

CHAPTER 1174**FINANCING OF PUBLIC IMPROVEMENTS**

S.F. 2447

AN ACT relating to public improvements and providing financial assistance to communities and school districts by creating a school infrastructure program and fund, continuing the community attraction and tourism program and fund, creating a vision Iowa board, creating a vision Iowa program and fund, providing bonding authority to the treasurer of state, and exempting certain income from taxation.

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

DIVISION I
SUBCHAPTER I
VISION IOWA BOARD

Section 1. NEW SECTION. 15F.101 DEFINITIONS.

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

1. "Board" means the vision Iowa board as created in section 15F.102.
2. "Department" means the Iowa department of economic development created in section 15.105.

Sec. 2. NEW SECTION. 15F.102 VISION IOWA BOARD.

1. The vision Iowa board is established consisting of thirteen members and is located for administrative purposes within the department. The director of the department shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to pay the compensation and expenses of the board. In performing its functions the board is performing a public function on behalf of the state and is a public instrumentality of the state.

2. The membership of the board shall be appointed as follows:
- a. Three members of the general public, one member from each of the three tourism regions.
 - b. One mayor of a city with a population of less than twenty thousand.
 - c. One county supervisor from a county that has a population ranking in the bottom thirty-three counties according to the 1990 census.
 - d. Four members of the general public.
 - e. One mayor of a city with a population of twenty thousand or more.
 - f. The director of the department of economic development.
 - g. The treasurer of state or the treasurer of state's designee.
 - h. The auditor of state or the auditor of state's designee.

3. All appointments, except the director of the department of economic development, the treasurer of state, and the auditor of state, shall be made by the governor, shall comply with sections 69.16 and 69.16A, and shall be subject to confirmation by the senate. All appointed members of the board shall have demonstrable experience or expertise in the field of tourism development and promotion, public financing, architecture, engineering, or major facility development or construction.

4. All members of the board, except the director of the department of economic development, the treasurer of state, and the auditor of state, shall be residents of different counties.

5. The chairperson and vice chairperson of the board shall be designated by the governor from the board members listed in subsection 2, paragraphs "a" through "e". In case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

6. The members, except the director of the department of economic development, the treasurer of state, and the auditor of state, shall be appointed to three-year staggered terms and

the terms shall commence and end as provided by section 69.19. If a vacancy occurs, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

7. A majority of the board constitutes a quorum.

Sec. 3. NEW SECTION. 15F.103 BOARD DUTIES.

The board shall do all of the following:

1. Organize.
2. Establish the vision Iowa program and the community attraction and tourism program.
3. Oversee and provide approval of the administration of the vision Iowa program and the community attraction and tourism program by the department.
4. Request the treasurer of state to issue bonds on behalf of the board for purposes of the vision Iowa program.

Sec. 4. NEW SECTION. 15F.103A DEPARTMENT DUTIES.

The department, subject to approval by the board, shall adopt administrative rules pursuant to chapter 17A necessary to administer the community attraction and tourism program and the vision Iowa program. The department shall provide the board with assistance in implementing administrative functions, marketing the programs, providing technical assistance and application assistance to applicants under the programs, negotiating contracts, and providing project follow-up. The department, in cooperation with the treasurer of state, may conduct negotiations on behalf of the board with applicants regarding terms and conditions applicable to awards under the programs.

Sec. 5. NEW SECTION. 15F.104 COMPENSATION AND EXPENSES.

The members of the board are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties. A member of the board may also be eligible to receive compensation as provided in section 7E.6.

Sec. 6. NEW SECTION. 15F.105 BENEFITS.

Any applicant awarded financial assistance by the board under both the vision Iowa program established in section 15F.302 and the community attraction and tourism program established in section 15F.202 shall provide and pay at least fifty percent of the cost of a standard medical insurance plan for all full-time employees working at the project after the completion of the project for which financial assistance was received.

SUBCHAPTER II
COMMUNITY ATTRACTION AND TOURISM
PROGRAM AND FUND

Sec. 7. NEW SECTION. 15F.201 DEFINITIONS.

