointed by a joining
27 political subdivision shall be four years.

28 6. After each resolution proposing a political subdivision
29 to join a port authority has become effective and the terms
30 and conditions of joining the port authority have been agreed
31 to, the board of directors of the port authority shall by
32 resolution either accept or reject the proposal. Such
33 proposal to join a port authority shall be effective upon
34 adoption of the resolution by the board of directors of the
35 port authority and thereupon the jurisdiction and territory of

1 the port authority includes the joining political subdivision.

2 Sec. 5. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD OF
3 DIRECTORS.

4 1. A port authority created pursuant to section 28J.2
5 shall be governed by a board of directors. Members of a board
6 of directors of a port authority shall be divided among the
7 political subdivisions comprising the port authority in such
8 proportions as the political subdivisions may agree and shall
9 be appointed by the respective political subdivision's elected
10 legislative body.

11 2. The number of directors comprising the board shall be
12 determined by agreement between the political subdivisions
13 comprising the port authority, and which number may be changed
14 by resolution of the political subdivisions comprising the
15 port authority.

16 3. A majority of the directors shall have been qualified
17 electors of, or owned a business or been employed in, one or
18 more political subdivisions within the area of the
19 jurisdiction of the port authority for a period of at least
20 three years preceding appointment.

21 4. The directors of a port authority first appointed shall
22 serve staggered terms. Thereafter each successor director
23 shall serve for a term of four years, except that any person
24 appointed to fill a vacancy shall be appointed to only the
25 unexpired term. A director is eligible for reappointment.

26 5. The board may provide procedures for the removal of a
27 director who fails to attend three consecutive regular
28 meetings of the board. If a director is so removed, a
29 successor shall be appointed for the remaining term of the
30 removed director in the same manner provided for the original
31 appointment. The appointing body may at any time remove a
32 director appointed by it for misfeasance, nonfeasance, or
33 malfeasance in office.

34 6. The board may adopt bylaws and shall elect one director
35 as chairperson and one director as vice chairperson, designate

1 terms of office, and appoint a secretary who need not be a
2 director.

3 7. A majority of the board of directors shall constitute a
4 quorum for the purpose of holding a meeting of the board. The
5 affirmative vote of a majority of a quorum shall be necessary
6 for any action taken by the port authority unless the board
7 determines that a greater number of affirmative votes is
8 necessary for particular actions to be taken by the port
9 authority. A vacancy in the membership of the board shall not
10 impair the rights of a quorum to exercise all the rights and
11 perform all the duties of the port authority.

12 8. Each director shall be entitled to receive from the
13 port authority such sum of money as the board may determine as
14 compensation for services as a director and reimbursement for
15 reasonable expenses in the performance of official duties.

16 Sec. 6. NEW SECTION. 28J.6 CIVIL IMMUNITY OF DIRECTORS.

17 A director of a port authority shall not be personally
18 liable for any monetary damages that arise from actions taken
19 in the performance of the director's official duties, except
20 for acts or omissions that are not in good faith or that
21 involve intentional misconduct, a knowing violation of law, or
22 any transaction from which the director derived an improper
23 personal benefit.

24 Sec. 7. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY BOARD,
25 SPECIAL PEACE OFFICERS.

26 1. A port authority shall employ and fix the
27 qualifications, duties, and compensation of any employees and
28 enter into contracts for any services that may be required to
29 conduct the business of the port authority, and may appoint an
30 advisory board, which shall serve without compensation.

31 2. An employee of a port authority is a public employee
32 for the purposes of collective bargaining under chapter 20.

33 3. a. A port authority may provide for the administration
34 and enforcement of the laws of the state by employing special
35 peace officers who shall have all the powers conferred by law

1 on peace officers of this state with regard to the
2 apprehension of violators upon all property under its control
3 within and without the port authority. The peace officers may
4 seek the assistance of other appropriate law enforcement
5 officers to enforce its rules and maintain order.

6 b. Special peace officers employed by a port authority
7 shall pass a regular mental and physical civil service
8 examination for police officers appointed under the civil
9 service law of chapter 400 and shall participate in the
10 retirement system established by chapter 411.

11 c. Special peace officers employed by a port authority
12 shall serve as a peace officer force with respect to the
13 property, grounds, buildings, equipment, and facilities under
14 the control of the port authority, to prevent hijacking of
15 aircraft or watercraft, protect the property of the authority
16 and the property of others located thereon, suppress nuisances
17 and disturbances and breaches of the peace, and enforce laws
18 and the rules of the port authority for the preservation of
19 good order. Special peace officers are vested with the same
20 powers of arrest as peace officers under section 804.7.

21 4. If an employee of a political subdivision comprising
22 the port authority is transferred to a comparable position
23 with the port authority, the employee is entitled to suffer no
24 loss in pay, pension, fringe benefits, or other benefits and
25 shall be entitled to a comparable rank and grade as the
26 employee's prior position. Sick leave, longevity, and
27 vacation time accrued to such employees shall be credited to
28 them as employees of the port authority. All rights and
29 accruals of such employees as members of the Iowa public
30 employees' retirement system pursuant to chapter 97B and the
31 retirement system for police officers pursuant to chapter 411
32 shall remain in force and shall be automatically transferred
33 to the port authority.

34 Sec. 8. NEW SECTION. 28J.8 AREA OF JURISDICTION.

35 1. The area of jurisdiction of a port authority shall

1 include all of the territory of the political subdivisions
2 comprising the port authority and, if the port authority owns
3 or leases a railroad line or airport, the territory on which
4 the railroad's line, terminals, and related facilities or the
5 airport's runways, terminals, and related facilities are
6 located, regardless of whether the territory is located in the
7 political subdivisions comprising the port authority.

8 2. A political subdivision that has created a port
9 authority or joined an existing port authority shall not be
10 included in any other port authority.

11 Sec. 9. NEW SECTION. 28J.9 POWERS OF PORT AUTHORITY.

12 A port authority may exercise all of the following powers:

13 1. Adopt bylaws for the regulation of the port authority's
14 affairs and the conduct of the port authority's business.

15 2. Adopt an official seal.

16 3. Maintain a principal office and branch offices within
17 the port authority's jurisdiction.

18 4. Acquire, construct, furnish, equip, maintain, repair,
19 sell, exchange, lease, lease with an option to purchase,
20 convey interests in real or personal property, and operate any
21 property of the port authority in connection with
22 transportation, recreational, governmental operations, or
23 cultural activities in furtherance of an authorized purpose.

24 5. Straighten, deepen, and improve any channel, river,
25 stream, or other watercourse or way which may be necessary or
26 proper in the development of the facilities of the port
27 authority.

28 6. Make available the use or services of any facility of
29 the port authority to any person or governmental agency.

30 7. Issue bonds or pledge orders pursuant to the
31 requirements and limitations in section 28J.21. The net
32 indebtedness incurred by a port authority shall not exceed two
33 percent of the total value of all property within the
34 territory comprising the port authority as listed and assessed
35 for taxation.

