FILED APR 12 1994

SENATE FILE 2326
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2271)

(P. 1223)
Passed Senate, Date 4-14-94
Vote: Ayes 34 Nays 15

(P. 1961)
Passed House, Date 4/19/94
Vote: Ayes 70 Nays 30

Approved May 10, 1994
Terry Branstad

A BILL FOR

1 An Act relating to capitol project financing through the funding
2 of a capitol complex renovation program and through the
3 issuance of bonds by the state board of regents, including
4 bonds for college education financing, and making a standing
5 appropriation and providing an effective date.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SF 2326

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S.F. 2326 H.F. _____

1 DIVISION I

2 Section 1. NEW SECTION. 18.23 CAPITOL COMPLEX RENOVATION
3 PROGRAM -- LEASE-PURCHASE -- FUND -- APPROPRIATIONS.
4 1. FINDINGS. The general assembly finds that:
5 a. The projects contained in the capitol complex
6 renovation program are necessary for the efficient and proper
7 performance of constitutional and statutory duties of state
8 government.
9 b. Significant moneys are annually spent by the department
10 to rent office facilities for state agencies.
11 c. The delayed funding of the capitol complex renovation
12 program will significantly increase the total costs of
13 renovation.
14 d. Section 18.12, subsection 10, provides that the
15 department, after authorization by a constitutional majority
16 of each house of the general assembly and approval by the
17 governor, may enter into lease-purchase contracts for
18 additions or improvements to existing buildings, facilities,
19 and structures for the proper use and benefit of the state and
20 state agencies.
21 2. LEASE-PURCHASE CONTRACTS. The department may plan,
22 construct, equip, and otherwise carry out the following
23 projects at the state capitol complex, and the general
24 assembly authorizes the department to enter into lease-
25 purchase contracts for real or personal property to be used
26 for additions or improvements to existing buildings,
27 facilities, and structures as provided in section 18.12,
28 subsection 10, with the use of the areas in the state capitol
29 and the old historical building for projects under this
30 subsection assigned by the legislative council, in
31 consultation with the director and the capitol planning
32 commission, for the use of the general assembly or legislative
33 agencies, pursuant to section 2.43, in a total amount not to
34 exceed forty million dollars, allocated as follows:
35 a. In an amount not to exceed twenty-two million three

1 hundred thousand dollars for state capitol exterior renovation
2 including, but not limited to, replacement of stone, wood
3 windows, and copper roof, gold leafing of the dome, inspection
4 of dome condition.
5 b. In an amount not to exceed nine million dollars for
6 state capitol interior renovation including, but not limited
7 to, remodeling of interior, upgrade to meet fire, safety, and
8 building codes, and federal Americans with Disabilities Act
9 requirements, removal of mezzanines which are not original,
10 new electrical, mechanical, heating, fire sprinklers,
11 ventilating and air conditioning, restoration of walls,
12 murals, stained glass, and woodwork.
13 c. In an amount not to exceed eight million seven hundred
14 thousand dollars for the old historical building renovation
15 including, but not limited to, renovation of exterior
16 including new windows, interior renovation to include fire,
17 safety, and building codes, and federal Americans with
18 Disabilities Act requirements, new heating, air conditioning
19 and ventilating, and plumbing.
20 3. FUND -- APPROPRIATIONS. There is created in the office
21 of the treasurer of state a temporary fund to be known as the
22 capitol complex renovation fund. There is appropriated from
23 moneys in the fund for the fiscal year beginning July 1, 1995,
24 and subsequent fiscal years the amount needed to pay the
25 fiscal year payments under the lease-purchase contracts
26 entered into pursuant to subsection 2. The fund shall contain
27 moneys deposited into it from the use tax as provided in
28 section 423.24, subsection 2, from appropriations made to the
29 fund, and any other funds deposited into or credited to the
30 fund. Notwithstanding section 8.33, unobligated and
31 unencumbered moneys on June 30 of a fiscal year shall not
32 revert to any fund but shall remain in the capitol complex
33 renovation fund for expenditure during the following fiscal
34 year.
35 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 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

1 governor, may undertake and carry out at the institutions of
2 higher learning under the jurisdiction of the board any
3 project as defined in chapter 262A.
4 d. Chapter 262A authorizes the state board of regents to
5 borrow money and to issue and sell negotiable revenue bonds to
6 pay all or any part of the cost of carrying out projects at
7 any institution payable solely from and secured by an
8 irrevocable pledge of a sufficient portion of the student fees
9 and charges and institutional income received by the
10 particular institution.
11 e. To further the educational objectives of the
12 institutions, the state board of regents requests
13 authorization to undertake and carry out certain projects at
14 this time and to finance their costs by borrowing money and
15 issuing negotiable bonds under chapter 262A in a total amount
16 not to exceed $30,750,000, the remaining costs of the projects
17 to be financed by appropriations or by federal or other funds
18 lawfully available.
19 2. APPROVAL -- LIMITS.
20 a. The proposed five-year building program submitted by
21 the state board of regents for each institution of higher
22 learning under its jurisdiction is approved and no commitment
23 is implied or intended by approval to fund any portion of the
24 proposed five-year building program submitted by the state
25 board of regents beyond the portion that is financed and
26 approved by the Seventy-fifth General Assembly, Second
27 Session, and the governor.
28 b. During the fiscal period that commences July 1, 1994,
29 and that ends June 30, 1996, the maximum amount of bonds which
30 the state board of regents expects to issue under chapter
31 262A, unless additional bonding is authorized, is $30,750,000,
32 all or any part of which may be issued during the fiscal year
33 ending June 30, 1995, and if all of that amount is not issued
34 during that fiscal year, any remaining balance may be issued
35 during the fiscal year ending June 30, 1996, and this plan of

