

of this state and shall process and make payment on claims on account of such holder in the same manner and pursuant to the same conditions and procedures as for other recipients of medical assistance.

c. The Iowa department of human services shall provide coverage and benefits for a child who is in another state and who is covered by an adoption subsidy agreement made prior to July 1, 1987 by the Iowa department of human services for the coverage or benefits, if any, not provided by the residence state. The adoptive parents acting for the child may submit evidence of payment for services or benefit amounts not payable in the residence state and shall be reimbursed for such expense. However, reimbursement shall not be made for services or benefit amounts covered under any insurance or other third party medical contract or arrangement held by the child or the adoptive parents. The additional coverages and benefit amounts provided pursuant to this subsection shall be for services to the cost of which there is no federal contribution, or which, if federally aided, are not provided by the residence state. Such regulations shall include procedures to be followed in obtaining prior approvals for services in those instances where required for the assistance.

d. A person who submits a claim for payment or reimbursement for services or benefits pursuant to this subsection or makes any statement in connection therewith, which claim or statement the maker knows or should know to be false, misleading, or fraudulent is guilty of an aggravated misdemeanor.

e. This subsection applies only to medical assistance for children under adoption assistance agreements from states that have entered into a compact with this state under which the other state provides medical assistance to children with special needs under adoption subsidy agreements made by this state. All other children entitled to medical assistance pursuant to adoption assistance agreements entered into by this state shall be eligible to receive medical assistance in accordance with the laws and procedures applicable to medical assistance.

Approved May 4, 1987

CHAPTER 103

COUNTY AND CITY BONDS AND LOAN AGREEMENTS

H.F. 523

AN ACT relating to the financial authority of political subdivisions by authorizing loan agreements, the issuance of bonds for additional purposes, and the payment of interest from bond proceeds.

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

Section 1. Section 331.402, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A county may enter into loan agreements to borrow money for any public purpose in accordance with the terms and procedures set forth in section 384.24A, and the references in that subsection to cities are applicable to counties, the reference to section 384.25 is applicable to section 331.443, and the references to the council are applicable to the board.

Sec. 2. Section 331.441, subsection 2, paragraph b, Code 1987, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (9) The acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance.

NEW SUBPARAGRAPH. (10) The establishment or funding of programs to provide for or assist in providing for the acquisition, restoration, or demolition of housing, or for other purposes as may be authorized under chapter 403A.

Sec. 3. Section 331.441, subsection 2, paragraph c, subparagraph (11), Code 1987, is amended to read as follows:

(11) Any other ~~facilities or improvements~~ purpose which are is necessary for the operation of the county or the health and welfare of its citizens.

Sec. 4. Section 331.441, subsection 3, Code 1987, is amended to read as follows:

3. The "cost" of any a project for an essential county purpose or general county purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights of way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies.

Sec. 5. Section 384.4, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Payments required to be made from the debt service fund under a loan agreement.

Sec. 6. Section 384.24, subsection 3, Code 1987, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. t. The acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance.

NEW LETTERED PARAGRAPH. u. The establishment or funding of programs to provide for or assist in providing for the acquisition, restoration, or demolition of housing, or for other purposes as may be authorized under chapter 403A.

Sec. 7. Section 384.24, subsection 4, paragraph i, Code 1987, is amended to read as follows:

i. Any other ~~facilities or improvements~~ purpose which are is necessary for the operation of the city or the health and welfare of its citizens.

Sec. 8. Section 384.24, subsection 5, Code 1987, is amended to read as follows:

5. The "cost" of any a project for an essential corporate purpose or general corporate purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights of way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies.

Sec. 9. NEW SECTION. 384.24A LOAN AGREEMENTS.

A city may enter into loan agreements to borrow money for any public purpose in accordance with the following terms and procedures:

1. A loan agreement entered into by a city may contain provisions similar to those sometimes found in loan agreements between private parties, including the issuance of notes to evidence its obligations.

2. A provision of a loan agreement which stipulates that a portion of the payments be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply.

3. The governing body shall follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose, to authorize a loan agreement made payable from the debt service fund, or to authorize any loan agreement which would result in the total of scheduled annual payments of principal or interest or both principal and interest of the city due from the general fund of the city in any future year with respect to all loan agreements in force on the date of the authorization, to exceed ten percent of the last certified general fund budget amount. In all other cases, the governing body shall

follow substantially the same authorization procedures required for the issuance of general obligation bonds as set out in section 384.25. Chapter 75 is not applicable. A city utility is a separate entity under this section whether it is governed by the council or another governing body.

4. A loan agreement to which a city is a party or in which a city has a participatory interest, is an obligation of a political subdivision of this state for the purposes of chapters 502 and 682, and is a lawful investment for banks, trust companies, building and loan associations, savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

Approved May 4, 1987

CHAPTER 104

DEBTS OF PUBLIC ENTITIES

H.F. 536

AN ACT relating to public bonds by specifying requirements for the issuance of certain bonds, providing for the use of bond proceeds, and providing for the security of certain bonds.

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

Section 1. NEW SECTION. 74.8 DESIGNATION OF PUBLIC WARRANTS.

Each public issuer of warrants may designate the warrants as tax-exempt public warrants if the issuer complies with the tax-exempt reporting requirements of the federal Internal Revenue Code.

Sec. 2. NEW SECTION. 76.16 DEBTOR STATUS PROHIBITED.

A city, county, or other political subdivision of this state shall not be a debtor under chapter 9 of the federal Bankruptcy Code, 11 U.S.C. § 901 et seq., except as otherwise specifically provided in this chapter.

Sec. 3. NEW SECTION. 76.17 VARIABLE RATE BONDS.

1. A public body authorized to issue bonds may elect to issue bonds bearing a variable or fluctuating rate of interest which is determined on one or more intervals by reference to an index or standard, or as fixed by an interest rate indexing or remarketing agent retained by the issuer of the bonds. A public issuer of public bonds may provide for additional security or liquidity, enter into agreements for, and expend funds for policies of insurance, letters of credit, lines of credit, or other forms of security issued by financial institutions for the payment of principal, premium, if any, and interest on the bonds. A public issuer of public bonds may also enter into contracts and pay for the services of underwriters, interest rate indexing agents, remarketing agents, trustees, financial consultants, depositories, and other services as determined by the governing body. In the case of general obligation bonds, fees for the services and costs of additional security and liquidity shall be considered incurred in lieu of interest and may be levied through the fund for payment of debt service on the bonds. Bonds issued under this section may be sold at public or private sale as determined by the governing body.

2. This section provides alternative and additional power for the issuance of bonds and is not an amendment to any other statute or a limitation upon powers under any other law.

3. A public issuer of public bonds may provide for the purchase of bonds before their maturity and the remarketing of purchased bonds without causing the redemption of the purchased bonds.