1 8. Issue port authority revenue bonds beyond the limit of
2 bonded indebtedness provided by law, payable solely from
3 revenues as provided in section 28J.21, for the purpose of
4 providing funds to pay the costs of any facility or facilities
5 of the port authority or parts thereof.

6 9. Apply to the proper authorities of the United States
7 for the right to establish, operate, and maintain foreign
8 trade zones and establish, operate, and maintain foreign trade
9 zones and to acquire, exchange, sell, lease to or from, lease
10 with an option to purchase, or operate facilities, land, or
11 property in accordance with the federal Foreign Trade Zones
12 Act, 19 U.S.C. § 81a-81u.

13 10. Enjoy and possess the same legislative and executive
14 rights, privileges, and powers granted cities under chapter
15 364 and counties under chapter 331, except the power to levy
16 taxes.

17 11. Maintain such funds as it considers necessary and
18 adhere to the public funds investment standards of chapter
19 12B, as applicable.

20 12. Direct port authority agents or employees, after at
21 least five days' written notice, to enter upon lands within
22 the port authority's jurisdiction to make surveys and
23 examinations preliminary to location and construction of works
24 for the port authority, without liability of the port
25 authority or its agents or employees except for actual
26 damages.

27 13. Promote, advertise, and publicize the port authority
28 and its facilities, and provide information to shippers and
29 other commercial interests.

30 14. Adopt bylaws, not in conflict with state or federal
31 law, necessary or incidental to the performance of the duties
32 of and the execution of the powers of the port authority under
33 this chapter.

34 15. Do any of the following in regard to interests in real
35 or personal property, including machinery, equipment, plants,

1 factories, offices, and other structures and facilities
2 related to or in furtherance of any authorized purpose as the
3 board in its sole discretion may determine:

4 a. Loan money to any person or governmental agency for the
5 acquisition, construction, furnishing, or equipping of the
6 property.

7 b. Acquire, construct, maintain, repair, furnish, or equip
8 the property.

9 c. Sell to, exchange with, lease, convey other interests
10 in, or lease with an option to purchase the same or any lesser
11 interest in the property to the same or any other person or
12 governmental agency.

13 d. Guarantee the obligations of any person or governmental
14 agency.

15 e. Accept and hold as consideration for the conveyance of
16 property or any interest therein such property or interests
17 therein as the board may determine, notwithstanding any
18 restrictions that apply to the investment of funds by a port
19 authority.

20 16. Sell, lease, or convey other interests in real and
21 personal property, and grant easements or rights-of-way over
22 property of the port authority. The board shall specify the
23 consideration and terms for the sale, lease, or conveyance of
24 other interests in real and personal property. A
25 determination made by the board under this subsection shall be
26 conclusive. The sale, lease, or conveyance may be made
27 without advertising and the receipt of bids.

28 17. Exercise the right of eminent domain to appropriate
29 land, rights, rights-of-way, franchises, easements, or other
30 property, necessary or proper for any authorized purpose,
31 pursuant to the procedure provided in chapter 6A as if the
32 port authority were a city or county, if funds equal to the
33 appraised value of the property to be acquired as a result of
34 such proceedings are available for that purpose. However,
35 this chapter does not authorize a port authority to take or

1 disturb property or a facility belonging to a governmental
2 agency, utility company, or common carrier, which property or
3 facility is necessary and convenient in the operation of the
4 governmental agency, utility company, or common carrier,
5 unless provision is made for the restoration, relocation, or
6 duplication of such property or facility, or upon the election
7 of the governmental agency, utility company, or common
8 carrier, for the payment of compensation, if any, at the sole
9 cost of the port authority, provided that both of the
10 following apply:

11 a. If a restoration or duplication proposed to be made
12 under this subsection involves a relocation of the property or
13 facility, the new facility and location shall be of at least
14 comparable utilitarian value and effectiveness and shall not
15 impair the ability of the utility company or common carrier to
16 compete in its original area of operation.

17 b. If a restoration or duplication made under this
18 subsection involves a relocation of the property or facility,
19 the port authority shall acquire no interest or right in or to
20 the appropriated property or facility, until the relocated
21 property or facility is available for use and until marketable
22 title thereto has been transferred to the utility company or
23 common carrier.

24 18. a. Make and enter into all contracts and agreements
25 and execute all instruments necessary or incidental to the
26 performance of the duties of and the execution of powers of
27 the port authority under this chapter.

28 b. Except as provided in paragraph "c", when the cost of a
29 contract for the construction of a building, structure, or
30 other improvement undertaken by a port authority involves an
31 expenditure exceeding twenty-five thousand dollars, and the
32 port authority is the contracting entity, the port authority
33 shall make a written contract after notice calling for bids
34 for the award of the contract has been given by publication
35 twice, with at least seven days between publications, in a

1 newspaper of general circulation in the area of the port
2 authority. Each such contract shall be let to the lowest
3 responsive and responsible bidder. Every contract shall be
4 accompanied by or shall refer to plans and specifications for
5 the work to be done, prepared for and approved by the port
6 authority, and signed by an authorized officer of the port
7 authority and by the contractor.

8 c. The board of directors may provide criteria for the
9 negotiation and award without competitive bidding of any
10 contract as to which the port authority is the contracting
11 entity for the construction of any building or structure or
12 other improvement under any of the following circumstances:

13 (1) A real and present emergency exists that threatens
14 damage or injury to persons or property of the port authority
15 or other persons, provided that a statement specifying the
16 nature of the emergency that is the basis for the negotiation
17 and award of a contract without competitive bidding shall be
18 signed by the officer of the port authority that executes that
19 contract at the time of the contract's execution and shall be
20 attached to the contract.

21 (2) A commonly recognized industry or other standard or
22 specification does not exist and cannot objectively be
23 articulated for the improvement.

24 (3) The contract is for any energy conservation measure as
25 defined in section 7D.34.

26 (4) With respect to material to be incorporated into the
27 improvement, only a single source or supplier exists for the
28 material.

29 (5) A single bid is received by the port authority after
30 complying with the provisions of paragraph "b".

31 d. (1) If a contract is to be negotiated and awarded
32 without competitive bidding for the reason set forth in
33 paragraph "c", subparagraph (2), the port authority shall
34 publish a notice calling for technical proposals at least
35 twice, with at least seven days between publications, in a

1 disturb property or a facility belonging to a governmental
2 agency, utility company, or common carrier, which property or
3 facility is necessary and convenient in the operation of the
4 governmental agency, utility company, or common carrier,
5 unless provision is made for the restoration, relocation, or
6 duplication of such property or facility, or upon the election
7 of the governmental agency, utility company, or common
8 carrier, for the payment of compensation, if any, at the sole
9 cost of the port authority, provided that both of the
10 following apply:

11 a. If a restoration or duplication proposed to be made
12 under this subsection involves a relocation of the property or
13 facility, the new facility and location shall be of at least
14 comparable utilitarian value and effectiveness and shall not
15 impair the ability of the utility company or common carrier to
16 compete in its original area of operation.