1 financing is approved.
2 3. PROJECTS. The state board of regents is authorized to
3 undertake, plan, construct, equip, and otherwise carry out the
4 following projects at the institutions of higher learning
5 under the jurisdiction of the board, and the general assembly
6 authorizes the state board of regents to borrow money and to
7 issue and sell negotiable revenue bonds in the manner provided
8 in sections 262A.5 and 262A.6 in order to pay all or any part
9 of the costs of carrying out the projects, and the cost of
10 issuance of bonds, at the following institutions in a total
11 amount not to exceed $30,750,000:
12 a. Iowa State University of Science and Technology
13 (1) Livestock units for swine and cattle research -- Phase
14 I construction and remodeling:
15 ..... $ 3,180,000
16 (2) Intensive livestock research facilities -- Planning:
17 ..... $ 2,120,000
18 b. State University of Iowa
19 Schaeffer Hall remodeling:
20 ..... $ 8,500,000
21 c. University of Northern Iowa
22 (1) Wellness Center building construction:
23 ..... $ 12,280,000
24 (2) Price Laboratory School Gymnasium construction:
25 ..... $ 2,670,000
26 d. Fire safety and deferred maintenance projects, with an
27 emphasis on safety, at any of the institutions of higher
28 learning under the control of the regents:
29 ..... $ 2,000,000
30 Total $ 30,750,000
31 4. BOND AMOUNTS EXCEED COSTS. If the amount of bonds
32 issued under this section exceeds the actual costs of projects
33 approved in this section, the amount of the difference shall
34 be used to pay the principal and interest due on bonds issued
35 under chapter 262A.

1 5. CAPITALIZATION OF RESERVE FUNDS. The state board of
2 regents may capitalize the bond reserve funds with respect to
3 the bonds authorized pursuant to this section for the
4 University of Northern Iowa, state University of Iowa, and
5 Iowa State University of Science and Technology. However,
6 this authorization for capitalization shall not authorize the
7 state board of regents to increase the amount of bonds issued
8 under this section.
9 6. CAPITAL APPRECIATION BONDS. The state board of regents
10 shall issue bonds in an amount not exceeding fifty percent of
11 the amount of bonds otherwise authorized pursuant to this
12 section, in the form of capital appreciation bonds as provided
13 in section 262A.6A rather than the form prescribed in sections
14 262A.5 and 262A.6. The capital appreciation bonds shall be
15 designed to be marketed primarily to Iowans to facilitate
16 savings for future higher education costs.
17 Sec. 4. EFFECTIVE DATE. Section 2 of this Act takes
18 effect July 1, 1995.
19 EXPLANATION
20 The bill authorizes the department of general services to
21 enter into lease-purchase contracts for real or personal
22 property, under a capitol complex renovation program, to be
23 used for additions and improvements to existing buildings,
24 facilities, and structures at the state capitol complex under
25 section 18.12, subsection 10, in an amount not to exceed
26 $40,000,000. The projects involve renovations of the state
27 capitol exterior, the state capitol interior, and the old
28 historical building. A special capitol complex renovation
29 fund is established into which $4,000,000 will be deposited
30 from the use tax revenues that would have gone into the GAAP
31 account under existing law. These tax revenues will be
32 deposited beginning with the fiscal year beginning July 1,
33 1995.
34 The bill also authorizes the state board of regents to
35 issue bonds for the period beginning July 1, 1994, and ending

1 June 30, 1996, in the sum of $30,750,000 for the three
2 institutions of higher learning under its jurisdiction. The
3 purposes would be for remodeling, facility planning and
4 construction, and fire safety and deferred maintenance
5 projects. The bill also provides for bonding up to a certain
6 amount to facilitate savings by Iowans for future higher
7 education costs.
8 The provision of the bill depositing use tax revenues into
9 the capitol complex renovation fund takes effect July 1, 1995.
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SENATE FILE 2326

S-5636

1 Amend Senate File 2326 as follows:
2 1. Page 2, line 27, by striking the word "use"
3 and inserting the following: "cigarette".
4 2. Page 2, line 28, by striking the word and
5 figures "423.24, subsection 2" and inserting the
6 following: "453A.35".
7 3. By striking page 2, line 35 through page 3,
8 line 12 and inserting the following:
9 "Sec. 2. Section 453A.35, Code 1993, is amended to
10 read as follows:
11 453A.35 TAX AND FEES PAID TO GENERAL FUND AND
12 CAPITOL COMPLEX RENOVATION FUND.
13 ~~The~~ For the fiscal year beginning July 1, 1995, and
14 each subsequent fiscal year, the proceeds derived from
15 the sale of stamps and the payment of taxes, fees and
16 penalties provided for under this chapter, and the
17 permit fees received from all permits issued by the
18 department, shall be credited to the capitol complex
19 renovation fund established in section 18.23, but not
20 to exceed four million dollars, to be used as provided
21 in that section and the remaining proceeds shall be
22 credited to the general fund of the state. All permit
23 fees provided for in this chapter and collected by
24 cities in the issuance of permits granted by the
25 cities shall be paid to the treasurer of the city
26 where the permit is effective, or to another city
27 officer as designated by the council, and credited to
28 the general fund of the city. Permit fees so
29 collected by counties shall be paid to the county
30 treasurer."

WITHDRAWN 4-14-94 By DERRYL McLAREN

WITHDRAWN

S-5636 FILED APRIL 13, 1994

SENATE FILE 2326

S-5639

1 Amend Senate File 2326 as follows:
2 1. Page 2, line 27, by striking the word "use"
3 and inserting the following: "sales".
4 2. Page 2, line 28, by striking the word and
5 figures "423.24, subsection 2" and inserting the
6 following: "422.69, subsection 1A".
7 3. By striking page 2, line 35 through page 3,
8 line 12 and inserting the following:
9 "Sec. 2. Section 422.69, Code 1993, is amended by
10 adding the following new subsection:
11 NEW SUBSECTION. 1A. For the fiscal year beginning
12 July 1, 1995, and each subsequent fiscal year, up to
13 four million dollars from sales tax receipts shall be
14 credited to the capitol complex renovation fund
15 established in section 18.23, to be used as provided
16 in that section."

By DERRYL McLAREN

S-5639 FILED APRIL 13, 1994

Lost 4-14-94 (P. 1273)

SENATE FILE 2326

S-5599

1 Amend Senate File 2326 as follows:
2 1. Page 2, line 12, by inserting after the word
3 "woodwork." the following: "In arranging for the
4 renovation, the department shall use as a major
5 criteria the life cycle cost, as defined in section
6 18.3, subsection 1, and the energy efficiency of the
7 components of the renovation."
8 2. Page 2, line 19, by inserting after the word
9 "plumbing." the following: "In arranging for the
10 renovation, the department shall use as a major
11 criteria the life cycle cost, as defined in section
12 18.3, subsection 1, and the energy efficiency of the
13 components of the renovation."

