

CHAPTER 1195**CAPITAL PROJECT FINANCING***S.F. 2326*

AN ACT relating to capital project financing through the funding of a capitol complex renovation program and through the issuance of bonds by the state board of regents, including bonds for college education financing, and making a standing appropriation and providing an effective date.

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

DIVISION I

Section 1. NEW SECTION. 18.23 CAPITOL COMPLEX RENOVATION PROGRAM — LEASE-PURCHASE — FUND — APPROPRIATIONS.

1. FINDINGS. The general assembly finds that:

a. The projects contained in the capitol complex renovation program are necessary for the efficient and proper performance of constitutional and statutory duties of state government.

b. Significant moneys are annually spent by the department to rent office facilities for state agencies.

c. The delayed funding of the capitol complex renovation program will significantly increase the total costs of renovation.

d. Section 18.12, subsection 10, provides that the department, after authorization by a constitutional majority of each house of the general assembly and approval by the governor, may enter into lease-purchase contracts for additions or improvements to existing buildings, facilities, and structures for the proper use and benefit of the state and state agencies.

2. LEASE-PURCHASE CONTRACTS. The department may plan, construct, equip, and otherwise carry out the following projects at the state capitol complex, and the general assembly authorizes the department to enter into lease-purchase contracts, not to exceed ten years in duration, for real or personal property to be used for improvements to existing buildings, facilities, and structures as provided in section 18.12, subsection 10, with the use of the areas in the state capitol and the old historical building for projects under this subsection assigned by the legislative council, in consultation with the director and the capitol planning commission, for the use of the general assembly or legislative agencies, pursuant to section 2.43, in a total amount not to exceed twenty-four million seven hundred thousand dollars, allocated as follows:

a. In an amount not to exceed seven million dollars for partial state capitol exterior renovation including, but not limited to, replacement of stone, wood windows, and copper roof, gold leafing of the dome, inspection of dome condition.

b. In an amount not to exceed nine million dollars for state capitol interior renovation including, but not limited to, remodeling of interior, upgrade to meet fire, safety, and building codes, and federal Americans with Disabilities Act requirements, removal of mezzanines which are not original, new electrical, mechanical, heating, fire sprinklers, ventilating and air conditioning, information processing equipment and related software, local and wide area networks, telecommunications facilities, data storage and retrieval systems, and information system conversion, restoration of walls, murals, stained glass, and woodwork. In arranging for the renovation, the department shall use as a major criteria the life cycle cost, as defined in section 18.3, subsection 1, and the energy efficiency of the components of the renovation.

c. In an amount not to exceed eight million seven hundred thousand dollars for the old historical building renovation including, but not limited to, renovation of exterior including new windows, interior renovation to include fire, safety, and building codes, and federal Americans with Disabilities Act requirements, new heating, air conditioning and ventilating, and plumbing, information processing equipment and related software, local and wide area networks, telecommunications facilities, data storage and retrieval systems, and information system conversion. In arranging for the renovation, the department shall use as a major criteria the life

cycle cost, as defined in section 18.3, subsection 1, and the energy efficiency of the components of the renovation.

d. No amount shall be spent on additions to existing buildings.

3. FUND — APPROPRIATIONS. There is created in the office of the treasurer of state a temporary fund to be known as the capitol complex renovation fund. There is appropriated from moneys in the fund for the fiscal year beginning July 1, 1995, and subsequent fiscal years the amount needed to pay the fiscal year payments under the lease-purchase contracts entered into pursuant to subsection 2. The fund shall contain moneys deposited into it from the use tax as provided in section 423.24, subsection 2, from appropriations made to the fund, and any other funds deposited into or credited to the fund. Lease-purchase contracts entered into pursuant to subsection 2 shall not exceed ten years in duration and may provide for the pledge of moneys in the capitol complex renovation fund and these moneys, as received and deposited, are immediately subject to the lien and pledge for payments under the lease-purchase contracts without further acts, and the pledge is effective, and these moneys may be applied to the purposes of the pledge without the necessity for a further appropriation of the general assembly. Notwithstanding section 8.33, unobligated and unencumbered moneys on June 30 of a fiscal year shall not revert to any fund but shall remain in the capitol complex renovation fund for expenditure during the following fiscal year.

**Sec. 2. Section 423.24, subsection 2, Code Supplement 1993, is amended to read as follows:*

*2. ~~Twenty~~ For the fiscal year beginning July 1, 1995, and each subsequent fiscal year, twenty percent of all revenue derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7 shall be deposited in into the capitol complex renovation fund established in section 18.23, but not to exceed four million two hundred thousand dollars, to be used as provided in that section, and the remaining into the GAAP deficit reduction account established in the department of management pursuant to section 8.57, subsection 2, and shall be used in accordance with the provisions of that section.**

DIVISION II

Sec. 3. STATE BOARD OF REGENTS BONDING.