17 b. If a restoration or duplication made under this
18 subsection involves a relocation of the property or facility,
19 the port authority shall acquire no interest or right in or to
20 the appropriated property or facility, until the relocated
21 property or facility is available for use and until marketable
22 title thereto has been transferred to the utility company or
23 common carrier.

24 18. a. Make and enter into all contracts and agreements
25 and execute all instruments necessary or incidental to the
26 performance of the duties of and the execution of powers of
27 the port authority under this chapter.

28 b. Except as provided in paragraph "c", when the cost of a
29 contract for the construction of a building, structure, or
30 other improvement undertaken by a port authority involves an
31 expenditure exceeding twenty-five thousand dollars, and the
32 port authority is the contracting entity, the port authority
33 shall make a written contract after notice calling for bids
34 for the award of the contract has been given by publication
35 twice, with at least seven days between publications, in a

1 newspaper of general circulation in the area of the port
2 authority. Each such contract shall be let to the lowest
3 responsive and responsible bidder. Every contract shall be
4 accompanied by or shall refer to plans and specifications for
5 the work to be done, prepared for and approved by the port
6 authority, and signed by an authorized officer of the port
7 authority and by the contractor.

8 c. The board of directors may provide criteria for the
9 negotiation and award without competitive bidding of any
10 contract as to which the port authority is the contracting
11 entity for the construction of any building or structure or
12 other improvement under any of the following circumstances:

13 (1) A real and present emergency exists that threatens
14 damage or injury to persons or property of the port authority
15 or other persons, provided that a statement specifying the
16 nature of the emergency that is the basis for the negotiation
17 and award of a contract without competitive bidding shall be
18 signed by the officer of the port authority that executes that
19 contract at the time of the contract's execution and shall be
20 attached to the contract.

21 (2) A commonly recognized industry or other standard or
22 specification does not exist and cannot objectively be
23 articulated for the improvement.

24 (3) The contract is for any energy conservation measure as
25 defined in section 7D.34.

26 (4) With respect to material to be incorporated into the
27 improvement, only a single source or supplier exists for the
28 material.

29 (5) A single bid is received by the port authority after
30 complying with the provisions of paragraph "b".

31 d. (1) If a contract is to be negotiated and awarded
32 without competitive bidding for the reason set forth in
33 paragraph "c", subparagraph (2), the port authority shall
34 publish a notice calling for technical proposals at least
35 twice, with at least seven days between publications, in a

1 newspaper of general circulation in the area of the port
2 authority. After receipt of the technical proposals, the port
3 authority may negotiate with and award a contract for the
4 improvement to the person making the proposal considered to be
5 the most advantageous to the port authority.

6 (2) If a contract is to be negotiated and awarded without
7 competitive bidding for the reason set forth in paragraph "c",
8 subparagraph (4), construction activities related to the
9 incorporation of the material into the improvement also may be
10 provided without competitive bidding by the source or supplier
11 of that material.

12 e. A purchase, exchange, sale, lease, lease with an option
13 to purchase, conveyance of other interests in, or other
14 contract with a person or governmental agency that pertains to
15 the acquisition, construction, maintenance, repair,
16 furnishing, equipping, or operation of any real or personal
17 property, related to or in furtherance of economic development
18 and the provision of adequate housing, shall be made in such
19 manner and subject to such terms and conditions as may be
20 determined in the board's discretion. This paragraph applies
21 to all contracts that are subject to this section,
22 notwithstanding any other provision of law that might
23 otherwise apply, including a requirement of notice,
24 competitive bidding or selection, or for the provision of
25 security. However, this paragraph shall not apply to a
26 contract secured exclusively by or to be paid exclusively from
27 the general revenues of the port authority. For the purposes
28 of this paragraph, any revenues derived by the port authority
29 under a lease or other agreement that, by its terms,
30 contemplates the use of amounts payable under the agreement
31 either to pay the costs of the improvement that is the subject
32 of the contract or to secure obligations of the port authority
33 issued to finance costs of such improvement, are excluded from
34 general revenues.

35 19. Employ managers, superintendents, and other employees

1 and retain or contract with consulting engineers, financial
2 consultants, accounting experts, architects, attorneys, and
3 any other consultants and independent contractors as are
4 necessary in the port authority's judgment to carry out this
5 chapter, and fix the compensation thereof. All expenses
6 thereof shall be payable from any available funds of the port
7 authority or from funds appropriated for that purpose by the
8 political subdivisions comprising the port authority.

9 20. Receive and accept from a governmental agency grants
10 and loans for the construction of a port authority facility,
11 for research and development with respect to a port authority
12 facility, or any other authorized purpose, and receive and
13 accept aid or contributions from any source of moneys,
14 property, labor, or other things of value, to be held, used,
15 and applied only for the purposes for which the grants, loans,
16 aid, or contributions are made.

17 21. Engage in research and development with respect to a
18 port authority facility.

19 22. Purchase fire and extended coverage and liability
20 insurance for a port authority facility and for the principal
21 office and branch offices of the port authority, insurance
22 protecting the port authority and its officers and employees
23 against liability for damage to property or injury to or death
24 of persons arising from its operations, and any other
25 insurance the port authority may agree to provide under a
26 resolution authorizing port authority revenue bonds, pledge
27 orders, or in any trust agreement securing the same.

28 23. Charge, alter, and collect rental fees and other
29 charges for the use or services of a port authority facility
30 as provided in section 28J.16.

31 24. Perform all acts necessary or proper to carry out the
32 powers expressly granted in this chapter.

33 Sec. 10. NEW SECTION. 28J.10 PARTICIPATION OF PRIVATE
34 ENTERPRISE.

35 The port authority shall foster and encourage the

1 participation of private enterprise in the development of the
2 port authority facilities to the fullest extent practicable in
3 the interest of limiting the necessity of construction and
4 operation of the facilities by the port authority.

5 Sec. 11. NEW SECTION. 28J.11 PROVISIONS DO NOT AFFECT
6 OTHER LAWS OR POWERS.

7 This chapter shall not do any of the following:

8 1. Impair a provision of law directing the payment of
9 revenues derived from public property into sinking funds or
10 dedicating those revenues to specific purposes.

11 2. Impair the powers of a political subdivision to develop
12 or improve a port and terminal facility except as restricted
13 by section 28J.15.

14 3. Enlarge, alter, diminish, or affect in any way, a lease
15 or conveyance made, or action taken prior to the creation of a
16 port authority under section 28J.2 by a city or a county.

17 4. Impair or interfere with the exercise of a permit for
18 the removal of sand or gravel, or other similar permits issued
19 by a governmental agency.

20 5. Impair or contravene applicable federal regulations.

21 Sec. 12. NEW SECTION. 28J.12 CONVEYANCE, LEASE, OR
22 EXCHANGE OF PUBLIC PROPERTY.

23 A port authority may convey or lease, lease with an option
24 to purchase, or exchange with any governmental agency or other
25 port authority without competitive bidding and on mutually
26 agreeable terms, any personal or real property, or any
27 interest therein.

