

12.87 General and specific bonding powers — revenue bonds — Iowa jobs program.

1. a. The treasurer of state is authorized to issue and sell bonds on behalf of the state to provide funds for certain infrastructure projects and for purposes of the Iowa jobs program established in section 16.194. The treasurer of state shall have all of the powers which are necessary or convenient to issue, sell, and secure bonds and carry out the treasurer of state's duties, and exercise the treasurer of state's authority under this section and sections 12.88 through 12.90. The treasurer of state may issue and sell bonds in such amounts as the treasurer of state determines to be necessary to provide sufficient funds for certain infrastructure projects and the revenue bonds capitals fund, the revenue bonds capitals II fund, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the payment of costs of issuance of the bonds, the payment of other expenditures of the treasurer of state incident to and necessary or convenient to carry out the issuance and sale of the bonds, and the payment of all other expenditures of the treasurer of state necessary or convenient to administer the funds and to carry out the purposes for which the bonds are issued and sold. The treasurer of state may issue and sell bonds in one or more series on the terms and conditions the treasurer of state determines to be in the best interest of the state, in accordance with this section in such amounts as the treasurer of state determines to be necessary to fund the purposes for which such bonds are issued and sold as follows:

b. The treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than six hundred ninety-five million dollars, excluding any bonds issued and sold to refund outstanding bonds issued under this section, as follows:

(1) On or after July 1, 2009, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than one hundred eighty-five million dollars for capital projects which qualify as vertical infrastructure projects as defined in section 8.57, subsection 6, paragraph "c", to the extent practicable in any fiscal year and without limiting other qualifying capital expenditures.

(2) On or after July 1, 2009, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than three hundred sixty million dollars for purposes of the Iowa jobs program established in section 16.194 and for watershed flood rebuilding and prevention projects, soil conservation projects, sewer infrastructure projects, for certain housing and public service shelter projects and public broadband and alternative energy projects, and for projects relating to bridge safety and the rehabilitation of deficient bridges.

(3) On or after April 1, 2010, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than one hundred fifty million dollars for purposes of the Iowa jobs II program established in section 16.194A and for qualified projects in the departments of agriculture and land stewardship, education, natural resources, and transportation, and the economic development authority, Iowa finance authority, state board of regents, and treasurer of state.

2. Bonds issued and sold under this section are payable solely and only out of the moneys in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89, and only to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance. All moneys in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89 may be deposited with trustees or depositories in accordance with the terms of the trust indentures, resolutions, or other instruments authorizing the issuance of bonds and pledged by the treasurer of state to the payment thereof. Bonds issued and sold under this section shall contain a statement that the bonds are limited special obligations of the state and do not constitute a debt or indebtedness of the state or a pledge of the faith or credit of the state or a charge against the general credit or general fund 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 and sold pursuant to this section payable out of any moneys except those in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89.

3. The proceeds of bonds issued and sold 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 treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued and sold without regard to any limitation otherwise provided by law.

4. The bonds, if issued and sold, 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 and investment securities under the laws of the state and 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.

7. The resolution, trust indenture, or any other instrument by which a pledge is created shall not be required to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Any bonds issued and sold under the provisions of this section are declared to be issued and sold for an essential public and governmental purpose, and all bonds issued and sold under this section except as otherwise provided in any trust indentures, resolutions, or other instruments authorizing their issuance 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. The treasurer of state may issue and sell bonds for the purpose of refunding any bonds issued and sold 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. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, 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 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 shall be returned to the treasurer of state for deposit in the revenue bonds debt service fund established in section 12.89. All refunding bonds shall be issued, sold and secured and subject to the provisions of this section in the same manner and to the same extent as other bonds issued and sold pursuant to this section.

10. Bonds issued and sold pursuant to this section are limited special obligations of the state and are not a debt or indebtedness of the state, nor 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 and sale of any bonds pursuant to this section by the treasurer of state do 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, or to continue the appropriation of the funds for, the payment of the bonds. Bonds issued and sold under this section are payable solely and only from moneys in the revenue bonds debt service fund and any reserve fund created in section 12.89 and only

to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance.

11. The treasurer of state may enter into or obtain authorizing documents and other agreements and ancillary arrangements with respect to the bonds as the treasurer of state determines to be in the best interests of the state, including but not limited to trust indentures, resolutions, other instruments authorizing the issuance of the bonds, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest rate exchange agreements.

12. Neither the treasurer of state, the Iowa jobs board, nor any person acting on behalf of the treasurer of state or the Iowa jobs board while acting within the scope of their employment or agency, is subject to personal liability resulting from carrying out the powers and duties conferred by this section and sections 12.88 through 12.90.

13. As used in this section and sections 12.88 through 12.90, the term “*bonds*” means bonds, notes, or other evidence of obligations.

2009 Acts, ch 173, §1, 36; 2010 Acts, ch 1138, §47; 2010 Acts, ch 1184, §79, 96; 2011 Acts, ch 25, §6; 2011 Acts, ch 118, §87, 89

[T] Code editor directive applied

[T] Subsection 1 amended