As used in this subchapter, unless the context otherwise requires:

1. "Fund" means the community attraction and tourism fund created in section 15F.204.
2. "Program" means the community attraction and tourism program established in section 15F.202.

Sec. 8. NEW SECTION. 15F.202 COMMUNITY ATTRACTION AND TOURISM PROGRAM.

1. The board shall establish and the department, subject to direction and approval by the board, shall administer a community attraction and tourism program to assist communities in the development and creation of multiple-purpose attraction or tourism facilities.

2. A city or county in the state or public organization may submit an application to the board for financial assistance for a project under the program. The assistance shall be in the form of grants, loans, forgivable loans, and loan guarantees. The application shall include, but not be limited to, the following information:

- a. The total capital investment of the project, including but not limited to costs for construction, site acquisition, and infrastructure improvement.
 - b. The amount or percentage of local and private matching moneys which will be or have been provided for the project.
 - c. The total number of jobs to be created or retained by the project.
 - d. The need of the community for the project and for the financial assistance.
 - e. The long-term tax-generating impact of the project.
3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The assistance shall be in the form of grants, loans, forgivable loans, and loan guarantees. In addition to the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

Sec. 9. **NEW SECTION.** 15F.203 COMMUNITY ATTRACTION AND TOURISM PROGRAM APPLICATION REVIEW.

1. Applications for assistance under the program shall be submitted to the department. For those applications that meet the eligibility criteria, the department shall provide a staff review analysis and evaluation to the community attraction and tourism program review committee referred to in subsection 2 and the board.

2. A review committee composed of five members of the board shall review community attraction and tourism program applications submitted to the board and make recommendations regarding the applications to the board. The review committee shall consist of members of the board listed in section 15F.102, subsection 2, paragraphs "a" through "c".

3. When reviewing the applications, the review committee and the department shall consider, at a minimum, all of the following:

- a. Whether the wages, benefits, including health benefits, safety, and other attributes of the project would improve the quality of life or the quality of attraction or tourism employment in the community.

- b. The extent to which such a project would generate additional recreational and cultural attractions or tourism opportunities.

- c. The ability of the project to produce a long-term tax-generating economic impact.

- d. The location of the projects and geographic diversity of the applications.

- e. The project is primarily a vertical infrastructure project with demonstrated substantial regional or statewide economic impact. For purposes of the program, "vertical infrastructure" means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. "Vertical infrastructure" does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

- f. Whether the applicant has received financial assistance under the program for the same project.

- g. The extent to which the project has taken the following planning principles into consideration:

- (1) Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and costly use of land.

- (2) Provision for a variety of transportation choices, including pedestrian traffic.

- (3) Maintenance of a unique sense of place by respecting local cultural and natural environmental features.

- (4) Conservation of open space and farmland and preservation of critical environmental areas.

- (5) Promotion of the safety, livability, and revitalization of existing urban and rural communities.

4. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications.

5. Upon approval of an application for financial assistance under the program, the board shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the department anytime moneys are disbursed to a recipient of financial assistance under the program.

Sec. 10. NEW SECTION. 15F.204 COMMUNITY ATTRACTION AND TOURISM FUND.

1. A community attraction and tourism fund is created as a separate fund in the state treasury under the control of the board, consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the board for placement in the fund.

2. Payments of interest, repayments of moneys loaned pursuant to this subchapter, and recaptures of grants or loans shall be deposited in the fund.

3. The fund shall be used to provide grants, loans, forgivable loans, and loan guarantees under the community attraction and tourism program established in section 15F.202. An applicant under the community attraction and tourism program shall not receive financial assistance from the fund in an amount exceeding fifty percent of the total cost of the project.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

5. At the beginning of each fiscal year, the board shall allocate all moneys in the fund in the following manner:

a. One-third of the moneys shall be allocated to provide assistance to cities and counties which meet the following criteria:

(1) A city which has a population of ten thousand or less according to the most recently published census.

