

Finance Do Pass 4/18 (p. 1621)

Reprinted 4/17

SENATE FILE 2332

Finance
Rodgers, Char
Hutchins
Tieden

See Finance 4/18

FILED MAR 30 1984

SENATE FILE 2332

BY JUNKINS and HULTMAN

Passed Senate, Date 4-18-84 (p. 1634) Passed House, Date _____
Vote: Ayes 43 Nays 5 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

- 1 An Act relating to the Iowa housing finance authority by
- 2 changing the definitions of "small business" and "dominant
- 3 in its field of operation" for the small business loan
- 4 program and increasing the bonding capacity.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA: *es*

SENATE FILE 2332

S-5982

- 1 Amend Senate File 2332 as follows:
- 2 1. Page 2, line 14, by striking the word "five"
- 3 and inserting in lieu thereof the words "five six".
- 4 2. Page 2, line 20, by adding after the word
- 5 "hundred" the word "fifty".

S-5982 FILED & ADOPTED BY WILLIAM W. DIELEMAN
APRIL 18, 1984 (p. 1633)

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1 Section 1. Section 220.1, subsection 28, paragraph b,
2 Code Supplement 1983, is amended to read as follows:

3 b. It has either twenty or fewer full-time equivalent
4 positions or not more than the equivalent of ~~one~~ three million
5 dollars in annual gross revenues in the preceding fiscal year.

6 Sec. 2. Section 220.1, subsection 28, unnumbered para-
7 graph 2, Code Supplement 1983, is amended to read as follows:

8 For purposes of this definition "dominant in its field
9 of operation" means having more than twenty full-time
10 equivalent positions and more than ~~one~~ three million dollars
11 in annual gross revenues, and "affiliate or subsidiary of
12 a business dominant in its field of operation" means a business
13 which is at least twenty percent owned by a business dominant
14 in its field of operation, or by partners, officers, directors,
15 majority stockholders, or their equivalent, of a business
16 dominant in that field of operation.

17 Sec. 3. Section 220.2, subsection 1, Code 1983, is amended
18 to read as follows:

19 1. The Iowa housing finance authority is established,
20 and constituted a public instrumentality and agency of the
21 state exercising public and essential governmental functions,
22 ~~established~~ to undertake programs which assist in attainment
23 of adequate housing for low or moderate income families,
24 elderly families, and families which include one or more
25 persons who are handicapped or disabled, and to undertake
26 the Iowa homesteading program and the small business loan
27 program. The powers of the authority ~~shall-be~~ are vested
28 in and shall be exercised by a board of nine members appointed
29 by the governor subject to confirmation by the senate. No
30 more than five members shall belong to the same political
31 party. As far as possible the governor shall include within
32 the membership persons who represent community and housing
33 development industries, housing finance industries, the real
34 estate sales industry, elderly families, minorities, lower
35 income families, very low income families, handicapped and

1 disabled families, average taxpayers, local government, and
2 any other person specially interested in community housing.

3 Sec. 4. Section 220.26, subsection 1, Code Supplement
4 1983, is amended to read as follows:

5 1. The authority may issue its negotiable bonds and notes
6 in principal amounts as, in the opinion of the authority,
7 are necessary to provide sufficient funds for achievement
8 of its corporate purposes, the payment of interest on its
9 bonds and notes, the establishment of reserves to secure its
10 bonds and notes, and all other expenditures of the authority
11 incident to and necessary or convenient to carry out its
12 purposes and powers. However, the authority ~~may~~ shall not
13 have a total principal amount of bonds and notes outstanding
14 at any time in excess of five hundred fifty million dollars
15 plus a total of fifty million dollars for property improvement
16 loans to finance solar and other renewable energy systems
17 in housing as authorized by section 220.37 and to finance
18 loans to provide solar and other renewable energy systems
19 for and to increase the energy efficiency of small businesses
20 under the Iowa small business loan program. ~~One~~ Two hundred
21 million dollars of the total principal amount of bonds and
22 notes may be issued pursuant to the small business loan
23 program. The bonds and notes shall be deemed to be investment
24 securities and negotiable instruments within the meaning of
25 and for all purposes of the uniform commercial code.

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EXPLANATION

27 The bill amends the definition of small business for pur-
28 poses of the Iowa housing finance authority's small business
29 loan program to mean a business with either fewer than 20
30 employees or less than \$3 million in annual gross revenues.
31 The previous definition had 20 or fewer employees or less
32 than \$1 million in annual gross revenues.

