

CHAPTER 12

TREASURER OF STATE

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GENERAL PROVISIONS

12.1 Office — accounts — reports.

The treasurer shall keep the treasurer's office at the seat of government, and shall keep an accurate account of the receipts and disbursements at the treasury in books kept for that purpose, in which the treasurer shall specify the names of the persons from whom money is received, and on what account, and the time thereof.

The treasurer is responsible for reporting on the bonding activities of all political subdivisions, instrumentalities, and agencies of the state and shall make recommendations to the general assembly and the governor on modification in the bonding authority. The treasurer shall notify each political subdivision, instrumentality, and agency of the state to report to the treasurer the amount of bonds outstanding and each new bond issue. The treasurer shall adopt rules and establish forms for carrying out this provision. Each political subdivision, instrumentality, and agency of the state shall provide all the information required by the treasurer under this provision.

[C51, §62; R60, §83; C73, §75; C97, §101; C24, 27, 31, 35, 39, §131; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.1]

86 Acts, ch 1245, §823

12.2 Daily balance sheet.

The treasurer of state shall so keep the books of the treasurer's office that at the close of each day's business the account of each fund will show the balance or deficit therein, and show also the total amount of the money in the state treasury, and should the books not be in balance, the daily statement shall show the amount of the surplus or deficit by which the books fail to balance.

[C24, 27, 31, 35, 39, §132; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.2]

12.3 Record and payment of warrants.

The treasurer of state shall keep a record of warrants issued as certified by the director of the department of administrative services, and receive in payment of public dues the warrants so issued in conformity with law, and redeem the same, if there be money in the treasury not

otherwise appropriated, and on receiving any such warrant shall cause the person presenting it to endorse it, and shall indicate on its face in a suitable manner that it has been redeemed, and keep a record of warrants redeemed showing the name of the person to whom paid, date of payment, and amount of interest paid.

[C51, §63; R60, §84; C73, §76; C97, §102; C24, 27, 31, 35, 39, §133; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.3]

2003 Acts, ch 145, §286

12.4 Receipts.

When money is paid to the treasurer, the treasurer shall execute receipts in duplicate therefor, stating the fund to which it belongs, one of which must be delivered to the director of the department of administrative services in order to obtain the proper credit, and the treasurer must be charged therewith.

[C51, §64; R60, §85; C73, §77; C97, §103; C24, 27, 31, 35, 39, §134; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.4]

2003 Acts, ch 145, §286

12.5 Payment.

The treasurer shall pay no money from the treasury but upon the warrants of the director of the department of administrative services, and only in the order of their presentation.

[C51, §65; R60, §86; C73, §78; C97, §104; S13, §104; C24, 27, 31, 35, 39, §135; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.5]

2003 Acts, ch 145, §286

[P] Warrants not paid for want of funds, chapter 74

12.6 Report to and account with director of the department of administrative services.

Once in each week the treasurer shall certify to the director of the department of administrative services the number, date, amount, and payee of each warrant taken up by the treasurer, with the date when taken up, and the amount of interest allowed; and on the first Monday of January, and the first day of April, July, and October, annually, the treasurer is directed to account with the director of the department of administrative services and deposit with the department of administrative services all such warrants received at the treasury, and take the director's receipt therefor.

[C51, §67; R60, §88; C73, §80; C97, §106; S13, §106; C24, 27, 31, 35, 39, §137; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.6]

2003 Acts, ch 145, §286

12.7 Interest on bonds.

When interest on any bonds of the state becomes due, the treasurer shall provide funds for the payment thereof on the day and at the place where payable; and persons holding such bonds are required to present the same at such place within ten days from such day, at the expiration of which time the funds remaining unexpended and vouchers for interest paid shall be returned to the treasury.

[C73, §82; C97, §108; C24, 27, 31, 35, 39, §138; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.7]

[P] Deposits in general, §12C.1

12.8 Investment or deposit of surplus — appropriation — investment income — lending securities.

1. The treasurer of state shall invest or deposit, subject to chapters 12F and 12H and as provided by law, any of the public funds not currently needed for operating expenses and shall do so upon receipt of monthly notice from the director of the department of administrative services of the amount not so needed. In the event of loss on redemption or sale of securities invested as prescribed by law, and if the transaction is reported to the executive council, neither the treasurer nor director of the department of administrative services is personally liable but the loss shall be charged against the funds which would have received the profits or interest of the investment and there is appropriated from the funds the amount so required.