By RALPH ROSENBERG

S-5599 FILED APRIL 13, 1994
adopted 4-14-94 (P. 1222)

SENATE FILE 2326

S-5602

1 Amend Senate File 2326 as follows:
2 1. Page 2, line 11, by inserting after the word
3 "conditioning," the following: "information
4 processing equipment and related software, local and
5 wide area networks, telecommunications facilities,
6 data storage and retrieval systems, and information
7 system conversion,".
8 2. Page 2, line 19, by inserting after the word
9 "plumbing" the following: ", information processing
10 equipment and related software, local and wide area
11 networks, telecommunications facilities, data storage
12 and retrieval systems, and information system
13 conversion".

By LARRY MURPHY

S-5602 FILED APRIL 13, 1994
adopted 4-14-94 (P. 1222)

SENATE FILE 2326

S-5626

1 Amend Senate File 2326 as follows:
2 1. Page 2, line 30, by inserting after the word
3 "fund." the following: "Lease-purchase contracts
4 entered into pursuant to subsection 2 may provide for
5 the pledge of moneys in the capitol complex renovation
6 fund and these moneys, as received and deposited, are
7 immediately subject to the lien and pledge for
8 payments under the lease-purchase contracts without
9 further acts, and the pledge is effective, and these
10 moneys may be applied to the purposes of the pledge
11 without the necessity for a further appropriation of
12 the general assembly."

By WILLIAM D. PALMER

S-5626 FILED APRIL 13, 1994
adopted 4-14-94
(P. 1222)

(P.1556) 4-14-94 approp.
(P.1909) 4-18-94 Do Pass

SENATE FILE 2326
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2271)

(AS AMENDED AND PASSED BY THE SENATE APRIL 14, 1994)

_____ - New Language by the Senate

Passed Senate, (P.1379) Date 4/19/94 Passed House, (P.1961) Date 4/19/94
Vote: Ayes 40 Nays 7 Vote: Ayes 70 Nays 30
Approved May 10, 1994
Terry Branstad

A BILL FOR

1 An Act relating to capital project financing through the funding
2 of a capitol complex renovation program and through the
3 issuance of bonds by the state board of regents, including
4 bonds for college education financing, and making a standing
5 appropriation and providing an effective date.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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S.F. 2326

1 DIVISION I
2 Section 1. NEW SECTION. 18.23 CAPITOL COMPLEX RENOVATION
3 PROGRAM -- LEASE-PURCHASE -- FUND -- APPROPRIATIONS.
4 1. FINDINGS. The general assembly finds that:
5 a. The projects contained in the capitol complex
6 renovation program are necessary for the efficient and proper
7 performance of constitutional and statutory duties of state
8 government.
9 b. Significant moneys are annually spent by the department
10 to rent office facilities for state agencies.
11 c. The delayed funding of the capitol complex renovation
12 program will significantly increase the total costs of
13 renovation.
14 d. Section 18.12, subsection 10, provides that the
15 department, after authorization by a constitutional majority
16 of each house of the general assembly and approval by the
17 governor, may enter into lease-purchase contracts for
18 additions or improvements to existing buildings, facilities,
19 and structures for the proper use and benefit of the state and
20 state agencies.
21 2. LEASE-PURCHASE CONTRACTS. The department may plan,
22 construct, equip, and otherwise carry out the following
23 projects at the state capitol complex, and the general
24 assembly authorizes the department to enter into lease-
25 purchase contracts for real or personal property to be used
26 for additions or improvements to existing buildings,
27 facilities, and structures as provided in section 18.12,
28 subsection 10, with the use of the areas in the state capitol
29 and the old historical building for projects under this
30 subsection assigned by the legislative council, in
31 consultation with the director and the capitol planning
32 commission, for the use of the general assembly or legislative
33 agencies, pursuant to section 2.43, in a total amount not to
34 exceed forty million dollars, allocated as follows:
35 a. In an amount not to exceed twenty-two million three

1 hundred thousand dollars for state capitol exterior renovation
2 including, but not limited to, replacement of stone, wood
3 windows, and copper roof, gold leafing of the dome, inspection
4 of dome condition.
5 b. In an amount not to exceed nine million dollars for
6 state capitol interior renovation including, but not limited
7 to, remodeling of interior, upgrade to meet fire, safety, and
8 building codes, and federal Americans with Disabilities Act
9 requirements, removal of mezzanines which are not original,
10 new electrical, mechanical, heating, fire sprinklers,
11 ventilating and air conditioning, information processing
12 equipment and related software, local and wide area networks,
13 telecommunications facilities, data storage and retrieval
14 systems, and information system conversion, restoration of
15 walls, murals, stained glass, and woodwork. In arranging for
16 the renovation, the department shall use as a major criteria
17 the life cycle cost, as defined in section 18.3, subsection 1,
18 and the energy efficiency of the components of the renovation.
19 c. In an amount not to exceed eight million seven hundred
20 thousand dollars for the old historical building renovation
21 including, but not limited to, renovation of exterior
22 including new windows, interior renovation to include fire,
23 safety, and building codes, and federal Americans with
24 Disabilities Act requirements, new heating, air conditioning
25 and ventilating, and plumbing, information processing
26 equipment and related software, local and wide area networks,
27 telecommunications facilities, data storage and retrieval
28 systems, and information system conversion. In arranging for
29 the renovation, the department shall use as a major criteria
30 the life cycle cost, as defined in section 18.3, subsection 1,
31 and the energy efficiency of the components of the renovation.
32 3. FUND -- APPROPRIATIONS. There is created in the office
33 of the treasurer of state a temporary fund to be known as the
34 capitol complex renovation fund. There is appropriated from
35 moneys in the fund for the fiscal year beginning July 1, 1995,