28 Sec. 13. NEW SECTION. 28J.13 ANNUAL BUDGET -- USE OF
29 RENTS AND CHARGES.

30 The board shall annually prepare a budget for the port
31 authority. Revenues received by the port authority shall be
32 used for the general expenses of the port authority and to pay
33 interest, amortization, and retirement charges on money
34 borrowed. Except as provided in section 28J.26, if there
35 remains, at the end of any fiscal year, a surplus of such

1 funds after providing for the above uses, the board shall pay
2 such surplus into the general funds of the political
3 subdivisions comprising the port authority as agreed to by the
4 subdivisions.

5 Sec. 14. NEW SECTION. 28J.14 SECRETARY TO FURNISH BOND
6 -- DEPOSIT AND DISBURSEMENT OF FUNDS.

7 Before receiving any revenues, the secretary of a port
8 authority shall furnish a bond in such amount as shall be
9 determined by the port authority with sureties satisfactory to
10 the port authority, and all funds coming into the hands of the
11 secretary shall be deposited by the secretary to the account
12 of the port authority in one or more such depositories as
13 shall be qualified to receive deposits of county funds, which
14 deposits shall be secured in the same manner as county funds
15 are required to be secured. A disbursement shall not be made
16 from such funds except in accordance with policies and
17 procedures adopted by the port authority.

18 Sec. 15. NEW SECTION. 28J.15 LIMITATION ON CERTAIN
19 POWERS OF POLITICAL SUBDIVISIONS.

20 A political subdivision creating or participating in the
21 creation of a port authority in accordance with section 28J.2
22 shall not, during the time the port authority is in existence,
23 exercise the rights and powers provided in chapters 28A, 28K,
24 and 384 relating to the political subdivision's authority over
25 a port, wharf, dock, harbor or other facility substantially
26 similar to that political subdivision's authority under a port
27 authority granted under this chapter.

28 Sec. 16. NEW SECTION. 28J.16 RENTALS OR CHARGES FOR USE
29 OR SERVICES OF FACILITIES -- AGREEMENTS WITH GOVERNMENTAL
30 AGENCIES.

31 1. a. A port authority may charge, alter, and collect
32 rental fees or other charges for the use or services of any
33 port authority facility and contract for the use or services
34 of a facility, and fix the terms, conditions, rental fees, or
35 other charges for the use or services.

1 b. If the services are furnished in the jurisdiction of
2 the port authority by a utility company or a common carrier,
3 the port authority's charges for the services shall not be
4 less than the charges established for the same services
5 furnished by a utility company or common carrier in the port
6 authority jurisdiction.

7 c. The rental fees or other charges shall not be subject
8 to supervision or regulation by any other authority,
9 commission, board, bureau, or governmental agency of the state
10 and the contract may provide for acquisition of all or any
11 part of the port authority facility for such consideration
12 payable over the period of the contract or otherwise as the
13 port authority determines to be appropriate, but subject to
14 the provisions of any resolution authorizing the issuance of
15 port authority revenue bonds or any trust agreement securing
16 the bonds.

17 d. A governmental agency that has power to construct,
18 operate, and maintain a port authority facility may enter into
19 a contract or lease with a port authority for the use or
20 services of a port authority facility as may be agreed to by
21 the port authority and the governmental agency.

22 2. a. A governmental agency may cooperate with the port
23 authority in the acquisition or construction of a port
24 authority facility and shall enter into such agreements with
25 the port authority as may be appropriate, which shall provide
26 for contributions by the parties in a proportion as may be
27 agreed upon and other terms as may be mutually satisfactory to
28 the parties including the authorization of the construction of
29 the facility by one of the parties acting as agent for all of
30 the parties and the ownership and control of the facility by
31 the port authority to the extent necessary or appropriate.

32 b. A governmental agency may provide funds for the payment
33 of any contribution required under such agreements by the levy
34 of taxes or assessments if otherwise authorized by the laws
35 governing the governmental agency in the construction of the

1 type of port authority facility provided for in the
2 agreements, and may pay the proceeds from the collection of
3 the taxes or assessments; or the governmental agency may issue
4 bonds or notes, if authorized by law, in anticipation of the
5 collection of the taxes or assessments, and may pay the
6 proceeds of the bonds or notes to the port authority pursuant
7 to such agreements.

8 c. A governmental agency may provide the funds for the
9 payment of a contribution by the appropriation of moneys or,
10 if otherwise authorized by law, by the issuance of bonds or
11 notes and may pay the appropriated moneys or the proceeds of
12 the bonds or notes to the port authority pursuant to such
13 agreements.

14 3. When the contribution of any governmental agency is to
15 be made over a period of time from the proceeds of the
16 collection of special assessments, the interest accrued and to
17 accrue before the first installment of the assessments is
18 collected, which is payable by the governmental agency on the
19 contribution under the terms and provisions of the agreements,
20 shall be treated as part of the cost of the improvement for
21 which the assessments are levied, and that portion of the
22 assessments that is collected in installments shall bear
23 interest at the same rate as the governmental agency is
24 obligated to pay on the contribution under the terms and
25 provisions of the agreements and for the same period of time
26 as the contribution is to be made under the agreements. If
27 the assessment or any installment thereof is not paid when
28 due, it shall bear interest until the payment thereof at the
29 same rate as the contribution and the county auditor shall
30 annually place on the tax list and duplicate the interest
31 applicable to the assessment and the penalty thereon as
32 otherwise authorized by law.

33 4. A governmental agency, pursuant to a favorable vote in
34 an election regarding issuing bonds to provide funds to
35 acquire, construct, or equip, or provide real estate and

1 interests in real estate for a port authority facility,
2 whether or not the governmental agency at the time of the
3 election had the authority to pay the proceeds from the bonds
4 or notes issued in anticipation of the bonds to the port
5 authority as provided in this section, may issue such bonds or
6 notes in anticipation of the issuance of the bonds and pay the
7 proceeds of the bonds or notes to the port authority in
8 accordance with an agreement with the port authority;
9 provided, that the legislative authority of the governmental
10 agency finds and determines that the port authority facility
11 to be acquired or constructed in cooperation with the
12 governmental agency will serve the same public purpose and
13 meet substantially the same public need as the facility
14 otherwise proposed to be acquired or constructed by the
15 governmental agency with the proceeds of the bonds and notes.

16 Sec. 17. NEW SECTION. 28J.17 CONTRACTS, ARRANGEMENTS,
17 AND AGREEMENTS.

18 1. a. A port authority may enter into a contract or other
19 arrangement with a person, railroad, utility company,
20 corporation, governmental agency including sewerage, drainage,
21 conservation, conservancy, or other improvement districts in
22 this or other states, or the governments or agencies of
23 foreign countries as may be necessary or convenient for the
24 exercise of the powers granted by this chapter. The port
25 authority may purchase, lease, or acquire land or other
26 property in any county of this state and in adjoining states
27 for the accomplishment of authorized purposes of the port
28 authority, or for the improvement of the harbor and port
29 facilities over which the port authority may have jurisdiction
30 including development of port facilities in adjoining states.
31 The authority granted in this section to enter into contracts
32 or other arrangements with the federal government includes the
33 power to enter into any contracts, arrangements, or agreements
34 that may be necessary to hold and save harmless the United
35 States from damages due to the construction and maintenance by

1 the United States of work the United States undertakes.