(2) A county which has a population that ranks in the bottom thirty-three counties according to the most recently published census.

b. Two-thirds of the moneys shall be allocated to provide assistance to any city and county in the state, which may include a city or county included under paragraph "a".

6. If two or more cities or counties submit a joint project application for financial assistance under the program, all joint applicants must meet the criteria of subsection 5, paragraph "a", in order to receive any moneys allocated under that paragraph.

7. If any portion of the allocated moneys under subsection 5, paragraph "a", has not been awarded by April 1 of the fiscal year for which the allocation is made, the portion which has not been awarded may be utilized by the board to provide financial assistance under the program to any city or county in the state.

SUBCHAPTER III
VISION IOWA PROGRAM

Sec. 11. NEW SECTION. 15F.301 DEFINITIONS.

As used in this subchapter, unless the context otherwise requires:

1. "Fund" means the vision Iowa fund created in section 12.72.

2. "Program" means the vision Iowa program established in section 15F.302.

Sec. 12. NEW SECTION. 15F.302 VISION IOWA PROGRAM.

1. The board shall establish and the department, subject to direction and approval by the board, shall administer a vision Iowa program to assist communities in the development of major tourism facilities.

2. A city or county or a public organization in the state may submit an application to the board for financial assistance for a project under the program. For purposes of this subsection, "public organization" means a nonprofit economic development organization or other

nonprofit organization that sponsors or supports community or tourism attractions and activities. The financial assistance from the fund shall be in the form of grants, loans, forgivable loans, pledges, and guarantees. The application shall include, but not be limited to, the following information:

- a. The total capital investment of the project, including but not limited to costs for construction, site acquisition, and infrastructure improvement.
 - b. A description of the proposed financing including the amount or percentage of local and private matching moneys to be provided for the project.
 - c. The total number of jobs to be created or retained by the project.
 - d. The need of the community for the project and for financial assistance.
 - e. The long-term tax-generating impact of the project.
 - f. A discussion of how the project meets other criteria established in this subchapter.
 - g. The projected long-term economic viability of the project, including projected revenues and expenses.
3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The financial assistance shall be in the form of grants, loans, forgivable loans, and loan guarantees. In addition to the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

Sec. 13. NEW SECTION. 15F.303 ELIGIBILITY.

1. The total cost for a project must be at least twenty million dollars in order for an applicant to receive financial assistance under the program. An applicant or the board may divide a proposed project into component parts. The board may choose to provide financial assistance under the program to one or more component parts instead of providing financial assistance under the program for the entire project.

2. An applicant must demonstrate financial and nonfinancial support for the project which may be from a public or private source. Nonfinancial support may include, but is not limited to, the value of labor and services, real and personal property donated for purposes of the project, and the use of real and personal property for purposes of the project. The financial and nonfinancial support for the project described under this subsection shall equal at least fifty percent of the total cost of the project.

3. In order for a project to be eligible to receive financial assistance, the project must satisfy all of the following criteria:

a. The project is primarily a vertical infrastructure project with demonstrated substantial regional or statewide economic impact. For purposes of the program, "vertical infrastructure" means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. "Vertical infrastructure" does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

b. The project supports or is strategically aligned with other existing regional or statewide cultural, recreational, entertainment, or educational activities.

c. The project provides benefits to persons living outside the county in which the project is located or to persons living outside the state.

d. The project will increase the diversity of activities available to citizens, workers, families, and tourists, and enhance recruitment and retention of young people as residents.

e. The project has economic or other obstacles impeding local financing of the project.

4. The board shall not approve an application for assistance for any of the following purposes:

a. To refinance a loan existing prior to the initial application date.

b. For a project that has previously received assistance under the program, unless the applicant demonstrates that the assistance would be used for a significant expansion of a project.

Sec. 14. NEW SECTION. 15F.304 VISION IOWA PROGRAM APPLICATION REVIEW.

1. Applications for assistance under the program shall be submitted to the department. For those applications that meet the eligibility criteria, the department shall provide a staff review and evaluation to the vision Iowa program review committee referred to in subsection 2 and the board.