1 and subsequent fiscal years the amount needed to pay the
2 fiscal year payments under the lease-purchase contracts
3 entered into pursuant to subsection 2. The fund shall contain
4 moneys deposited into it from the use tax as provided in
5 section 423.24, subsection 2, from appropriations made to the
6 fund, and any other funds deposited into or credited to the
7 fund. Lease-purchase contracts entered into pursuant to
8 subsection 2 may provide for the pledge of moneys in the
9 capitol complex renovation fund and these moneys, as received
10 and deposited, are immediately subject to the lien and pledge
11 for payments under the lease-purchase contracts without
12 further acts, and the pledge is effective, and these moneys
13 may be applied to the purposes of the pledge without the
14 necessity for a further appropriation of the general assembly.
15 Notwithstanding section 8.33, unobligated and unencumbered
16 moneys on June 30 of a fiscal year shall not revert to any
17 fund but shall remain in the capitol complex renovation fund
18 for expenditure during the following fiscal year.
19 Sec. 2. Section 423.24, subsection 2, Code Supplement
20 1993, is amended to read as follows:
21 2. ~~Twenty~~ For the fiscal year beginning July 1, 1995, and
22 each subsequent fiscal year, twenty percent of all revenue
23 derived from the use tax on motor vehicles, trailers, and
24 motor vehicle accessories and equipment as collected pursuant
25 to section 423.7 shall be deposited ~~in~~ into the capitol
26 complex renovation fund established in section 18.23, but not
27 to exceed four million dollars, to be used as provided in that
28 section, and the remaining into the GAAP deficit reduction
29 account established in the department of management pursuant
30 to section 8.57, subsection 2, and shall be used in accordance
31 with the provisions of that section.
32 DIVISION II
33 Sec. 3. STATE BOARD OF REGENTS BONDING.
34 1. FINDINGS. The general assembly finds that:
35 a. Pursuant to section 262A.3, the state board of regents

1 prepared and within seven days after the convening of the
2 Seventy-fifth General Assembly of the State of Iowa, Second
3 Session, submitted to the Seventy-fifth General Assembly,
4 Second Session, for approval the proposed five-year building
5 program for each institution of higher learning under the
6 jurisdiction of the board, containing a list of the buildings
7 and facilities which the board deems necessary to further the
8 educational objectives of the institutions, together with an
9 estimate of the cost of each of the buildings and facilities
10 and an estimate of the maximum amount of revenue bonds which
11 the board expects to issue under chapter 262A for the fiscal
12 period beginning July 1, 1994, and ending June 30, 1996.
13 b. The projects contained in the capital improvement
14 program are deemed necessary for the proper performance of the
15 instructional, research, and service functions of the
16 institutions.
17 c. Section 262A.4 provides that the state board of
18 regents, after authorization by a constitutional majority of
19 each house of the general assembly and approval by the
20 governor, may undertake and carry out at the institutions of
21 higher learning under the jurisdiction of the board any
22 project as defined in chapter 262A.
23 d. Chapter 262A authorizes the state board of regents to
24 borrow money and to issue and sell negotiable revenue bonds to
25 pay all or any part of the cost of carrying out projects at
26 any institution payable solely from and secured by an
27 irrevocable pledge of a sufficient portion of the student fees
28 and charges and institutional income received by the
29 particular institution.
30 e. To further the educational objectives of the
31 institutions, the state board of regents requests
32 authorization to undertake and carry out certain projects at
33 this time and to finance their costs by borrowing money and
34 issuing negotiable bonds under chapter 262A in a total amount
35 not to exceed $30,750,000, the remaining costs of the projects

1 to be financed by appropriations or by federal or other funds
2 lawfully available.
3 2. APPROVAL -- LIMITS.
4 a. The proposed five-year building program submitted by
5 the state board of regents for each institution of higher
6 learning under its jurisdiction is approved and no commitment
7 is implied or intended by approval to fund any portion of the
8 proposed five-year building program submitted by the state
9 board of regents beyond the portion that is financed and
10 approved by the Seventy-fifth General Assembly, Second
11 Session, and the governor.
12 b. During the fiscal period that commences July 1, 1994,
13 and that ends June 30, 1996, the maximum amount of bonds which
14 the state board of regents expects to issue under chapter
15 262A, unless additional bonding is authorized, is $30,750,000,
16 all or any part of which may be issued during the fiscal year
17 ending June 30, 1995, and if all of that amount is not issued
18 during that fiscal year, any remaining balance may be issued
19 during the fiscal year ending June 30, 1996, and this plan of
20 financing is approved.
21 3. PROJECTS. The state board of regents is authorized to
22 undertake, plan, construct, equip, and otherwise carry out the
23 following projects at the institutions of higher learning
24 under the jurisdiction of the board, and the general assembly
25 authorizes the state board of regents to borrow money and to
26 issue and sell negotiable revenue bonds in the manner provided
27 in sections 262A.5 and 262A.6 in order to pay all or any part
28 of the costs of carrying out the projects, and the cost of
29 issuance of bonds, at the following institutions in a total
30 amount not to exceed $30,750,000:
31 a. Iowa State University of Science and Technology
32 (1) Livestock units for swine and cattle research -- Phase
33 I construction and remodeling:
34 ..... $ 3,180,000
35 (2) Intensive livestock research facilities -- Planning:

1 ..... $ 2,120,000
2 b. State University of Iowa
3 Schaeffer Hall remodeling:
4 ..... $ 8,500,000
5 c. University of Northern Iowa
6 (1) Wellness Center building construction:
7 ..... $ 12,280,000
8 (2) Price Laboratory School Gymnasium construction:
9 ..... $ 2,670,000
10 d. Fire safety and deferred maintenance projects, with an
11 emphasis on safety, at any of the institutions of higher
12 learning under the control of the regents:
13 ..... $ 2,000,000
14 Total $ 30,750,000
15 4. BOND AMOUNTS EXCEED COSTS. If the amount of bonds
16 issued under this section exceeds the actual costs of projects
17 approved in this section, the amount of the difference shall
18 be used to pay the principal and interest due on bonds issued
19 under chapter 262A.
20 5. CAPITALIZATION OF RESERVE FUNDS. The state board of
21 regents may capitalize the bond reserve funds with respect to
22 the bonds authorized pursuant to this section for the
23 University of Northern Iowa, state University of Iowa, and
24 Iowa State University of Science and Technology. However,
25 this authorization for capitalization shall not authorize the
26 state board of regents to increase the amount of bonds issued
27 under this section.
28 6. CAPITAL APPRECIATION BONDS. The state board of regents
29 shall issue bonds in an amount not exceeding fifty percent of
30 the amount of bonds otherwise authorized pursuant to this
31 section, in the form of capital appreciation bonds as provided
32 in section 262A.6A rather than the form prescribed in sections
33 262A.5 and 262A.6. The capital appreciation bonds shall be
34 designed to be marketed primarily to Iowans to facilitate
35 savings for future higher education costs.