2 b. A political subdivision that has participated in the
3 creation of a port authority, or is within, or adjacent to a
4 political subdivision that is within the jurisdiction of a
5 port authority, may enter into an agreement with the port
6 authority to accomplish any of the authorized purposes of the
7 port authority. The agreement may set forth the extent to
8 which the port authority shall act as the agent of the
9 political subdivision.

10 2. A port authority may enter into an agreement with a
11 contracting governmental agency, whereby the port authority or
12 the contracting governmental agency undertakes, and is
13 authorized by the port authority or a contracting governmental
14 agency, to exercise any power, perform any function, or render
15 any service, on behalf of the port authority or a contracting
16 governmental agency, which the port authority or the
17 contracting governmental agency is authorized to exercise,
18 perform, or render.

19 3. A port authority or any contracting governmental agency
20 shall not acquire by virtue of any agreement entered into
21 under this section the power to levy or exempt from taxes or
22 the power to exercise eminent domain within, and on behalf of,
23 any other governmental agency unless approved by a majority of
24 the electors of that contracting governmental agency.

25 Sec. 18. NEW SECTION. 28J.18 REVENUE BONDS ARE LAWFUL
26 INVESTMENTS.

27 Port authority revenue bonds issued pursuant to this
28 chapter are lawful investments of banks, credit unions, trust
29 companies, savings and loan associations, deposit guaranty
30 associations, insurance companies, trustees, fiduciaries,
31 trustees or other officers having charge of the bond
32 retirement funds or sinking funds of port authorities and
33 governmental agencies, and taxing districts of this state, the
34 pension and annuity retirement system, the Iowa public
35 employees' retirement system, the police and fire retirement

1 systems under chapters 410 and 411, a revolving fund of a
2 governmental agency of this state, and are acceptable as
3 security for the deposit of public funds under chapter 12C.

4 Sec. 19. NEW SECTION. 28J.19 PROPERTY TAX EXEMPTION.

5 A port authority shall be exempt from and shall not be
6 required to pay taxes on real property belonging to a port
7 authority that is used exclusively for an authorized purpose
8 as provided in section 427.1, subsection 34. This exemption
9 shall not apply to property occupied and used during a tax
10 year by a person who is a lessee of the property for that tax
11 year under a written lease with a remaining term longer than
12 one year except real or personal property, leased to a lessee,
13 which property would be exempt from taxes under chapter 427 if
14 such property belonged to that lessee. This section does not
15 eliminate the lessor's or the lessee's obligation to comply
16 with other provisions of the Code to obtain an exemption for
17 such property.

18 Sec. 20. NEW SECTION. 28J.20 LOANS FOR ACQUISITION OR
19 CONSTRUCTION OF FACILITY -- SALE OF FACILITY -- POWER TO
20 ENCUMBER PROPERTY.

21 1. With respect to the financing of a facility for an
22 authorized purpose, under an agreement whereby the person to
23 whom the facility is to be leased, subleased, or sold, or to
24 whom a loan is to be made for the facility, is to make
25 payments sufficient to pay all of the principal of, premium,
26 and interest on the port authority revenue bonds issued for
27 the facility, the port authority, in addition to other powers
28 under this chapter, may do any of the following:

29 a. Make loans for the acquisition or construction of the
30 facility to such person upon such terms as the port authority
31 may determine or authorize including secured or unsecured
32 loans, and enter into loan agreements and other agreements,
33 accept notes and other forms of obligation to evidence such
34 indebtedness and mortgages, liens, pledges, assignments, or
35 other security interests to secure such indebtedness, which

1 may be prior or subordinate to or on a parity with other
2 indebtedness, obligations, mortgages, pledges, assignments,
3 other security interests, or liens or encumbrances, and take
4 actions considered appropriate to protect such security and
5 safeguard against losses, including, without limitation,
6 foreclosure and the bidding upon and purchase of property upon
7 foreclosure or other sale.

8 b. Sell the facility under terms as the port authority may
9 determine, including sale by conditional sale or installment
10 sale, under which title may pass prior to or after completion
11 of the facility or payment or provisions for payment of all
12 principal of, premium, and interest on the revenue bonds, or
13 at any other time provided in the agreement pertaining to the
14 sale, and including sale under an option to purchase at a
15 price which may be a nominal amount or less than true value at
16 the time of purchase.

17 c. Grant a mortgage, lien, or other encumbrance on, or
18 pledge or assignment of, or other security interest with
19 respect to, all or any part of the facility, revenues, reserve
20 funds, or other funds established in connection with the bonds
21 or with respect to a lease, sublease, sale, conditional sale
22 or installment sale agreement, loan agreement, or other
23 agreement pertaining to the lease, sublease, sale, or other
24 disposition of a facility or pertaining to a loan made for a
25 facility, or a guaranty or insurance agreement made with
26 respect thereto, or an interest of the port authority therein,
27 or any other interest granted, assigned, or released to secure
28 payments of the principal of, premium, or interest on the
29 bonds or to secure any other payments to be made by the port
30 authority, which mortgage, lien, encumbrance, pledge,
31 assignment, or other security interest may be prior or
32 subordinate to or on a parity with any other mortgage,
33 assignment, or other security interest, or lien or
34 encumbrance.

35 d. Provide that the interest on the revenue bonds may be

1 at a variable rate or rates changing from time to time in
2 accordance with a base or formula as authorized by the port
3 authority.

4 e. Contract for the acquisition or construction of the
5 facility or any part thereof and for the leasing, subleasing,
6 sale, or other disposition of the facility in a manner
7 determined by the port authority in its sole discretion,
8 without necessity for competitive bidding or performance
9 bonds.

10 f. Make appropriate provision for adequate maintenance of
11 the facility.

12 2. With respect to a facility referred to in this section,
13 the authority granted by this section is cumulative and
14 supplementary to all other authority granted in this chapter.
15 The authority granted by this section does not alter or impair
16 a similar authority granted elsewhere in this chapter for or
17 with respect to other facilities.

18 Sec. 21. NEW SECTION. 28J.21 ISSUANCE OF REVENUE AND
19 REFUNDING BONDS.

20 1. A port authority may issue revenue bonds and pledge
21 orders payable solely from the net revenues of the port
22 authority. The revenue bonds may be issued in such principal
23 amounts as, in the opinion of the port authority, are
24 necessary for the purpose of paying the cost of one or more
25 port authority facilities or parts thereof.