2. A review committee composed of eight members of the board shall review vision Iowa program applications submitted to the board and make recommendations regarding the applications to the board. The review committee shall consist of members of the board listed in section 15F.102, subsection 2, paragraphs "d" through "h".

3. When reviewing the applications, the review committee and the department shall consider, in addition to other criteria established in this subchapter, all of the following:

a. Whether wages, benefits, including health benefits, safety, and other attributes of the project would improve the quality of other existing regional or statewide cultural, recreational, entertainment, and educational activities or employment in the community.

b. The extent to which the project would generate additional attraction and tourism opportunities.

c. The ability of the project to produce a long-term tax-generating economic impact in excess of the proposed financial assistance from the vision Iowa fund.

d. The geographic diversity of the project in combination with other proposed projects.

e. The investment of the city, county, or region in the overall project.

f. Other funding mechanisms.

g. The long-term economic viability of the project.

h. The extent to which the project has taken the following planning principles into consideration:

(1) Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and costly use of land.

(2) Provision for a variety of transportation choices, including pedestrian traffic.

(3) Maintenance of a unique sense of place by respecting local cultural and natural environmental features.

(4) Conservation of open space and farmland and preserve¹ critical environmental areas.

(5) Promotion of the safety, livability, and revitalization of existing urban and rural communities.

4. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications.

DIVISION II

Sec. 15. NEW SECTION. 12.71 GENERAL AND SPECIFIC BONDING POWERS — VISION IOWA PROGRAM.

1. The treasurer of state may issue bonds upon the request of the vision Iowa board created in section 15F.102 and do all things necessary with respect to the purposes of the vision Iowa fund. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the fund. The treasurer of state may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the vision Iowa fund created in section 12.72, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, bonds issued pursuant to section 12.71 shall not be issued in an aggregate principal amount which exceeds three hundred million dollars. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code.

¹ See chapter 1232, §44 herein

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the vision Iowa fund and any bond reserve funds established pursuant to section 12.72, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the board to the payment thereof. Bonds issued under this section shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the vision Iowa fund.

3. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment as directed by the board and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

4. The bonds shall be:

a. In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

b. Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

c. Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, savings and loan associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state approved by the board. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the board the power to negotiate and fix the details of an issue of bonds.

7. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code to be valid, binding, or effective.

8. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. Subject to the terms of any bond documents, moneys in the vision Iowa fund may be expended for administration expenses.

10. The treasurer of state may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or

redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the board for deposit in the vision Iowa fund established in section 12.72. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

Sec. 16. NEW SECTION. 12.72 VISION IOWA AND RESERVE FUNDS.

1. A vision Iowa fund is created and established as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated to the board for purposes of the vision Iowa program established in section 15F.302. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the vision Iowa fund. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund as directed by the board, including automatic disbursements of funds received pursuant to the terms of bond indentures and documents and security provisions to trustees. The fund shall be administered by the board which shall make expenditures from the fund consistent with the purposes of the vision Iowa program without further appropriation. An applicant under the vision Iowa program shall not receive more than seventy-five million dollars in financial assistance from the fund.

2. Revenue for the vision Iowa fund shall include, but is not limited to, the following, which shall be deposited with the treasurer of state or its designee as provided by any bond or security documents and credited to the fund:

a. The proceeds of bonds issued to capitalize and pay the costs of the fund and investment earnings on the proceeds.

b. Interest attributable to investment of money in the fund or an account of the fund.

c. Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the vision Iowa fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. The treasurer of state may establish reserve funds to secure one or more issues of bonds or notes issued pursuant to section 12.71. The treasurer of state may deposit in a reserve fund established under this subsection the proceeds of the sale of bonds or notes and other money which is made available from any other source. The treasurer of state may allow a reserve fund established under this subsection to be depleted.

Sec. 17. NEW SECTION. 12.73 PLEDGES.

1. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority² shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2. The state pledges to and agrees with the holders of bonds or notes issued under section 12.71, that the state will not limit or alter the rights and powers vested in the board or the treasurer of state to fulfill the terms of a contract made with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds and notes, together with the interest on them including interest on unpaid installments of interest, are fully met and discharged.

Sec. 18. NEW SECTION. 12.74 PROJECTS.

1. The vision Iowa board may undertake a project for two or more applicants jointly or for any combination of applicants, and may combine for financing purposes, with the consent of all of the applicants which are involved, the project and some or all future projects of any applicant, and sections 12.71, 12.72, and 12.73, this section, and sections 12.75 and 12.76

² See chapter 1232, §42 herein

apply to and for the benefit of the vision Iowa board and the joint applicants. However, the money set aside in a fund or funds pledged for any series or issue of bonds or notes shall be held for the sole benefit of the series or issue separate and apart from money pledged for another series or issue of bonds or notes of the treasurer of state. To facilitate the combining of projects, bonds or notes may be issued in series under one or more resolutions or trust agreements and may be fully open-ended, thus providing for the unlimited issuance of additional series, or partially open-ended, limited as to additional series.

2. For purposes of this section, "applicant" means a city or county or public organization applying for financial assistance under the vision Iowa program established in section 15F.302.

Sec. 19. NEW SECTION. 12.75 LIMITATIONS.

Bonds or notes issued pursuant to section 12.71 are not debts of the state, or of any political subdivision of the state and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds or notes pursuant to section 12.71 by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or pledge any form of taxation whatever, to the payment of the bonds or notes. Bonds and notes issued under section 12.71 are payable solely and only from the sources and special fund provided in section 12.72.

Sec. 20. NEW SECTION. 12.76 CONSTRUCTION.

Sections 12.71 through 12.75, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

Sec. 21. NEW SECTION. 12.81 GENERAL AND SPECIFIC BONDING POWERS — SCHOOL INFRASTRUCTURE PROGRAM.

1. The treasurer of state may issue bonds for purposes of the school infrastructure program established in section 292.2. Excluding the issuance of refunding bonds, the treasurer of state shall not issue bonds which result in the deposit of bond proceeds of more than fifty million dollars into the school infrastructure fund. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the fund. The treasurer of state may issue bonds in principal amounts which are necessary to provide funds for the fund as provided by this section, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the treasurer of state necessary or convenient to administer the fund. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code.

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the school infrastructure fund and any bond reserve funds, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the treasurer of state to the payment thereof. Bonds issued under this section shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the school infrastructure fund.

3. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment approved by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

4. The bonds shall be:

a. In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

b. Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

c. Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, savings and loan associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the issuer the power to negotiate and fix the details of an issue of bonds.

7. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code to be valid, binding, or effective.

8. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. Subject to the terms of any bond documents, moneys in the school infrastructure fund may be expended for administration expenses.

10. The treasurer of state may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned and deposited in the school infrastructure fund. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

Sec. 22. NEW SECTION. 12.82 SCHOOL INFRASTRUCTURE AND RESERVE FUNDS.

1. A school infrastructure fund is created and established as a separate and distinct fund in the state treasury under the control of the department of education. The fund shall be used for purposes of the school infrastructure program established in section 292.2.

2. Revenue for the school infrastructure fund shall include, but is not limited to, the following, which shall be deposited with the treasurer of state or its designee as provided by any bond or security documents and credited to the fund:

a. The proceeds of bonds issued to capitalize and pay the costs of the fund and investment earnings on the proceeds.

b. Interest attributable to investment of money in the fund or an account of the fund.

c. Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the school infrastructure fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. The treasurer of state may establish reserve funds to secure one or more issues of bonds or notes issued pursuant to section 12.81. The treasurer of state may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source. The treasurer of state may allow a reserve fund established under this subsection to be depleted.

Sec. 23. NEW SECTION. 12.83 PLEDGES.

1. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2. The state pledges to and agrees with the holders of bonds or notes issued under section 12.81, that the state will not limit or alter the rights and powers vested in the treasurer of state to fulfill the terms of a contract made by the treasurer of state with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds and notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The treasurer of state is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.³

Sec. 24. NEW SECTION. 12.84 LIMITATIONS.