1. FINDINGS. The general assembly finds that:

a. Pursuant to section 262A.3, the state board of regents prepared and within seven days after the convening of the Seventy-fifth General Assembly of the State of Iowa, Second Session, submitted to the Seventy-fifth General Assembly, Second Session, for approval the proposed five-year building program for each institution of higher learning under the jurisdiction of the board, containing a list of the buildings and facilities which the board deems necessary to further the educational objectives of the institutions, together with an estimate of the cost of each of the buildings and facilities and an estimate of the maximum amount of revenue bonds which the board expects to issue under chapter 262A for the fiscal period beginning July 1, 1994, and ending June 30, 1996.

b. The projects contained in the capital improvement program are deemed necessary for the proper performance of the instructional, research, and service functions of the institutions.

c. Section 262A.4 provides that the state board of regents, after authorization by a constitutional majority of each house of the general assembly and approval by the governor, may undertake and carry out at the institutions of higher learning under the jurisdiction of the board any project as defined in chapter 262A.

d. Chapter 262A authorizes the state board of regents to borrow money and to issue and sell negotiable revenue bonds to pay all or any part of the cost of carrying out projects at any institution payable solely from and secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution.

e. To further the educational objectives of the institutions, the state board of regents requests authorization to undertake and carry out certain projects at this time and to finance their costs by borrowing money and issuing negotiable bonds under chapter 262A in a total amount not

*Item veto; see message at end of the Act

to exceed 124.494 percent of the total amount authorized for lease-purchase contracts pursuant to section 1, subsection 2 of this Act, the remaining costs of the projects to be financed by appropriations or by federal or other funds lawfully available.

2. APPROVAL — LIMITS.

a. The proposed five-year building program submitted by the state board of regents for each institution of higher learning under its jurisdiction is approved and no commitment is implied or intended by approval to fund any portion of the proposed five-year building program submitted by the state board of regents beyond the portion that is financed and approved by the Seventy-fifth General Assembly, Second Session, and the governor.

b. During the fiscal period that commences July 1, 1994, and that ends June 30, 1996, the maximum amount of bonds which the state board of regents expects to issue under chapter 262A, unless additional bonding is authorized, is 124.494 percent of the total amount authorized for lease-purchase contracts pursuant to section 1, subsection 2 of this Act, all or any part of which may be issued during the fiscal year ending June 30, 1995, and if all of that amount is not issued during that fiscal year, any remaining balance may be issued during the fiscal year ending June 30, 1996, and this plan of financing is approved.

3. PROJECTS. The state board of regents is authorized to undertake, plan, construct, equip, and otherwise carry out the following projects at the institutions of higher learning under the jurisdiction of the board, and the general assembly authorizes the state board of regents to borrow money and to issue and sell negotiable revenue bonds in the manner provided in sections 262A.5 and 262A.6 in order to pay all or any part of the costs of carrying out the projects, and the cost of issuance of bonds, at the following institutions in a total amount not to exceed 124.494 percent of the total amount authorized for lease-purchase contracts pursuant to section 1, subsection 2 of this Act:

a. Iowa State University of Science and Technology

(1) Livestock units for swine and cattle research — Phase I construction and remodeling:
Of the total amount authorized in this subsection, 10.34 percent

(2) Intensive livestock research facilities — Planning:

Of the total amount authorized in this subsection, 6.89 percent

b. State University of Iowa

Schaeffer Hall remodeling:

Of the total amount authorized in this subsection, 27.64 percent

c. University of Northern Iowa

(1) Wellness Center building construction:

Of the total amount authorized in this subsection, 39.93 percent

(2) Price Laboratory School Gymnasium construction:

Of the total amount authorized in this subsection, 8.68 percent

d. Fire safety and deferred maintenance projects, with an emphasis on safety, at any of the institutions of higher learning under the control of the regents:

Of the total amount authorized in this subsection, 6.52 percent

Total

100 percent

4. BOND AMOUNTS EXCEED COSTS. If the amount of bonds issued under this section exceeds the actual costs of projects approved in this section, the amount of the difference shall be used to pay the principal and interest due on bonds issued under chapter 262A.

5. CAPITALIZATION OF RESERVE FUNDS. The state board of regents may capitalize the bond reserve funds with respect to the bonds authorized pursuant to this section for the University of Northern Iowa, state University of Iowa, and Iowa State University of Science and Technology. However, this authorization for capitalization shall not authorize the state board of regents to increase the amount of bonds issued under this section.