2. Investment income may be used to maintain compensating balances, pay transaction costs for investments made by the treasurer of state, and pay administrative and related overhead costs incurred by the treasurer of state in the management of money. The treasurer of state shall coordinate with the affected departments to determine how compensating balances, transaction costs, or money management and related costs will be established. All charges against a retirement system must be documented and notification of the charges shall be made to the appropriate administration of the retirement system affected.

3. The treasurer of state, with the approval of the investment board of the Iowa public employees' retirement system, may conduct a program of lending securities in the Iowa public employees' retirement system portfolio. When securities are loaned as provided by this paragraph, the treasurer shall act in the manner provided for investment of moneys in the Iowa public employees' retirement fund under section 97B.7A. The treasurer of state shall report at least annually to the investment board of the Iowa public employees' retirement system on the program and shall provide additional information on the program upon the request of the investment board or the employees of the Iowa public employees' retirement system.

[C24, 27, 31, 35, 39, §141; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.8]

84 Acts, ch 1180, §6; 85 Acts, ch 227, §6; 88 Acts, ch 1242, §1; 91 Acts, ch 268, §123; 94 Acts, ch 1001, §1; 2001 Acts, ch 68, §1, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §98, 102; 2007 Acts, ch 39, §8; 2011 Acts, ch 82, §8

[P] Investment or deposit, §12B.10

[T] Unnumbered paragraphs 1 – 3 editorially designated as subsections 1 – 3

[T] Subsection 1 amended

12.9 Employee classifications.

In addition to public employees listed in section 20.4, public employees of the treasurer of state who hold positions that are classified in the administrative assistant series and executive officer series are excluded from chapter 20.

2009 Acts, ch 181, §39

12.10 Deposits by state officers.

Except as otherwise provided, all elective and appointive state officers, boards, commissions, and departments shall, within ten days succeeding the collection, deposit with the treasurer of state, or to the credit of the treasurer of state in any depository designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received. The balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and money collected shall not be held more than thirty days. This section does not apply to the state fair board, the state board of regents, the utilities board of the department of commerce, the director of the department of human services, the Iowa finance authority or to the funds received by the state racing and gaming commission under sections 99D.7 and 99D.14.

[C73, §3778; C97, §191; S13, §170-d; C24, 27, 31, 35, 39, §143; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.10]

83 Acts, ch 96, §157, 159; 83 Acts, ch 187, §29; 84 Acts, ch 1266, §2

12.11 Repealed by 90 Acts, ch 1090, § 1.

12.12 and 12.13 Repealed by 95 Acts, ch 219, § 46.

12.14 Statement itemized.

Each deposit shall be accompanied by an itemized statement of the sources from which the money has been collected, and the funds to be credited, a duplicate of which shall, at the time, be filed with the department of administrative services.

[S13, §170-d; C24, 27, 31, 35, 39, §144; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.14]
2003 Acts, ch 145, §286

12.15 Director and treasurer to keep account.

The treasurer and director of the department of administrative services shall each keep an accurate account of the moneys so deposited.

[S13, §170-f; C24, 27, 31, 35, 39, §145; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.15] 2003 Acts, ch 145, §286

12.16 Swampland indemnity.

All swampland indemnity money paid by the federal government to this state under any Act of Congress relating thereto shall be paid by the treasurer of state to the county treasurer of the county where the land, on account of which such payment is made, is located. The county treasurer shall be liable on a bond for the safe custody of said funds and shall promptly notify the board of supervisors of the receipt thereof. Said funds shall be applied by the said supervisors as required by law.

[S13, §116-d, -e, -f; C24, 27, 31, 35, 39, §146; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.16]

12.17 Biennial report.

The treasurer of state shall, biennially, at the time provided by law, report to the governor the state of the treasury and exhibit therein the amount received and paid out by the treasurer since the last report, and the balance remaining in the treasury.

[C51, §68; R60, §89; C73, §81; C97, §107; C24, 27, 31, 35, 39, §147; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.17]

[P] See also §258.12

[P] Biennial reports, see §7A.3

12.18 Salary.

The salary of the treasurer of state shall be as fixed by the general assembly.

[C31, 35, §147-c1; C39, §147.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.18]

12.19 Six-months' limit on checks.

On the first day of each quarter of each fiscal year of the state, the state treasurer shall stop payment on and make void all treasury checks dated six months or more prior to that date, and the state treasurer shall not redeem any such check thereafter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.19]

12.20 Issuance of new check.

Upon presentation of any check voided as above provided by the holder thereof after said six months' period, the state treasurer is hereby authorized to issue to said holder, a new check for the amount of the original check.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.20]

12.21 Accepting credit card payments.

The treasurer of state may enter into an agreement with a financial institution to provide credit card receipt processing for state departments which are authorized by the treasurer of state to accept payment by credit card. A department which accepts credit card payments may adjust its fees to reflect the cost of processing as determined by the treasurer of state. A fee may be charged by a department for using the credit card payment method notwithstanding any other provision of the Code setting specific fees. The treasurer of state shall adopt rules to implement this section.