Bonds or notes issued pursuant to section 12.81 are not debts of the state, or of any political subdivision of the state and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds or notes pursuant to section 12.81 by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or pledge any form of taxation whatever to, the payment of the bonds or notes. Bonds and notes issued under section 12.81 are payable solely and only from the sources and special fund provided in section 12.82. Expenses incurred in carrying out sections 12.81 through 12.83, this section, and section 12.85 are payable solely from funds available under those sections.

Sec. 25. NEW SECTION. 12.85 CONSTRUCTION.

Sections 12.81 through 12.84, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

DIVISION III

Sec. 26. NEW SECTION. 292.1 DEFINITIONS.

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

1. "Capacity per pupil" means the sum of a school district's property tax infrastructure capacity per pupil and the sales tax capacity per pupil.
2. "Committee" means the school budget review committee established in section 257.30.
3. "Department" means the department of education established in section 256.1.
4. "Fund" means the school infrastructure fund created in section 12.82.

³ See chapter 1232, §43 herein

5. "Local match percentage" means a percentage equivalent to either of the following, whichever is less:

a. Fifty percent.

b. The quotient of a school district's capacity per pupil divided by the capacity per pupil of the school district at the fortieth percentile, multiplied by fifty percent, except that the percentage in this paragraph shall not be less than twenty percent.

6. "Program" means the school infrastructure program established in section 292.2.

7. "Property tax infrastructure capacity per pupil" means the sum of a school district's levies under sections 298.2 and 298.18 when the levies are imposed to the maximum extent allowable under law in the budget year divided by the school district's basic enrollment for the budget year.

8. "Sales tax capacity per pupil" means the estimated amount of revenues that a school district receives or would receive if a local sales and services tax for school infrastructure is imposed at one percent pursuant to section 422E.2, divided by the school district's basic enrollment for the budget year. For the budget year beginning July 1, 2000, the school district's actual enrollment shall be used in the calculation in place of the school district's basic enrollment for the budget year.

9. "School infrastructure" means activities initiated on or after July 1, 2000, as authorized in section 296.1 but does not include those activities related to stadiums, bus barns, a home or homes of a teacher or superintendent, procuring and improving a site for an athletic field, or improving a site already owned for an athletic field.

Sec. 27. NEW SECTION. 292.2 SCHOOL INFRASTRUCTURE PROGRAM.

1. a. The department shall establish and administer a school infrastructure program to provide financial assistance in the form of grants to school districts with school infrastructure needs.

b. The department of education, in consultation with the department of management, shall annually compute the property tax infrastructure capacity per pupil for each school district in the state.

c. The department of education, in consultation with the department of revenue and finance and the legislative fiscal bureau, shall annually calculate the estimated sales and services tax for school infrastructure, if imposed at one percent, that is or would be received by each school district in the state pursuant to section 422E.3. These calculations shall be made on a total tax and on a tax per pupil basis for each school district.

d. The department of education, in consultation with the department of revenue and finance and the department of management, shall annually compute capacity per pupil and the local match percentage for each school district in the state. The initial calculations shall be released not later than January 1, 2001. For all calculations thereafter, the calculations shall be released not later than July 1 of each year.

2. a. A school district's local match requirement is equivalent to the total investment of a project multiplied by the school district's local match percentage. A school district may submit an application to the department for financial assistance under the program if the school district meets the district's local match requirement through one or more of the following sources:

(1) The issuance of bonds pursuant to section 298.18.

(2) Local sales and services tax moneys received pursuant to section 422E.3.

(3) A physical plant and equipment levy under chapter 298.