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

SENATE FILE 2326

H-6211

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate as follows:
3 1. By striking page 1, line 1 through page 3,
4 line 32.
5 2. Page 7, by striking lines 1 and 2.
6 3. Title page, by striking lines 1 through 5 and
7 inserting the following: "An Act relating to the
8 issuance of bonds by the state board of regents."

By GRUBBS of Scott
MILLAGE of Scott

H-6211 FILED APRIL 15, 1994

Lost 4/19/94 (P 1960)

SENATE FILE 2326

H-6212

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 6, by striking lines 6 and 7.
4 2. Page 6, line 8, by striking the figure "(2)".

By GRUBBS of Scott
MILLAGE of Scott

H-6212 FILED APRIL 15, 1994

WITHDRAWN 4-19-94

SENATE FILE 2326

H-6213

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 6, by striking line 5 and inserting the
4 following:
5 "c. St. Ambrose".

By GRUBBS of Scott
MILLAGE of Scott

H-6213 FILED APRIL 15, 1994

WITHDRAWN 4-19-94

SENATE FILE 2326

H-6228

1 Amend Senate File 2326, as amended, passed, and re-
2 printed by the Senate, as follows:
3 1. By striking page 3, line 32, through page 6,
4 line 35.
5 2. Title page, by striking lines 2 through 4 and
6 inserting the following: "of a capitol complex
7 renovation program and making a standing".

By GRUNDBERG of Polk

H-6228 FILED APRIL 15, 1994

WITHDRAWN
4-19-94

SENATE FILE 2326

H-6209

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 6, line 6, by striking the figure "(1)".
4 2. Page 6, by striking lines 8 and 9.

By MILLAGE of Scott

H-6209 FILED APRIL 15, 1994

Lost 4/19/94

SENATE FILE 2326

H-6210

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 4, line 35, by striking the figure
4 "30,750,000" and inserting the following:
5 "28,750,000".
6 2. Page 5, line 15, by striking the figure
7 "30,750,000" and inserting the following:
8 "28,750,000".
9 3. Page 5, line 30, by striking the figure
10 "30,750,000" and inserting the following:
11 "28,750,000".
12 4. Page 6, by striking lines 10 through 13.
13 5. Page 6, line 14, by striking the figure
14 "30,750,000" and inserting the following:
15 "28,750,000".

By MILLAGE of Scott

H-6210 FILED APRIL 15, 1994

Lost 4/19/94 (P. 1959)

SENATE FILE 2326

H-6280

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 4, line 35, by striking the figure
4 "$30,750,000" and inserting the following: "76.875
5 percent of the total amount authorized for lease-
6 purchase contracts pursuant to section 1, subsection 2
7 of this Act".
8 2. Page 5, line 15, by striking the figure
9 "$30,750,000" and inserting the following: "76.875
10 percent of the total amount authorized for lease-
11 purchase contracts pursuant to section 1, subsection 2
12 of this Act".
13 3. Page 5, line 30, by striking the figure
14 "$30,750,000" and inserting the following: "76.875
15 percent of the total amount authorized for lease-
16 purchase contracts pursuant to section 1, subsection 2
17 of this Act".
18 4. Page 5, by striking line 34 and inserting the
19 following:
20 "Of the total amount authorized in this subsection,
21 10.34 percent".
22 5. Page 6, by striking line 1 and inserting the
23 following:
24 "Of the total amount authorized in this subsection,
25 6.89 percent".
26 6. Page 6, by striking line 4 and inserting the
27 following:
28 "Of the total amount authorized in this subsection,
29 27.64 percent".
30 7. Page 6, by striking line 7 and inserting the
31 following:
32 "Of the total amount authorized in this subsection,
33 39.93 percent".
34 8. Page 6, by striking line 9 and inserting the
35 following:
36 "Of the total amount authorized in this subsection,
37 8.68 percent".
38 9. Page 6, by striking line 13 and inserting the
39 following:
40 "Of the total amount authorized in this subsection,
41 6.52 percent".
42 10. Page 6, by striking line 14 and inserting the
43 following:
44 "Total 100 percent".

By HANSON of Delaware

H-6280 FILED APRIL 18, 1994

adopted 4-19-94
(P 1961)

SENATE FILE 2326

H-6272

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking page 1, line 1 through page 3,
4 line 32.
5 2. Page 4, line 35, by striking the figure
6 "30,750,000" and inserting the following:
7 "8,500,000".
8 3. Page 5, line 15, by striking the figure
9 "30,750,000" and inserting the following:
10 "8,500,000".
11 4. Page 5, line 30, by striking the figure
12 "30,750,000" and inserting the following:
13 "8,500,000".
14 5. By striking page 5, line 31 through page 6,
15 line 1.
16 6. Page 6, by striking lines 5 through 14 and
17 inserting the following:
18 "Total $ 8,500,000".

By GRUNDBERG of Polk

H-6272 FILED APRIL 18, 1994

WITHDRAWN
4-19-94
(P. 960)

SENATE FILE 2326

H-6290

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 3, by striking the words "LEASE-
4 PURCHASE -- FUND --".
5 2. Page 1, by striking lines 14 through 34 and
6 inserting the following:
7 "d. Pursuant to section 423.24, subsection 2,
8 twenty percent of all revenue derived from the use tax
9 on motor vehicles and equipment as collected pursuant
10 to section 423.7 is to be deposited in the GAAP
11 deficit reduction account to eliminate Iowa's GAAP
12 deficit.
13 e. It is anticipated that by the fiscal year
14 beginning July 1, 1995, Iowa's GAAP deficit will be
15 eliminated.
16 2. USE TAX REVENUES. For each fiscal year of the
17 four-year fiscal period beginning July 1, 1995,
18 $12,000,000 of use tax revenues which are to be
19 deposited into the GAAP deficit reduction account
20 pursuant to section 423.24, subsection 2, and which
21 are in excess of any amount needed to eliminate Iowa's
22 GAAP deficit, are appropriated to the department of
23 general services. However, if the state generally
24 accepted accounting principles (GAAP) deficit has not
25 been eliminated by July 1, 1995, as reported in the
26 state's comprehensive financial report, the four-year
27 fiscal period provided in this subsection shall
28 commence on July 1 of the fiscal year following the
29 fiscal year in which the elimination of the GAAP
30 deficit is reported in the state's report.
31 3. RENOVATION PROJECTS. The department of general
32 services, with moneys appropriated pursuant to
33 subsection 2, may plan, construct, equip, and
34 otherwise carry out the following projects at the
35 state capitol complex for real or personal property to
36 be used for additions or improvements to existing
37 buildings, facilities, and structures in a total
38 amount not to exceed $47,500,000:"
39 3. By striking page 2, line 32 through page 3,
40 line 31 and inserting the following:
41 "d. In an amount not to exceed seven million five
42 hundred thousand dollars for a child care center and
43 other building improvements including, but not limited
44 to, establishing a child care center for children of
45 state employees and upgrading other buildings in the
46 state capitol complex, except the employment services
47 building and the vocational rehabilitation building,
48 to meet fire, safety, and building codes, and the
49 federal Americans with Disabilities Act requirements.
50 Notwithstanding section 8.33, all unencumbered and