89 Acts, ch 120, §1; 92 Acts, ch 1126, §1; 95 Acts, ch 219, §36

12.22 through 12.24 Reserved.**12.25 Legislative findings.**

The general assembly finds and declares that because of differences in the timing of the receipt of tax and other revenues and the expenditure of funds by the state, the state has been unable to remain timely on its obligations, including its payments of school aid; the

untimely payment of state aid has created a hardship for schools by increasing their costs and hindering their ability to remain timely on their obligations; it would be advantageous to the state to be able to issue notes in anticipation of its tax and other revenues in order to coordinate its cash flow; and pending their use, the proceeds of notes issued in anticipation of tax and other revenues should be invested in order to pay the cost of issuing the notes and as a benefit to the state. It is the purpose of this section and section 12.26 to enable the state to make timely payments of its obligations, including its school aid payments, by securing funds through the issuance of notes in anticipation of the state's tax and other revenues.

85 Acts, ch 34, §18

12.26 Issuance of revenue anticipation notes.

1. In anticipation of the collection of revenues in and for a fiscal year, the treasurer of state may borrow money, and issue notes for the money, in an amount not exceeding the estimated state revenues for that year. The sums so anticipated are appropriated for the payment of the notes with interest at maturity. The notes may be issued prior to the beginning of a fiscal year, but the notes shall be payable not later than the end of the fiscal year for which they are issued. More than one series of notes may be issued in a fiscal year and the proceeds of notes may be used to retire a prior issue of notes provided that the total outstanding at any one time shall not exceed the limit prescribed in this section. The proceeds from the issuance of notes shall be invested in the same manner as other public funds and shall be used only for the purposes for which the anticipated tax revenues were levied, collected, and appropriated.

2. The principal of and the interest on notes are payable solely out of the taxes and revenues of the state for the fiscal year for which the notes are issued. The notes of each issue shall be dated, shall bear interest at a rate or rates which may be variable according to a method approved by the treasurer of state, without regard to any limit contained in chapter 74A or any other law of this state, and shall mature at a time or times not later than the end of the fiscal year, all as determined by the treasurer of state. The notes may be made redeemable before maturity, at the option of the treasurer of state, at the price and under the terms and conditions provided by the treasurer of state. The treasurer of state shall determine the form of the notes and shall fix the denomination of the notes and the place of payment of principal and interest which may be at any bank within or without the state. The notes shall be executed by the manual or facsimile signatures of the treasurer of state, the director of management, and the director of the department of administrative services. If an official whose signature or a facsimile of whose signature appears on any notes ceases to hold office before the delivery of the notes, the signature or the facsimile is valid and sufficient for all purposes the same as if the official had remained in office until the delivery. All notes issued under this section have the qualities and incidents of negotiable instruments under the laws of this state and without regard to any other law. The notes shall be issued in registered form. The notes may be sold in a manner, at public or private sale, as the treasurer of state may determine without regard to chapter 75.

3. Notes may be issued under this section without obtaining the consent of any officer or agency of this state, and without any other proceedings or conditions other than those proceedings and conditions which are specifically required by this section. The treasurer of state, the director of management, and the director of the department of administrative services are not liable personally on the notes or subject to any personal liability or accountability by reason of the issuance of the notes.

4. As used in this section, "*notes*" means notes and other obligations, including short term obligations backed by a commercial letter of credit, issued by the treasurer of state pursuant to this section.

85 Acts, ch 34, §19; 88 Acts, ch 1134, §11; 2003 Acts, ch 145, §286

12.27 Repealed by 99 Acts, ch 73, § 1.

12.28 Centralized financing for state agency purchase of real and personal property.

1. As used in this section, unless the context otherwise requires:

a. "*Financing agreement*" means any lease, lease-purchase agreement, or installment

acquisition contract in which the lessee may purchase the leased property at a price which is less than the fair market value of the property at the end of the lease term, or any lease, agreement, or transaction which would be considered under criteria established by the internal revenue service to be a conditional sale agreement for tax purposes.

b. “State agency” means a board, commission, bureau, division, office, department, or branch of state government. However, state agency does not mean the state board of regents, institutions governed by the board of regents, or authorities created under chapter 16, 175, 257C, or 261A.