(4) Other moneys locally obtained by the school district excluding other state or federal grant moneys.

b. If the project is in collaboration with other public or private entities, the school district shall be eligible to apply for only the school district's portion of the project. As such, state or federal grants received by the other entities cannot be used toward the local match requirement under paragraph "a", subparagraph (4).

c. A school district may submit an application for a project which includes activities at more than one attendance center. However, if the activities relate to new construction, the project shall only relate to one attendance center.

d. A school district may submit an application for conditional approval to the department for financial assistance under the program if the school district submits a plan for securing the school district's local match requirement under paragraph "a". If a school district does not meet the local match requirement of paragraph "a" within nine months of receiving conditional approval from the department, the application for financial assistance shall be denied by the department and the financial assistance shall be carried forward to be made available under the allocation provided under subsection 4, paragraph "d", for the next available grant cycle.

e. For the fiscal year beginning July 1, 2000, applications shall be submitted to the department by March 1, 2001. For the fiscal year beginning July 1, 2001, and every fiscal year thereafter, applications shall be submitted to the department by October 15 of each year.

f. For the fiscal year beginning July 1, 2000, the department shall notify all approved applicants by May 1, 2001, regarding the approval of the application. For the fiscal year beginning July 1, 2001, and every fiscal year thereafter, the department shall notify all approved applicants by December 15 of each year regarding the approval of the application.

g. An applicant which is not successful in obtaining financial assistance under the program may reapply for financial assistance in succeeding years.

3. The application shall include, but shall not be limited to, the following information:

a. The total capital investment of the project.

b. The amount and percentage of moneys which the school district will be providing for the project.

c. The infrastructure needs of the school district, especially the fire and health safety needs of the school district, and including the extent to which the project would allow the school district to meet the infrastructure needs of the school district on a long-term basis.

d. The financial assistance needed by the school district based upon the capacity per pupil.

e. Any previous efforts by the school district to secure infrastructure funding from federal, state, or local resources, including any funding received for any project under the Iowa demonstration construction grant program. The previous efforts shall be evaluated on a case-by-case basis.

f. Evidence that the school district meets or will meet the local match requirement in subsection 2, paragraph "a".

g. The nature of the proposed project and its relationship to improving educational opportunities for the students.

h. Evidence that the school district has reorganized on or after July 1, 2000, or that the school district has initiated a resolution to reorganize by July 1, 2004, or entered into an innovative collaboration with another school district or school districts.

i. Evidence that the school district receives sales and services tax for school infrastructure funding under section 422E.3.

4. A school district shall not receive more than one grant under the program. The financial assistance shall be in the form of grants and shall be allocated in the following manner:

a. Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of one thousand one hundred ninety-nine students or less.

b. Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of more than one thousand one hundred ninety-nine students but not more than four thousand seven hundred fifty students.

c. Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of more than four thousand seven hundred fifty students.

d. Twenty-five percent of the financial assistance each year, any financial assistance not awarded under paragraphs "a" through "c", and financial assistance not awarded in previous fiscal years shall be awarded to school districts with any size enrollment.

5. A district shall receive the lesser of one million dollars of financial assistance under the program, or the total capital investment of the project minus the local match requirement. The program shall provide grants in an amount of not more than ten million dollars during the fiscal year beginning July 1, 2000, not more than twenty million dollars during the fiscal year beginning July 1, 2001, and not more than twenty million dollars during the fiscal year beginning July 1, 2002. If the amount of grants awarded in a fiscal year is less than the maximum amount provided for grants for that fiscal year in this subsection, the amount of the difference shall be carried forward to subsequent fiscal years for purposes of providing grants under the program and the maximum amount of grants for each fiscal year, as provided in this subsection, shall be adjusted accordingly.

6. The school budget review committee shall review all applications for financial assistance under the program and make recommendations regarding the applications to the department. The department shall make the final determination on grant awards. The school budget review committee shall base the recommendations on the criteria established pursuant to subsections 3 and 7.