H-6290
Page 2
1 unobligated funds remaining on June 30, 2004, from the
2 appropriations made in this section shall revert on
3 August 1, 2004."

By McKINNEY of Dallas

H-6290 FILED APRIL 19, 1994

Lost 4/19/94 (P. 1956)

SENATE FILE 2326

H-6303
1 Amend Senate File 2326, as amended, passed, and re-
2 printed by the Senate, as follows:
3 1. Page 1, line 25, by inserting after the word
4 "contracts" the following: ", not to exceed ten years
5 in duration,".
6 2. Page 1, line 34, by striking the words "forty
7 million" and inserting the following: "twenty-four
8 million seven hundred thousand".
9 3. Page 1, line 35, by striking the words
10 "twenty-two million three" and inserting the
11 following: "seven million".
12 4. Page 2, line 1, by striking the words "hundred
13 thousand dollars for" and inserting the following:
14 "dollars for partial".
15 5. Page 3, line 8, by inserting after the figure
16 "2" the following: "shall not exceed ten years in
17 duration and".
18 6. Page 3, line 27, by inserting after the word
19 "million" the following: "two hundred thousand".

By GIPP of Winneshiek
MURPHY of Dubuque

H-6303 FILED APRIL 19, 1994

adopted 4/19/94 (P. 1956)

SENATE FILE 2326

H-6314

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 3, by inserting after line 18 the
4 following:
5 "Sec. 100. Section 321.34, Code Supplement 1994,
6 is amended by adding the following new subsection:
7 NEW SUBSECTION. 18. CAPITOL RESTORATION PLATES.
8 a. Upon application and payment of the proper
9 fees, the director may issue capitol restoration
10 plates to the owner of a motor vehicle subject to
11 registration under section 321.109, subsection 1,
12 light delivery truck, panel delivery truck, pickup,
13 motor home, multipurpose vehicle, or travel trailer.
14 b. Capitol restoration plates shall be designed by
15 the department in cooperation with the department of
16 general services.
17 c. The initial capitol restoration plate fee for
18 letter number designated plates is thirty-five
19 dollars. The initial fee for personalized capitol
20 restoration plates is eighty dollars.
21 The annual special capitol restoration fee for
22 letter number designated plates is ten dollars which
23 shall be paid in addition to the regular annual
24 registration fees. The annual fee for personalized
25 capitol restoration plates is fifteen dollars which
26 shall be paid in addition to the annual regular
27 registration fee. The annual special capitol
28 restoration fees shall be credited to the capitol
29 restoration motor vehicle registration plate fund
30 created under this subsection.
31 d. The fees collected by the director under this
32 subsection shall be paid monthly to the treasurer of
33 state and credited to the road use tax fund.
34 Notwithstanding section 423.24, and prior to the
35 crediting of revenues to the road use tax fund under
36 section 423.24, subsection 1, paragraph "d", the
37 treasurer of state shall credit monthly from those
38 revenues to the capitol complex renovation fund
39 created under section 18.23, the amount of the capitol
40 restoration fees collected in the previous month for
41 the capitol restoration plates. Moneys in the fund
42 shall be used only for capitol restoration purposes.
43 e. Upon receipt of the capitol restoration
44 plates, the applicant shall surrender the current
45 registration receipt and plates to the county
46 treasurer. The county treasurer shall validate the
47 special registration plates in the same manner as
48 regular registration plates are validated under this
49 section."
50 2. Page 7, by inserting after line 2 the

H-6314
Page 2
1 following:
2 "Sec. ___. EFFECTIVE DATE. Section 100 of this
3 Act takes effect on January 1, 1995."
4 3. By renumbering as necessary.

By MURPHY of Dubuque

H-6314 FILED APRIL 19, 1994

Not German 4/19/94

SENATE FILE 2326

H-6319
1 Amend the amendment, H-6280, to Senate File 2326,
2 as amended, passed, and reprinted by the Senate as
3 follows:
4 1. Page 1, line 4, by striking the figure
5 "76.875" and inserting the following: "124.494".
6 2. Page 1, line 9, by striking the figure
7 "76.875" and inserting the following: "124.494".
8 3. Page 1, line 14, by striking the figure
9 "76.875" and inserting the following: "124.494".

By HANSON of Delaware

H-6319 FILED APRIL 19, 1994

adopted 4-19-94 (P 1961)

SENATE FILE 2326

H-6328
1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 4, line 35, by striking the figure
4 "30,750,000" and inserting the following:
5 "27,830,000".
6 2. Page 5, line 15, by striking the figure
7 "30,750,000" and inserting the following:
8 "27,830,000".
9 3. Page 5, line 30, by striking the figure
10 "30,750,000" and inserting the following:
11 "27,830,000".
12 4. Page 6, line 7, by striking the figure
13 "12,280,000" and inserting the following:
14 "9,360,000".
15 5. Page 6, line 14, by striking the figure
16 "30,750,000" and inserting the following:
17 "27,830,000".

By GRUBBS of Scott

H-6328 FILED APRIL 19, 1994

Lost 4/19/94

SENATE FILE 2326

H-6330
1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 1, line 26, by striking the words
4 "additions or".
5 2. Page 2, by inserting after line 31 the
6 following:
7 "d. No amount shall be spent on additions to
8 existing buildings."