2. The treasurer of state shall have sole authority to enter into financing agreements on behalf of state agencies. The treasurer of state may enter into financing agreements, including master lease-purchase agreements, for the purpose of funding state agency requests for the financing of real or personal property, wherever located within the state, including equipment, buildings, facilities, and structures, or additions or improvements to existing buildings, facilities, and structures. Subject to the selection procedures of section 12.30, the treasurer may employ financial consultants, banks, trustees, insurers, underwriters, accountants, attorneys, and other advisors or consultants as necessary to implement the provisions of this section. The costs of professional services and any other costs of entering into the financing agreements may be included in the financing agreement as a cost of the property being financed.

3. The financing agreement may provide for ultimate ownership of the property by the state. Title to all property acquired in this manner shall be taken and held in the name of the state. The state shall be the lessee or contracting party under all financing agreements entered into pursuant to this section. The financing agreements may contain provisions pertaining, but not limited to, interest, term, prepayment, and the state’s obligation to make payments on the financing agreement beyond the current budget year subject to availability of appropriations. All projects financed under this section shall be deemed to be for an essential governmental purpose.

4. The treasurer of state may contract for additional security or liquidity for a financing agreement and may enter into agreements for letters of credit, lines of credit, insurance, or other forms of security with respect to rental and other payments due under a financing agreement. Fees for the costs of additional security or liquidity are a cost of entering into the financing agreement and may be paid from funds annually appropriated by the general assembly to the state agency for which the property is being obtained, from other funds legally available, or from proceeds of the financing agreement. The provision of a financing agreement which provides that a portion of the periodic rental or lease payment be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 does not apply to financing agreements entered into pursuant to this section.

5. Payments and other costs due under financing agreements entered into pursuant to this section shall be payable from funds annually appropriated by the general assembly to the state agency for which the property is being obtained or from other funds legally available. The treasurer of state, in cooperation with the department of administrative services, shall implement procedures to ensure that state agencies are timely in making payments due under the financing agreements.

6. The maximum principal amount of financing agreements which the treasurer of state can enter into shall be one million dollars per state agency in a fiscal year, subject to the requirements of section 8.46. For the fiscal year, the treasurer of state shall not enter into more than one million dollars of financing agreements per state agency, not considering interest expense. However, the treasurer of state may enter into financing agreements in excess of the one million dollar per agency per fiscal year limit if a constitutional majority of each house of the general assembly, or the legislative council if the general assembly is not in session, and the governor, authorize the treasurer of state to enter into additional financing agreements above the one million dollar authorization contained in this section. The treasurer of state shall not enter into a financing agreement for real or personal property which is to be constructed for use as a prison or prison-related facility without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor of the use, location, and maximum cost, not including interest

expense, of the real or personal property to be financed. However, financing agreements for an energy conservation measure, as defined in section 7D.34, for an energy management improvement, as defined in section 473.19, or for costs associated with projects under section 473.13A, are exempt from the provisions of this subsection, but are subject to the requirements of section 7D.34. In addition, financing agreements funded through the materials and equipment revolving fund established in section 307.47 are exempt from the provisions of this subsection.

7. The treasurer of state shall decide upon the most economical method of financing a state agency's request for funds. The treasurer of state may utilize master lease-purchase agreements, issue certificates of participation in lease-purchase agreements, or use any other financing method or method of sale which the treasurer believes will provide savings to the state in issuance or interest costs.

8. A financing agreement to which the state is a party is an obligation of the state for purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, building and loan associations, savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and other fiduciaries responsible for the investment of funds.

9. Publication of any notice, whether under section 73A.12 or otherwise, and other or further proceedings with respect to the financing agreements referred to in this section are not required except as set forth in this section, notwithstanding any provisions of other statutes of the state to the contrary.

96 Acts, ch 1177, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1126, §2, 33; 2008 Acts, ch 1156, §13, 58; 2009 Acts, ch 97, §6

12.29 Reserved.

12.30 Coordination of bonding activities.

1. As used in this section, unless the context otherwise requires:

a. "*Authority*" means a department, or public or quasi-public instrumentality of the state including but not limited to the authority created under chapter 12E, 16, 175, 257C, 261A, or 463C, which has the power to issue obligations, except that "*authority*" does not include the state board of regents or the Iowa finance authority to the extent it acts pursuant to chapter 260C. "*Authority*" also includes a port authority created under chapter 28J.

b. "*Obligations*" means notes, bonds, including refunding bonds, and other evidences of indebtedness of an authority.