26 2. a. The resolution to issue the bonds must be adopted
27 at a special meeting of the board called for that purpose by a
28 majority of the total number of members of the board. The
29 board shall fix a date, time, and place of meeting at which it
30 proposes to take action, and give notice by publication in the
31 manner directed in section 331.305. The notice must include a
32 statement of the date, time, and place of the meeting, the
33 maximum amount of the proposed revenue bonds, the purpose for
34 which the revenue bonds will be issued, and the net revenues
35 to be used to pay the principal and interest on the revenue

1 bonds.

2 b. At the meeting the board shall receive oral or written
3 objections from any resident or property owner within the
4 territory of the port authority. After all objections have
5 been received and considered, the board, at the meeting or a
6 date to which it is adjourned, may take additional action for
7 the issuance of the bonds or abandon the proposal to issue
8 bonds. Any resident or property owner within the territory of
9 the port authority may appeal a decision of the board to take
10 additional action in district court within fifteen days after
11 the additional action is taken, but the additional action of
12 the board is final and conclusive unless the court finds that
13 the board exceeded its authority.

14 3. The board may sell revenue bonds or pledge orders at
15 public or private sale in the manner prescribed by chapter 75
16 and may deliver revenue bonds and pledge orders to the
17 contractors, sellers, and other persons furnishing materials
18 and services constituting a part of the cost of the port
19 authority facility in payment therefor. The pledge of any net
20 revenues of a port authority is valid and effective as to all
21 persons including but not limited to other governmental bodies
22 when it becomes valid and effective between the port authority
23 and the holders of the revenue bonds or pledge orders.

24 4. A revenue bond is valid and binding for all purposes if
25 it bears the signatures or a facsimile of the signature of the
26 officers in office on the date of the execution of the bonds
27 notwithstanding that any or all persons whose signatures
28 appear have ceased to be such officers prior to the delivery
29 of the bonds. The issuance of revenue bonds shall be recorded
30 in the office of the secretary of the port authority, and a
31 certificate of the recording by the secretary shall be printed
32 on the back of each revenue bond. Port authority revenue
33 bonds may bear dates, bear interest at rates not exceeding
34 those permitted by chapter 74A, mature in one or more
35 installments, be in either coupon or registered form, carry

1 registration and conversion privileges, be payable as to
2 principal and interest at times and places, be subject to
3 terms of redemption prior to maturity with or without premium,
4 and be in one or more denominations, all as provided by the
5 resolution of the board authorizing their issuance. The
6 resolution may also prescribe additional provisions, terms,
7 conditions, and covenants which the port authority deems
8 advisable, consistent with this chapter, including provisions
9 for creating and maintaining reserve funds, the issuance of
10 additional revenue bonds ranking on a parity with such revenue
11 bonds and additional revenue bonds junior and subordinate to
12 such revenue bonds, and that such revenue bonds shall rank on
13 a parity with or be junior and subordinate to any revenue
14 bonds which may be then outstanding. Port authority revenue
15 bonds are a contract between the port authority and holders
16 and the resolution is a part of the contract.

17 5. The port authority may issue revenue bonds to refund
18 revenue bonds, pledge orders, and other obligations which are
19 by their terms payable from the net revenues of the same port
20 authority, at lower, the same, or higher rates of interest. A
21 port authority may sell refunding revenue bonds at public or
22 private sale in the manner prescribed by chapter 75 and apply
23 the proceeds to the payment of the obligations being refunded,
24 and may exchange refunding revenue bonds in payment and
25 discharge of the obligations being refunded. The principal
26 amount of refunding revenue bonds may exceed the principal
27 amount of the obligations being refunded to the extent
28 necessary to pay any premium due on the call of the
29 obligations being refunded and to fund interest accrued and to
30 accrue on the obligations being refunded.

31 6. The final maturity of any original issue of port
32 authority revenue bonds shall not exceed forty years from the
33 date of issue, and the final maturity of port authority
34 revenue bonds that refund outstanding port authority revenue
35 bonds shall not be later than the later of forty years from

1 the date of issue of the original issue of bonds or the date
2 by which it is expected, at the time of issuance of the
3 refunding bonds, that the useful life of all of the property
4 refinanced with the proceeds of the bonds, other than
5 interests in land, will have expired. Such bonds or notes
6 shall be executed in a manner as the resolution may provide.

7 7. The port authority may contract to pay an amount not to
8 exceed ninety-five percent of the engineer's estimated value
9 of the acceptable work completed during the month to the
10 contractor at the end of each month for work, material, or
11 services. Payment may be made in warrants drawn on any fund
12 from which payment for the work may be made. If such funds
13 are depleted, anticipatory warrants may be issued bearing a
14 rate of interest not exceeding that permitted by chapter 74A
15 even if income from the sale of bonds which have been
16 authorized and are applicable to the public improvement takes
17 place after the fiscal year in which the warrants are issued.
18 If the port authority arranges for the private sale of
19 anticipatory warrants, the warrants may be sold and the
20 proceeds used to pay the contractor. The warrants may also be
21 used to pay other persons furnishing services constituting a
22 part of the cost of the public improvement.

23 8. Port authority revenue bonds, pledge orders, and
24 warrants issued under this section are negotiable instruments.

25 9. The board may issue pledge orders pursuant to a
26 resolution adopted by a majority of the total number of
27 supervisors, at a regular or special meeting, ordering their
28 issuance and delivery in payment for all or part of the cost
29 of a project. Pledge orders may bear interest at rates not
30 exceeding those permitted by chapter 74A.

31 10. The physical properties of the port authority shall
32 not be pledged or mortgaged to secure the payment of revenue
33 bonds, pledge orders, or refunding bonds, or the interest
34 thereon.

35 11. The members of the board of the port authority and any

1 person executing the bonds or pledge orders shall not be
2 personally liable on the bonds or pledge orders or be subject
3 to any personal liability or accountability by reason of the
4 issuance thereof.

5 Sec. 22. NEW SECTION. 28J.22 BONDS MAY BE SECURED BY
6 TRUST AGREEMENT.

7 1. In the discretion of the port authority, a port
8 authority revenue bond issued under this chapter may be
9 secured by a trust agreement between the port authority and a
10 corporate trustee that may be any trust company or bank having
11 the powers of a trust company within this or any other state.

12 2. The trust agreement may pledge or assign revenues of
13 the port authority to be received for payment of the revenue
14 bonds. The trust agreement or any resolution providing for
15 the issuance of revenue bonds may contain provisions for
16 protecting and enforcing the rights and remedies of the
17 bondholders as are reasonable and proper and not in violation
18 of law, including covenants setting forth the duties of the
19 port authority in relation to the acquisition of property, the
20 construction, improvement, maintenance, repair, operation, and
21 insurance of the port authority facility in connection with
22 which the bonds are authorized, the rentals or other charges
23 to be imposed for the use or services of any port authority
24 facility, the custody, safeguarding, and application of all
25 moneys, and provisions for the employment of consulting
26 engineers in connection with the construction or operation of
27 any port authority facility.