33 The bill increases the Iowa housing finance authority's
34 general bonding capacity by increasing the total principal
35 amount of bonds and notes that may be outstanding at any time

1 from \$500 million to \$550 million. The bill also increases
2 the principal amount of bonds and notes that may be outstanding
3 at any time under the small business loan program from \$100
4 million to \$200 million. The amount of small business loan
5 program bonds or notes outstanding is counted for purposes
6 of the authority's general bonding capacity of \$550 million.

7 The bill takes effect July 1 following enactment.

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SENATE FILE

2332

BY JUNKINS and HULTMAN

(AS AMENDED AND PASSED BY THE SENATE APRIL 18, 1984)

Px Passed Senate, Date 4-20-84 (p. 1740) Passed House, Date 4-19-84 (p. 2373)

Vote: Ayes 46 Nays 0 Vote: Ayes 93 Nays 0

Approved May 14, 1984

A BILL FOR

1 An Act relating to the Iowa housing finance authority by
2 changing the definitions of "small business" and "dominant
3 in its field of operation" for the small business loan
4 program and increasing the bonding capacity.

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

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_____ = New Language
by the Senate

1 Section 1. Section 220.1, subsection 28, paragraph b,
2 Code Supplement 1983, is amended to read as follows:

3 b. It has either twenty or fewer full-time equivalent
4 positions or not more than the equivalent of one three million
5 dollars in annual gross revenues in the preceding fiscal year.

6 Sec. 2. Section 220.1, subsection 28, unnumbered para-
7 graph 2, Code Supplement 1983, is amended to read as follows:

8 For purposes of this definition "dominant in its field
9 of operation" means having more than twenty full-time
10 equivalent positions and more than one three million dollars
11 in annual gross revenues, and "affiliate or subsidiary of
12 a business dominant in its field of operation" means a business
13 which is at least twenty percent owned by a business dominant
14 in its field of operation, or by partners, officers, directors,
15 majority stockholders, or their equivalent, of a business
16 dominant in that field of operation.

17 Sec. 3. Section 220.2, subsection 1, Code 1983, is amended
18 to read as follows:

19 1. The Iowa housing finance authority is established,
20 and constituted a public instrumentality and agency of the
21 state exercising public and essential governmental functions,
22 ~~established~~ to undertake programs which assist in attainment
23 of adequate housing for low or moderate income families,
24 elderly families, and families which include one or more
25 persons who are handicapped or disabled, and to undertake
26 the Iowa homesteading program and the small business loan
27 program. The powers of the authority ~~shall be~~ are vested
28 in and shall be exercised by a board of nine members appointed
29 by the governor subject to confirmation by the senate. No
30 more than five members shall belong to the same political
31 party. As far as possible the governor shall include within
32 the membership persons who represent community and housing
33 development industries, housing finance industries, the real
34 estate sales industry, elderly families, minorities, lower
35 income families, very low income families, handicapped and

1 disabled families, average taxpayers, local government, and
2 any other person specially interested in community housing.

3 Sec. 4. Section 220.26, subsection 1, Code Supplement
4 1983, is amended to read as follows:

5 1. The authority may issue its negotiable bonds and notes
6 in principal amounts as, in the opinion of the authority,
7 are necessary to provide sufficient funds for achievement
8 of its corporate purposes, the payment of interest on its
9 bonds and notes, the establishment of reserves to secure its
10 bonds and notes, and all other expenditures of the authority
11 incident to and necessary or convenient to carry out its
12 purposes and powers. However, the authority ~~may~~ shall not
13 have a total principal amount of bonds and notes outstanding
14 at any time in excess of five six hundred fifty million dollars
15 plus a total of fifty million dollars for property improvement
16 loans to finance solar and other renewable energy systems
17 in housing as authorized by section 220.37 and to finance
18 loans to provide solar and other renewable energy systems
19 for and to increase the energy efficiency of small businesses
20 under the Iowa small business loan program. ~~One~~ Two hundred
21 fifty million dollars of the total principal amount of bonds
22 and notes may be issued pursuant to the small business loan
23 program. The bonds and notes shall be deemed to be investment
24 securities and negotiable instruments within the meaning of
25 and for all purposes of the uniform commercial code.