7. The department shall form a task force to review applications for financial assistance and provide recommendations to the school budget review committee. The task force shall include, at a minimum, representatives from the kindergarten through grade twelve education community, the state fire marshal, and individuals knowledgeable in school infrastructure and construction issues. The department, in consultation with the task force, shall establish the parameters and the details of the criteria for awarding grants based on the information listed in subsection 3, including greater priority to the following:

- a. A school district with a lower capacity per pupil.
- b. A school district whose plans address specific occupant safety issues.
- c. A school district reorganizing or collaborating as described in subsection 3, paragraph "h".
- d. A school district for which a sales and services tax for school infrastructure has not been imposed pursuant to section 422E.2 or a school district receiving minimal revenues under section 422E.3 when the total enrollment of the school district is considered.

8. An applicant receiving financial assistance under the program shall submit a progress report to the department of education as requested by the department which shall include a description of the activities under the project, the status of the implementation of the project, and any other information required by the department.

9. If a school district receives financial assistance under the vision Iowa program created under section 15F.302 pursuant to a joint application submitted under section 15F.302, subsection 3, the school district shall not be eligible to receive financial assistance under the school infrastructure program.

10. A school district located in whole or in part in a county which has imposed the maximum rate of sales and services tax for school infrastructure pursuant to section 422E.2 and has sales and services tax for school infrastructure revenue of more than the statewide average of sales tax capacity per pupil, as defined in section 292.1, subsection 8, shall not be eligible for financial assistance under the program. For purposes of this subsection, an individual school district's sales tax capacity per pupil is the estimated total sales and services tax for infrastructure revenue to be actually received by the school district divided by the school district's enrollment as specified in section 292.1, subsection 8.

Sec. 28. NEW SECTION. 292.4 RULES.

The department shall adopt rules, pursuant to chapter 17A, necessary for administering the school infrastructure program and fund.

Sec. 29. Section 384.95, subsection 1, Code 1999, is amended to read as follows:

1. "Public improvement" means any building or construction work, either within or outside the corporate limits of a city, to be paid for in whole or in part by the use of funds of the city, regardless of sources, including a building or improvement constructed or operated

jointly with any other public or private agency, but excluding urban renewal demolition and low-rent housing projects, industrial aid projects authorized under chapter 419, emergency work or work performed by employees of a city or a city utility.

Sec. 30. Sections 15.371 through 15.373, Code Supplement 1999, are repealed.

Sec. 31. REPEAL AND REENACTMENT — CONTINUATION. The repeal and reenactment of Code sections relating to the community attraction and tourism development program and the community attraction and tourism development fund are intended to be a continuation of the prior statutes and not a new enactment, so far as the new enactment is the same as the prior statutes. The repeal and reenactment of Code sections relating to the community attraction and tourism development program and the community attraction and tourism development fund shall not cause moneys in the current community attraction and tourism development fund to revert to any other fund but such moneys shall remain in the community attraction and tourism fund established in Code section 15F.204 for expenditure for subsequent fiscal years. The repeal and reenactment of Code sections relating to the community attraction and tourism development program and the community attraction and tourism development fund shall not nullify any awards made under the program based on appropriations made in 1999 Iowa Acts, chapter 204, section 3, subsection 2, for the fiscal years beginning July 1, 1999, and July 1, 2000.

Sec. 32. This Act prevails over the provisions of 2000 Iowa Acts, House File 2392,⁴ if enacted, relating to any amendments to the community attraction and tourism development program and fund, which provisions are void.

Approved May 9, 2000

CHAPTER 1175

HUNTING, FISHING, AND FUR HARVESTING — RESIDENCY STATUS

H.F. 2008

AN ACT providing residency status to certain members of the armed forces for purposes of hunting, fishing, and fur harvesting.

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

Section 1. Section 483A.1A, subsection 4, Code 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Is a member of the armed forces of the United States serving on active duty, claims residency in this state, and has filed a state individual income tax return as a resident pursuant to chapter 422, division II, for the preceding tax year.

Sec. 2. 2000 Iowa Acts, House File 2486,¹ section 5, if enacted, is amended to read as follows:

SEC. 5. Section 483A.1A, subsection 4, Code 1999, is amended by adding the following new paragraph:

~~d.~~ e. Is registered to vote in this state.

⁴ Not enacted

¹ Chapter 1116 herein