By GRUNDBERG of Polk

H-6330 FILED APRIL 19, 1994

adopted 4/19/94 (P 1957)

HOUSE AMENDMENT TO
SENATE FILE 2326

S-5776

1 Amend Senate File 2326, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 25, by inserting after the word
4 "contracts" the following: ", not to exceed ten years
5 in duration,".
6 2. Page 1, line 26, by striking the words
7 "additions or".
8 3. Page 1, line 34, by striking the words "forty
9 million" and inserting the following: "twenty-four
10 million seven hundred thousand".
11 4. Page 1, line 35, by striking the words
12 "twenty-two million three" and inserting the
13 following: "seven million".
14 5. Page 2, line 1, by striking the words "hundred
15 thousand dollars for" and inserting the following:
16 "dollars for partial".
17 6. Page 2, by inserting after line 31 the
18 following:
19 "d. No amount shall be spent on additions to
20 existing buildings."
21 7. Page 3, line 8, by inserting after the figure
22 "2" the following: "shall not exceed ten years in
23 duration and".
24 8. Page 3, line 27, by inserting after the word
25 "<u>million</u>" the following: "<u>two hundred thousand</u>".
26 9. Page 4, line 35, by striking the figure
27 "$30,750,000" and inserting the following: "124.494
28 percent of the total amount authorized for lease-
29 purchase contracts pursuant to section 1, subsection 2
30 of this Act".
31 10. Page 5, line 15, by striking the figure
32 "$30,750,000" and inserting the following: "124.494
33 percent of the total amount authorized for lease-
34 purchase contracts pursuant to section 1, subsection 2
35 of this Act".
36 11. Page 5, line 30, by striking the figure
37 "$30,750,000" and inserting the following: "124.494
38 percent of the total amount authorized for lease-
39 purchase contracts pursuant to section 1, subsection 2
40 of this Act".
41 12. Page 5, by striking line 34 and inserting the
42 following:
43 "Of the total amount authorized in this subsection,
44 10.34 percent".
45 13. Page 6, by striking line 1 and inserting the
46 following:
47 "Of the total amount authorized in this subsection,
48 6.89 percent".
49 14. Page 6, by striking line 4 and inserting the
50 following:

S-5776
Page 2

1 "Of the total amount authorized in this subsection,
2 27.64 percent".
3 15. Page 6, by striking line 7 and inserting the
4 following:
5 "Of the total amount authorized in this subsection,
6 39.93 percent".
7 16. Page 6, by striking line 9 and inserting the
8 following:
9 "Of the total amount authorized in this subsection,
10 8.68 percent".
11 17. Page 6, by striking line 13 and inserting the
12 following:
13 "Of the total amount authorized in this subsection,
14 6.52 percent".
15 18. Page 6, by striking line 14 and inserting the
16 following:
17 "Total 100 percent".
18 19. By renumbering, relettering, or redesignating
19 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5776 FILED APRIL 19, 1994
CONCURRED

SSB-2271
Appropriations

Palmer, Chair
Husak
Lind.

SENATE FILE 2326
BY (PROPOSED COMMITTEE ON APPROPRIATIONS BILL BY CHAIRPERSON MURPHY)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to capitol project financing through the funding
2 of a capitol complex renovation program and through the
3 issuance of bonds by the state board of regents, including
4 bonds for college education financing, and making a standing
5 appropriation and providing an effective date.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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TLSB 4248XC 75
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S.F. _____ H.F. _____

1 DIVISION I

2 Section 1. NEW SECTION. 18.23 CAPITOL COMPLEX RENOVATION
3 PROGRAM -- LEASE-PURCHASE -- FUND -- APPROPRIATIONS.
4 1. FINDINGS. The general assembly finds that:
5 a. The projects contained in the capitol complex
6 renovation program are necessary for the efficient and proper
7 performance of constitutional and statutory duties of state
8 government.
9 b. Significant moneys are annually spent by the department
10 to rent office facilities for state agencies.
11 c. The delayed funding of the capitol complex renovation
12 program will significantly increase the total costs of
13 renovation.
14 d. Section 18.12, subsection 10, provides that the
15 department, after authorization by a constitutional majority
16 of each house of the general assembly and approval by the
17 governor, may enter into lease-purchase contracts for
18 additions or improvements to existing buildings, facilities,
19 and structures for the proper use and benefit of the state and
20 state agencies.
21 2. LEASE-PURCHASE CONTRACTS. The department may plan,
22 construct, equip, and otherwise carry out the following
23 projects at the state capitol complex, and the general
24 assembly authorizes the department to enter into lease-
25 purchase contracts for real or personal property to be used
26 for additions or improvements to existing buildings,
27 facilities, and structures as provided in section 18.12,
28 subsection 10, with the use of the areas in the state capitol
29 and the old historical building for projects under this
30 subsection assigned by the legislative council, in
31 consultation with the director and the capitol planning
32 commission, for the use of the general assembly or legislative
33 agencies, pursuant to section 2.43, in a total amount not to
34 exceed forty million dollars, allocated as follows:
35 a. In an amount not to exceed twenty-two million three

1 hundred thousand dollars for state capitol exterior renovation
2 including, but not limited to, replacement of stone, wood
3 windows, and copper roof, gold leafing of the dome, inspection
4 of dome condition.
5 b. In an amount not to exceed nine million dollars for
6 state capitol interior renovation including, but not limited
7 to, remodeling of interior, upgrade to meet fire, safety, and
8 building codes, and federal Americans with Disabilities Act
9 requirements, removal of mezzanines which are not original,
10 new electrical, mechanical, heating, fire sprinklers,
11 ventilating and air conditioning, restoration of walls,
12 murals, stained glass, and woodwork.
13 c. In an amount not to exceed eight million seven hundred
14 thousand dollars for the old historical building renovation
15 including, but not limited to, renovation of exterior
16 including new windows, interior renovation to include fire,
17 safety, and building codes, and federal Americans with
18 Disabilities Act requirements, new heating, air conditioning
19 and ventilating, and plumbing.
20 3. FUND -- APPROPRIATIONS. There is created in the office
21 of the treasurer of state a temporary fund to be known as the
22 capitol complex restoration fund. There is appropriated from
23 moneys in the fund for the fiscal year beginning July 1, 1995,
24 and subsequent fiscal years the amount needed to pay the
25 fiscal year payments under the lease-purchase contracts
26 entered into pursuant to subsection 2. The fund shall contain
27 moneys deposited into it from the use tax as provided in
28 section 423.24, subsection 2, from appropriations made to the
29 fund, and any other funds deposited into or credited to the
30 fund. Notwithstanding section 8.33, unobligated and
31 unencumbered moneys on June 30 of a fiscal year shall not
32 revert to any fund but shall remain in the capitol complex
33 restoration fund for expenditure during the following fiscal
34 year.
35 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 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