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SF 2332
mg/slc/26c

HOUSE AMENDMENT TO SENATE FILE 2332

6051

1 Amend Senate File 2332 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Sec. ____ Section 220.1, subsection 2, Code
6 Supplement 1983, is amended to read as follows:

7 2. "Low or moderate income families" means families
8 who cannot afford to pay enough to cause private
9 enterprise in their locality to build an adequate
10 supply of decent, safe, and sanitary dwellings for
11 their use, and also includes, but is not limited to,
12 (1) elderly families, families in which one or more
13 persons are handicapped or disabled, lower income
14 families and very low income families, and (2) families
15 purchasing or renting qualified residential housing."

16 2. Page 1, line 5, by striking the words "in the
17 preceding fiscal year" and inserting in lieu thereof
18 the words "as computed, for the preceding fiscal
19 year or as the average of the three preceding fiscal
20 years".

21 3. Page 1, by inserting after line 16 the
22 following:

23 "Sec. ____ Section 220.1, subsection 32, first
24 unnumbered paragraph, Code Supplement 1983, is amended
25 to read as follows:

26 The authority shall establish by rule further
27 definitions applicable to this chapter, and
28 clarification of the definitions in this section,
29 as necessary to assure eligibility for funds available
30 under federal housing laws, or to assure complying
31 with federal tax laws relating to the issuance of
32 tax exempt mortgage subsidy bonds pursuant to section
33 103A of the Internal Revenue Code, as defined in
34 section 422.3, or relating to the issuance of tax
35 exempt residential rental property bonds for qualified
36 residential housing under section 103 of the Internal
37 Revenue Code.

38 Sec. ____ Section 220.1, Code Supplement 1983,
39 is amended by adding the following new subsection:

40 NEW SUBSECTION. "Qualified residential housing"
41 means any of the following:

42 a. Owner-occupied residences purchased in a manner
43 which satisfies the requirements contained in section
44 103A of the Internal Revenue Code in order to be
45 financed with tax exempt mortgage subsidy bonds.

46 b. Residential property qualifying pursuant to
47 section 103 (b) (4) of the Internal Revenue Code to
48 be financed with tax exempt residential rental property
49 bonds.

50 c. Housing for low or moderate income families,

S-6051
PAGE 2

1 elderly families, and families which include one or
2 more persons who are handicapped or disabled."
3 4. Page 2, by inserting after line 25 the
4 following:
5 "Sec. ____ Section 220.8, Code 1983, is repealed."
6 5. Title page, by striking lines 1 through 4 and
7 inserting in lieu thereof the words "An Act relating
8 to the Iowa housing finance authority."

S-6051 FILED
APRIL 19, 1984

RECEIVED FROM THE HOUSE
Senate concurred 4/20 (p. 1739)

SENATE FILE 2332

6495

1 Amend Senate File 2332 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Sec. ____ Section 220.1, subsection 2, Code
6 Supplement 1983, is amended to read as follows:

7 2. "Low or moderate income families" means families
8 who cannot afford to pay enough to cause private
9 enterprise in their locality to build an adequate
10 supply of decent, safe, and sanitary dwellings for
11 their use, and also includes, but is not limited to,
12 (1) elderly families, families in which one or more
13 persons are handicapped or disabled, lower income
14 families and very low income families, and (2) families
15 purchasing or renting qualified residential housing."

16 2. Page 1, line 5, by striking the words "in the
17 preceding fiscal year" and inserting in lieu thereof
18 the words "in as computed, for the preceding fiscal
19 year or as the average of the three preceding fiscal
20 years".

21 3. Page 1, by inserting after line 16 the
22 following:

23 "Sec. ____ Section 220.1, subsection 32, first
24 unnumbered paragraph, Code Supplement 1983, is amended
25 to read as follows:

26 The authority shall establish by rule further
27 definitions applicable to this chapter, and
28 clarification of the definitions in this section,
29 as necessary to assure eligibility for funds available
30 under federal housing laws, or to assure complying
31 with federal tax laws relating to the issuance of
32 tax exempt mortgage subsidy bonds pursuant to section
33 103A of the Internal Revenue Code, as defined in
34 section 422.3, or relating to the issuance of tax
35 exempt residential rental property bonds for qualified
36 residential housing under section 103 of the Internal
37 Revenue Code.

38 Sec. ____ Section 220.1, Code Supplement 1983,
39 is amended by adding the following new subsection:

40 NEW SUBSECTION. "Qualified residential housing"
41 means any of the following:

42 a. Owner-occupied residences purchased in a manner
43 which satisfies the requirements contained in section
44 103A of the Internal Revenue Code in order to be
45 financed with tax exempt mortgage subsidy bonds.