28 3. A bank or trust company incorporated under the laws of
29 this state, that may act as the depository of the proceeds of
30 bonds or of revenues, shall furnish any indemnifying bonds or
31 may pledge any securities that are required by the port
32 authority. The trust agreement may set forth the rights and
33 remedies of the bondholders and of the trustee, and may
34 restrict the individual right of action by bondholders as is
35 customary in trust agreements or trust indentures securing

1 similar bonds. The trust agreement may contain any other
2 provisions that the port authority determines reasonable and
3 proper for the security of the bondholders. All expenses
4 incurred in carrying out the provisions of the trust agreement
5 may be treated as a part of the cost of the operation of the
6 port authority facility.

7 Sec. 23. NEW SECTION. 28J.23 REMEDY OF HOLDER OF BOND OR
8 COUPON -- STATUTE OF LIMITATIONS.

9 1. The sole remedy for a breach or default of a term of a
10 port authority revenue bond or pledge order is a proceeding in
11 law or in equity by suit, action, or mandamus to enforce and
12 compel performance of the duties required by this chapter and
13 of the terms of the resolution authorizing the issuance of the
14 revenue bonds or pledge orders, or to obtain the appointment
15 of a receiver to take possession of and operate the port
16 authority, and to perform the duties required by this chapter
17 and the terms of the resolution authorizing the issuance of
18 the port authority revenue bonds or pledge orders.

19 2. An action shall not be brought which questions the
20 legality of port authority revenue bonds or pledge orders, the
21 power of a port authority to issue revenue bonds or pledge
22 orders, or the effectiveness of any proceedings relating to
23 the authorization and issuance of revenue bonds or pledge
24 orders, from and after sixty days from the time the bonds or
25 pledge orders are ordered issued by the port authority.

26 Sec. 24. NEW SECTION. 28J.24 BONDS ARE PAYABLE SOLELY
27 FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

28 Port authority revenue bonds and pledge orders issued under
29 this chapter do not constitute a debt, or a pledge of the
30 faith and credit, of the state or a political subdivision of
31 the state, and the holders or owners of the bonds or pledge
32 orders shall not have taxes levied by the state or by a taxing
33 authority of a governmental agency of the state for the
34 payment of the principal of or interest on the bonds or pledge
35 orders, but the bonds and pledge orders are payable solely

1 from the revenues and funds pledged for their payment as
2 authorized by this chapter, unless the notes are issued in
3 anticipation of the issuance of bonds or pledge orders or the
4 bonds and pledge orders are refunded by refunding bonds issued
5 under this chapter, which bonds, pledge orders, or refunding
6 bonds shall be payable solely from revenues and funds pledged
7 for their payment as authorized by those sections. All of the
8 bonds or pledge orders shall contain on the face thereof a
9 statement to the effect that the bonds or pledge orders, as to
10 both principal and interest, are not debts of the state or a
11 political subdivision of the state, but are payable solely
12 from revenues and funds pledged for their payment.

13 Sec. 25. NEW SECTION. 28J.25 FUNDS AND PROPERTY HELD IN
14 TRUST -- USE AND DEPOSIT OF FUNDS.

15 All revenues, funds, properties, and assets acquired by the
16 port authority under this chapter, whether as proceeds from
17 the sale of port authority revenue bonds, pledge orders, or as
18 revenues, shall be held in trust for the purposes of carrying
19 out the port authority's powers and duties, shall be used and
20 reused as provided in this chapter, and shall at no time be
21 part of other public funds. Such funds, except as otherwise
22 provided in a resolution authorizing port authority revenue
23 bonds or in a trust agreement securing the same, or except
24 when invested pursuant to section 28J.26, shall be kept in
25 depositories selected by the port authority in the manner
26 provided in chapter 12C, and the deposits shall be secured as
27 provided in that chapter. The resolution authorizing the
28 issuance of revenue bonds or pledge orders, or the trust
29 agreement securing such bonds or pledge orders shall provide
30 that any officer to whom, or any bank or trust company to
31 which, such moneys are paid shall act as trustee of such
32 moneys and hold and apply them for the purposes hereof,
33 subject to such conditions as this chapter and such resolution
34 or trust agreement provide.

35 Sec. 26. NEW SECTION. 28J.26 INVESTMENT OF EXCESS FUNDS.

1 1. If a port authority has surplus funds after making all
2 deposits into all funds required by the terms, covenants,
3 conditions, and provisions of outstanding revenue bonds,
4 pledge orders, and refunding bonds which are payable from the
5 revenues of the port authority and after complying with all of
6 the requirements, terms, covenants, conditions, and provisions
7 of the proceedings and resolutions pursuant to which revenue
8 bonds, pledge orders, and refunding bonds are issued, the
9 board may transfer the surplus funds to any other fund of the
10 port authority in accordance with this chapter and chapter
11 12C, provided that a transfer shall not be made if it
12 conflicts with any of the requirements, terms, covenants,
13 conditions, or provisions of a resolution authorizing the
14 issuance of revenue bonds, pledge orders, or other obligations
15 which are payable from the revenues of the port authority
16 which are then outstanding.

17 2. This section does not prohibit or prevent the board
18 from using funds derived from any other source which may be
19 properly used for such purpose, to pay a part of the cost of a
20 facility.

21 Sec. 27. NEW SECTION. 28J.27 CHANGE IN LOCATION OF
22 PUBLIC WAY, RAILROAD, OR UTILITY FACILITY -- VACATION OF
23 HIGHWAY.

24 1. When a port authority changes the location of any
25 portion of any public road, railroad, or utility facility in
26 connection with the construction of a port authority facility,
27 the port authority shall reconstruct at such location as the
28 governmental agency having jurisdiction over such road,
29 railroad, or utility facility finds most favorable. The
30 construction of such road, railroad, or utility facility shall
31 be of substantially the same type and in as good condition as
32 the original road, railroad, or utility facility. The cost of
33 such reconstruction, relocation, or removal and any damage
34 incurred in changing the location of any such road, railroad,
35 or utility facility shall be paid by the port authority as a

1 part of the cost of the port authority facility.

2 2. When the port authority finds it necessary that a
3 public highway or portion of a public highway be vacated by
4 reason of the acquisition or construction of a port authority
5 facility, the port authority may request the director of the
6 department of transportation to vacate such highway or portion
7 in accordance with chapter 306 if the highway or portion to be
8 vacated is on the state highway system, or, if the highway or
9 portion to be vacated is under the jurisdiction of a county,
10 the port authority shall petition the board of supervisors of
11 that county, in the manner provided in chapter 306, to vacate
12 such highway or portion. The port authority shall pay to the
13 county, as a part of the cost of such port authority facility,
14 any amounts required to be deposited with a court in
15 connection with proceedings for the determination of
16 compensation and damages and all amounts of compensation and
17 damages finally determined to be payable as a result of such
18 vacation.