1 governor, may undertake and carry out at the institutions of
2 higher learning under the jurisdiction of the board any
3 project as defined in chapter 262A.
4 d. Chapter 262A authorizes the state board of regents to
5 borrow money and to issue and sell negotiable revenue bonds to
6 pay all or any part of the cost of carrying out projects at
7 any institution payable solely from and secured by an
8 irrevocable pledge of a sufficient portion of the student fees
9 and charges and institutional income received by the
10 particular institution.
11 e. To further the educational objectives of the
12 institutions, the state board of regents requests
13 authorization to undertake and carry out certain projects at
14 this time and to finance their costs by borrowing money and
15 issuing negotiable bonds under chapter 262A in a total amount
16 not to exceed $30,750,000, the remaining costs of the projects
17 to be financed by appropriations or by federal or other funds
18 lawfully available.
19 2. APPROVAL -- LIMITS.
20 a. The proposed five-year building program submitted by
21 the state board of regents for each institution of higher
22 learning under its jurisdiction is approved and no commitment
23 is implied or intended by approval to fund any portion of the
24 proposed five-year building program submitted by the state
25 board of regents beyond the portion that is financed and
26 approved by the Seventy-fifth General Assembly, Second
27 Session, and the governor.
28 b. During the fiscal period that commences July 1, 1994,
29 and that ends June 30, 1996, the maximum amount of bonds which
30 the state board of regents expects to issue under chapter
31 262A, unless additional bonding is authorized, is $30,750,000,
32 all or any part of which may be issued during the fiscal year
33 ending June 30, 1995, and if all of that amount is not issued
34 during that fiscal year, any remaining balance may be issued
35 during the fiscal year ending June 30, 1996, and this plan of

1 financing is approved.
2 3. PROJECTS. The state board of regents is authorized to
3 undertake, plan, construct, equip, and otherwise carry out the
4 following projects at the institutions of higher learning
5 under the jurisdiction of the board, and the general assembly
6 authorizes the state board of regents to borrow money and to
7 issue and sell negotiable revenue bonds in the manner provided
8 in sections 262A.5 and 262A.6 in order to pay all or any part
9 of the costs of carrying out the projects, and the cost of
10 issuance of bonds, at the following institutions in a total
11 amount not to exceed $30,750,000:
12 a. Iowa State University of Science and Technology
13 (1) Livestock units for swine and cattle research -- Phase
14 I construction and remodeling:
15 ..... $ 3,180,000
16 (2) Intensive livestock research facilities -- Planning:
17 ..... $ 2,120,000
18 b. State University of Iowa
19 Schaeffer Hall remodeling:
20 ..... $ 8,500,000
21 c. University of Northern Iowa
22 (1) Wellness Center building construction:
23 ..... $ 12,280,000
24 (2) Price Laboratory School Gymnasium construction:
25 ..... $ 2,670,000
26 d. Fire safety and deferred maintenance projects, with an
27 emphasis on housing, at any of the institutions of higher
28 learning under the control of the regents:
29 ..... $ 2,000,000
30 Total $ 30,750,000
31 4. BOND AMOUNTS EXCEED COSTS. If the amount of bonds
32 issued under this section exceeds the actual costs of projects
33 approved in this section, the amount of the difference shall
34 be used to pay the principal and interest due on bonds issued
35 under chapter 262A.

1 5. CAPITALIZATION OF RESERVE FUNDS. The state board of
2 regents may capitalize the bond reserve funds with respect to
3 the bonds authorized pursuant to this section for the
4 University of Northern Iowa, state University of Iowa, and
5 Iowa State University of Science and Technology. However,
6 this authorization for capitalization shall not authorize the
7 state board of regents to increase the amount of bonds issued
8 under this section.
9 6. CAPITAL APPRECIATION BONDS. The state board of regents
10 shall issue bonds in an amount not exceeding fifty percent of
11 the amount of bonds otherwise authorized pursuant to this
12 section, in the form of capital appreciation bonds as provided
13 in section 262A.6A rather than the form prescribed in sections
14 262A.5 and 262A.6. The capital appreciation bonds shall be
15 designed to be marketed primarily to Iowans to facilitate
16 savings for future higher education costs.
17 Sec. 4. EFFECTIVE DATE. Section 2 of this Act takes
18 effect July 1, 1995.
19 EXPLANATION
20 The bill authorizes the department of general services to
21 enter into lease-purchase contracts for real or personal
22 property, under a capitol complex restoration program, to be
23 used for additions and improvements to existing buildings,
24 facilities, and structures at the state capitol complex under
25 section 18.12, subsection 10, in an amount not to exceed
26 $40,000,000. The projects involve renovations of the state
27 capitol exterior, the state capitol interior, and the old
28 historical building. A special capitol complex renovation
29 fund is established into which $4,000,000 will be deposited
30 from the use tax revenues that would have gone into the GAAP
31 account under existing law. These tax revenues will be
32 deposited beginning with the fiscal year beginning July 1,
33 1995.
34 The bill also authorizes the state board of regents to
35 issue bonds for the period beginning July 1, 1994, and ending

1 June 30, 1996, in the sum of $30,750,000 for the three
2 institutions of higher learning under its jurisdiction. The
3 purposes would be for remodeling, facility planning and
4 construction, and fire safety and deferred maintenance
5 projects. The bill also provides for bonding up to a certain
6 amount to facilitate savings by Iowans for future higher
7 education costs.
8 The provision of the bill depositing use tax revenues into
9 the capitol complex renovation fund takes effect July 1, 1995.
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OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

May 10, 1994

MAY 1 0 94

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

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

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

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.

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

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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

Veto

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.

Veto

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.

Veto

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 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

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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.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2326, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 10, 1994

TERRY E. BRANSTAD
Governor