

463C.13 Bond reserve funds.

1. The authority may create and establish one or more special funds, to be known as bond reserve funds, and shall pay into each bond reserve fund any moneys appropriated and made available by the authority for the purpose of the bond reserve fund, any proceeds of sale of notes or bonds to the extent provided in the trust indenture, resolution, or other instrument of the treasurer of state authorizing their issuance, and any other moneys which may be available to the authority for the purpose of the bond reserve fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this section, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the bond reserve fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

2. Moneys in a bond reserve fund shall not be withdrawn from the bond reserve fund at any time in an amount that will reduce the amount of the bond reserve fund to less than the bond reserve fund requirement established for the bond reserve fund, as provided in this section, except for the purpose of making, with respect to bonds secured in whole or in part by the bond reserve fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of moneys in the bond reserve fund may be transferred by the authority to other reserve funds or the Honey creek premier destination park bond fund to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for the bond reserve fund.

3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund, if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the bond reserve fund, unless the authority at the time of issuance of the bonds deposits in the bond reserve fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the bond reserve fund, will not be less than the bond reserve fund requirement for the bond reserve fund. For the purposes of this section, the term "*bond reserve fund requirement*" means, as of any particular date of computation, an amount of money, as provided in the trust indenture, resolution, or other instrument of the authority authorizing the bonds with respect to which the bond reserve fund is established, equal to not more than the lesser of any of the following:

- a. Ten percent of the stated principal amount of bonds secured in whole or in part by the bond reserve fund.
- b. The maximum annual debt service on the issue of bonds.
- c. One hundred twenty-five percent of the average annual debt service on the issue of bonds.

4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before January 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