6. CAPITAL APPRECIATION BONDS. The state board of regents shall issue bonds in an amount not exceeding fifty percent of the amount of bonds otherwise authorized pursuant to this section, in the form of capital appreciation bonds as provided in section 262A.6A rather than the form prescribed in sections 262A.5 and 262A.6. The capital appreciation bonds shall be designed to be marketed primarily to Iowans to facilitate savings for future higher education costs.

Sec. 4. EFFECTIVE DATE. Section 2 of this Act takes effect July 1, 1995.

Approved May 10, 1994, except the items which I hereby disapprove and which are designated as Section 1, subsection 3 in its entirety; and Section 2 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit Senate File 2326, an Act relating to capital project financing through the funding of a Capitol complex renovation program and through the issuance of bonds by the State Board of Regents, including bonds for college education financing, and making a standing appropriation and providing an effective date.

Senate File 2326 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Section 1, subsection 3 and Section 2, in their entirety. Section 1, subsection 3 establishes a Capitol Complex Renovation Fund and authorizes payments out of the fund for Capitol renovation projects performed pursuant to lease-purchase contracts. Section 2 appropriates up to \$4.2 million per year of use tax dollars to the Capitol complex renovation fund established in Section 1, subsection 3. With the veto of these two sections, the financing necessary to lease-purchase contract for renovation of the Capitol cannot proceed. Section 1, subsection 2, which authorizes lease-purchase contracting for the renovation of the Capitol, is left intact to avoid any impact a veto of that provision might have on the Regents' bonding authorized in Section 3.

By making the amount authorized in section 3 for Regents' bonding a percentage of the amount authorized in Section 1, subsection 2, the legislature has attempted to circumvent the Governor's constitutional authority to veto separate items in an appropriations bill. In tying the items relating to Capitol renovation and Regents' bonding together, the legislature has tried by specific draftsmanship to "coerce" me into either approving both items or disapproving both, but not approving one and disapproving the other. The legislature has never been so bold in its effort to evade the Governor's item veto power, and in so doing, utilizing a drafting strategy the Iowa courts would certainly reject.

In taking the action that I have on Senate File 2326, I have effectively approved the authorization necessary for the Board of Regents to bond for the capital needs of higher education in the amount of \$30,750,018. At the same time, I have disapproved funding to finance Capitol renovation projects through lease-purchase contracting. My action today is consistent with my earlier stated position in which I indicated my belief that Capitol renovation projects are more appropriately paid for on a "pay as you go" basis.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2326 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 1196

APPROPRIATIONS – JUSTICE SYSTEM

H.F. 2350

AN ACT relating to and making appropriations to the justice system for the fiscal year beginning July 1, 1994, and providing effective dates.

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

Section 1. DEPARTMENT OF JUSTICE. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the general office of attorney general for salaries, support, maintenance, miscellaneous purposes including odometer fraud enforcement, and for not more than the following full-time equivalent positions:

.....	\$	4,752,448
.....	FTEs	169.00

2. Prosecuting attorney training program for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	113,326
.....	FTEs	4.00

a. In addition to the funds appropriated in this subsection for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the attorney general shall provide up to \$41,000 in state matching funds from moneys retained by the attorney general from property forfeited pursuant to section 809.13, for the prosecuting attorney training program, the prosecuting intern program, or both. Counties participating in the prosecuting intern program shall match the state funds.

b. In addition to the funds appropriated in this subsection for the fiscal year beginning July 1, 1994, and ending June 30, 1995, and the moneys retained by the attorney general pursuant to paragraph "a", the attorney general shall provide up to \$10,000 in state matching funds from moneys retained by the attorney general from property forfeited pursuant to section 809.13, for the office of the prosecuting attorneys training coordinator to use for continuation of the domestic violence response enhancement program established in accordance with 1992 Iowa Acts, chapter 1240, section 1, subsection 2, paragraph "b".

c. The prosecuting attorneys training coordinator shall cooperate and consult with the judicial department, as otherwise provided in this Act, to provide for the education and training of prosecuting attorneys, as defined in section 13A.1, in implementing the recommendations of the equality in the courts task force.

d. The prosecuting attorneys training program shall use a portion of the funds appropriated in this subsection for educating and training prosecuting attorneys, as defined in section 13A.1, in alternative dispute resolution techniques.

3. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1994, and ending June 30, 1995, an amount not exceeding \$200,000 to be used for the enforcement of the Iowa competition law. The expenditure of the funds appropriated in this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to either the expenditures from damages awarded to the state or a political subdivision of the state by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorneys fees awarded the state in state or federal antitrust actions. However, if the funds received as a result of these judgments are in excess of \$200,000, the excess funds shall not be appropriated to the department of justice pursuant to this subsection.