46 b. Residential property qualifying pursuant to
47 section 103 (b) (4) of the Internal Revenue Code to
48 be financed with tax exempt residential rental property
49 bonds.

50 c. Housing for low or moderate income families,

H-6495

Page Two

1 elderly families, and families which include one or
2 more persons who are handicapped or disabled."

3 4. Page 2, by inserting after line 25 the
4 following:

5 "Sec. ____ . Section 220.8, Code 1983, is repealed."

6 5. Title page, by striking lines 1 through 4 and
7 inserting in lieu thereof the words "An Act relating
8 to the Iowa housing finance authority "

H-6495 FILED APRIL 19, 1984 BY COMMITTEE ON FINANCE
ADOPTED (p. 2373)

SENATE FILE 2332

AN ACT

RELATING TO THE IOWA FINANCE AUTHORITY.

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

Section 1. Section 220.1, subsection 2, Code Supplement 1983, is amended to read as follows:

2. "Low or moderate income families" means families who cannot afford to pay enough to cause private enterprise in their locality to build an adequate supply of decent, safe, and sanitary dwellings for their use, and also includes, but is not limited to, (1) elderly families, families in which one or more persons are handicapped or disabled, lower income families and very low income families, and (2) families purchasing or renting qualified residential housing.

Sec. 2. Section 220.1, subsection 28, paragraph b, Code Supplement 1983, is amended to read as follows:

b. It has either twenty or fewer full-time equivalent positions or not more than the equivalent of ~~one~~ three million dollars in annual gross revenues ~~as~~ as computed, for the preceding fiscal year or as the average of the three preceding fiscal years.

Sec. 3. Section 220.1, subsection 28, unnumbered paragraph 2, Code Supplement 1983, is amended to read as follows:

For purposes of this definition "dominant in its field of operation" means having more than twenty full-time equivalent positions and more than ~~one~~ three million dollars in annual gross revenues, and "affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

Sec. 4. Section 220.1, subsection 32, first unnumbered paragraph, Code Supplement 1983, is amended to read as follows:

The authority shall establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as necessary to assure eligibility for funds available under federal housing laws, or to assure complying with federal tax laws relating to the issuance of tax exempt mortgage subsidy bonds pursuant to section 103A of the Internal Revenue Code, as defined in section 422.3, or relating to the issuance of tax exempt residential rental property bonds for qualified residential housing under section 103 of the Internal Revenue Code.

Sec. 5. Section 220.1, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. "Qualified residential housing" means any of the following:

a. Owner-occupied residences purchased in a manner which satisfies the requirements contained in section 103A of the Internal Revenue Code in order to be financed with tax exempt mortgage subsidy bonds.

b. Residential property qualifying pursuant to section 103(b)(4) of the Internal Revenue Code to be financed with tax exempt residential rental property bonds.

c. Housing for low or moderate income families, elderly families, and families which include one or more persons who are handicapped or disabled.

Sec. 6. Section 220.2, subsection 1, Code 1983, is amended to read as follows:

1. The Iowa housing finance authority is established, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions, established to undertake programs which assist in attainment of adequate housing for low or moderate income families, elderly families, and families which include one or more persons who are handicapped or disabled, and to undertake

the Iowa homesteading program and the small business loan program. The powers of the authority ~~shall be~~ are vested in and shall be exercised by a board of nine members appointed by the governor subject to confirmation by the senate. No more than five members shall belong to the same political party. As far as possible the governor shall include within the membership persons who represent community and housing development industries, housing finance industries, the real estate sales industry, elderly families, minorities, lower income families, very low income families, handicapped and disabled families, average taxpayers, local government, and any other person specially interested in community housing.

Sec. 7. Section 220.26, subsection 1, Code Supplement 1983, is amended to read as follows:

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. However, the authority ~~may~~ shall not have a total principal amount of bonds and notes outstanding at any time in excess of ~~five~~ six hundred fifty million dollars plus a total of fifty million dollars for property improvement loans to finance solar and other renewable energy systems in housing as authorized by section 220.37 and to finance loans to provide solar and other renewable energy systems for and to increase the energy efficiency of small businesses under the Iowa small business loan program. ~~One~~ Two hundred fifty million dollars of the total principal amount of bonds and notes may be issued pursuant to the small business loan program. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

Sec. 8. Section 220.8 Code 1983, is repealed.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD B. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2332, Seventieth General Assembly.

K. MARIE TRAYOR
Secretary of the Senate

Approved May 14 1984

TERRY E. BRANSTAD
Governor