19 3. The port authority may adopt bylaws for the
20 installation, construction, maintenance, repair, renewal,
21 relocation, and removal of railroad or utility facilities in,
22 on, over, or under any port authority facility. Whenever the
23 port authority determines that it is necessary that any such
24 facility installed or constructed in, on, over, or under
25 property of the port authority pursuant to such bylaws be
26 relocated, the utility company owning or operating such
27 facility shall relocate or remove them in accordance with the
28 order of the port authority. The cost and expenses of such
29 relocation or removal, including the cost of installing such
30 facility in a new location, the cost of any lands, or any
31 rights or interests in lands, and any other rights, acquired
32 to accomplish such relocation or removal, shall be paid by the
33 port authority as a part of the cost of the port authority
34 facility. In case of any such relocation or removal of such
35 facilities, the railroad or utility company owning or

1 operating them, its successors, or assigns may maintain and
2 operate such facilities, with the necessary appurtenances, in
3 the new location in, on, over, or under the property of the
4 port authority for as long a period and upon the same terms as
5 the railroad or utility company had the right to maintain and
6 operate such facilities in their former location.

7 Sec. 28. NEW SECTION. 28J.28 FINAL ACTIONS TO BE
8 RECORDED -- ANNUAL REPORT -- CONFIDENTIALITY OF INFORMATION.

9 1. All final actions of the port authority shall be
10 recorded and the records of the port authority shall be open
11 to public examination and copying pursuant to chapter 22. Not
12 later than the first day of April every year, a port authority
13 shall submit a report to the director of the department of
14 economic development detailing the projects and activities of
15 the port authority during the previous calendar year. The
16 report shall include, but not be limited to, all aspects of
17 those projects and activities, including the progress and
18 status of the projects and their costs, and any other
19 information the director determines should be included in the
20 report.

21 2. Financial and proprietary information, including trade
22 secrets, submitted to a port authority or the agents of a port
23 authority, in connection with the relocation, location,
24 expansion, improvement, or preservation of a business or
25 nonprofit corporation is not a public record subject to
26 chapter 22. Any other information submitted under those
27 circumstances is not a public record subject to chapter 22
28 until there is a commitment in writing to proceed with the
29 relocation, location, expansion, improvement, or preservation.

30 3. Notwithstanding chapter 21, the board of directors of a
31 port authority, when considering information that is not a
32 public record under this section, may close a meeting during
33 the consideration of that information pursuant to a vote of
34 the majority of the directors present on a motion stating that
35 such information is to be considered. Other matters shall not

1 be considered during the closed session.

2 Sec. 29. NEW SECTION. 28J.29 PROVISIONS TO BE LIBERALLY
3 CONSTRUED.

4 This chapter shall be liberally construed to effect the
5 chapter's purposes.

6 Sec. 30. Section 427.1, Code 2005, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The
9 property of a port authority created pursuant to section
10 28J.2, when devoted to public use and not held for pecuniary
11 profit. This exemption shall not apply to any property
12 occupied and used during a tax year under a written lease with
13 a remaining term longer than one year except real property
14 leased which would otherwise be exempt from taxes under this
15 chapter if such property belonged to that lessee.

16 EXPLANATION

17 This bill relates to the establishment of a port authority
18 by two or more cities, counties, city-county consolidations,
19 multicounty consolidations and provides for certain powers,
20 limitations, and requirements of port authorities. The bill
21 authorizes the creation of a port authority to finance
22 activities that enhance or promote economic development,
23 housing, recreation, education, and other authorized purposes
24 as defined in the bill. The bill provides that port
25 authorities are governed by a board of directors appointed by
26 the political subdivisions that created and comprise the port
27 authority. A port authority may be dissolved by the political
28 subdivisions which created the port authority. The port
29 authority may employ persons, including peace officers, who
30 shall have the right to collectively bargain under Code
31 chapter 20.

32 The bill provides that port authorities may adopt bylaws,
33 adopt an official seal, maintain offices, acquire or sell real
34 or personal property, improve a river or other watercourse,
35 apply to establish foreign trade zones, maintain funds,

1 promote and publicize its facilities, make loans for real or
2 personal property, exercise the right of eminent domain, make
3 and enter into contracts using competitive bidding, employ
4 managers and consultants, receive and accept grants and loans,
5 engage in research and development, purchase insurance, charge
6 fees for use of services and facilities, and perform other
7 acts necessary and proper to carry out other powers.

8 The bill provides that the board of directors shall prepare
9 an annual budget. A secretary of a port authority must post a
10 bond prior to receiving or disbursing revenues of the port
11 authority. Political subdivisions who comprise a port
12 authority may not exercise rights or powers over a port,
13 wharf, dock, harbor, or other facility similar to the
14 authority granted to the port authority under other provisions
15 of the Code. A port authority may charge rent and other fees
16 for the use and services of a port authority facility and may
17 make agreements with other governmental agencies to acquire or
18 construct a port authority facility including the provision of
19 funds. A port authority may enter into contracts necessary to
20 exercise its powers. The bill provides that a port authority
21 is exempt from payment of property taxes when its property is
22 not held for pecuniary profit. A port authority may finance a
23 facility of the port authority by making a loan or mortgage
24 for the acquisition or construction of a facility or entering
25 into a loan agreement or mortgage.

26 The bill provides that a port authority may issue revenue
27 bonds and pledge orders which are payable from the port
28 authority's net revenues. To issue a bond the board of the
29 port authority must pass a resolution at a special meeting of
30 the board after notice of the meeting has been published.
31 Residents and property owners within the jurisdiction of the
32 port authority may object to the issuing of a bond. Port
33 authority revenue bonds and pledge orders may be sold at
34 public or private sale and must be signed by the officers of
35 the board. A port authority may also issue revenue bonds to

1 refund revenue bonds, pledge orders, or other obligations
2 payable from the net revenues of the port authority. The
3 final maturity of a revenue bond shall not exceed 40 years.
4 Port authority revenue bonds and pledge orders are subject to
5 the interest rate limitations of Code chapter 74A and the
6 requirements and limitations of Code chapter 75. Port
7 authority revenue bonds may be secured by a trust agreement
8 which may pledge or assign revenues of the port authority for
9 payment of the revenue bonds. The remedy for breach or
10 default on a port authority revenue bond is an action to
11 compel performance of the duties required by Code chapter 28J
12 and the terms of the resolution authorizing the bond's
13 issuance which must be brought within 60 days after the bonds
14 are issued.

15 The bill provides that all revenues and other assets of a
16 port authority shall be held in trust and used only as
17 provided in Code chapter 28 and shall be kept in depositories
18 authorized to keep public funds. A port authority may
19 transfer surplus funds to another fund of the port authority
20 or to the political subdivisions comprising the port authority
21 as agreed by the political subdivisions.

22 If a port authority changes the location of a public road,
23 railroad, or utility facility when constructing a port
24 authority facility, the port authority shall reconstruct the
25 road, railroad, or facility at another location approved by
26 the appropriate governmental authority.

27 The bill provides that all final actions of the port
28 authority shall be recorded and that all records of the port
29 authority are public records under Code chapter 22. Certain
30 financial and proprietary information provided to a port
31 authority are not public records. When discussing matters
32 relating to information not open to the public, the port
33 authority may consider the information during a closed
34 meeting.

35 The bill makes other corresponding and technical changes.