2. Notwithstanding any other provision of the Code the treasurer shall coordinate the issuance of obligations by authorities. The treasurer, or the treasurer's designee, shall serve as ex officio nonvoting member of each authority. Prior to the issuance of obligations, an authority shall notify the treasurer of its intention to do so. The treasurer shall:

a. Select and fix the compensation for, in consultation with the respective authority, through a competitive selection procedure, attorneys, accountants, financial advisors, banks, underwriters, insurers, and other employees and agents which in the treasurer's judgment are necessary to carry out the authority's intention. Prior to the initial selection, the treasurer shall, after consultation with the authorities, establish a procedure which provides for a fair and open selection process including, but not limited to, the opportunity to present written proposals and personal interviews. The treasurer shall maintain a list of firms which have requested to be notified of requests for proposal. The selection criteria shall take into consideration, but are not limited to, compensation, expenses, experience with similar issues, scheduling, ability to provide the services of individuals with specific knowledge in the relevant subject matter and length of the engagement. The treasurer may waive the requirements for a competitive selection procedure for any specific employment upon written notice to the executive council stating why the waiver is in the public interest. Upon selection by the treasurer, the authority shall promptly employ the individual or firm and be responsible for payment of costs.

b. Submit an account to the respective authority for all costs incurred in each transaction.

The treasurer will charge an authority for costs of administration. The authority shall disburse to the treasurer the amounts set forth in the account.

c. Direct the investment or deposit of the proceeds of the sale of the obligations, in accordance with the language of the documents drafted to effectuate issuance of the obligations, except for the proceeds necessary to fund the ongoing operations of the authority. This paragraph does not apply to proceeds of obligations issued before July 1, 1986.

d. Collect from an authority and other sources, any statistical and financial information necessary to draft an offering document or prepare a presentation necessary for the issuance or marketing of the obligations.

3. Each respective authority shall consult with the treasurer on the following:

a. Amount, terms, and conditions of the obligations to be issued by the authority including other provisions deemed necessary by the treasurer or the authority.

b. The documents or instruments necessary to effectuate issuance of the obligation.

c. Presentations to rating agencies and marketing activities. The treasurer may choose to participate in these presentations.

4. Professional services, including but not limited to attorneys, accountants, financial advisors, banks, underwriters, insurers, and other employees employed by a project sponsor may be selected by the project sponsor, if the obligation is issued in behalf of the project sponsor and the purchaser of the obligation does not have recourse to the authority or state.

5. The treasurer may delay implementation of this section for up to six months following July 1, 1986, for an authority to facilitate an orderly transition.

86 Acts, ch 1245, §824; 90 Acts, ch 1254, §29; 2000 Acts, ch 1208, §19, 25; 2005 Acts, ch 150, §88; 2005 Acts, ch 178, §42, 64; 2008 Acts, ch 1156, §14, 58; 2009 Acts, ch 97, §7

LINKED INVESTMENTS

12.31 Short title.

This section and sections 12.32 through 12.43 shall be known as the “*Linked Investments for Tomorrow Act*”.

86 Acts, ch 1096, §1; 89 Acts, ch 234, §1; 2000 Acts, ch 1058, §3; 2006 Acts, ch 1165, §1

12.32 Definitions.

As used in section 12.31, this section, and sections 12.34 through 12.43, unless the context otherwise requires:

1. “*Eligible borrower*” means any person who is qualified to participate in one of the programs in this section and sections 12.34 through 12.43. “*Eligible borrower*” does not include a person who has been determined to be delinquent in making child support payments or any other payments due the state.

2. “*Eligible lending institution*” means a financial institution that is empowered to make commercial loans and is eligible pursuant to chapter 12C to be a depository of state funds.

3. “*Linked investment*” means a certificate of deposit issued pursuant to this section and sections 12.34 through 12.43 to the treasurer of state by an eligible lending institution, at an interest rate not more than three percent below current market rate on the condition that the institution agrees to lend the value of the deposit, according to the investment agreement provided in section 12.35, to an eligible borrower at a rate not to exceed four percent above the rate paid on the certificate of deposit. The treasurer of state shall determine and make available the current market rate which shall be used each month.

86 Acts, ch 1096, §2; 89 Acts, ch 234, §2; 96 Acts, ch 1058, §1; 97 Acts, ch 195, §1, 2, 10; 99 Acts, ch 177, §1, 9; 2000 Acts, ch 1058, §4, 5; 2001 Acts, ch 24, §1; 2006 Acts, ch 1165, §2

12.33 Public policy. Repealed by 2006 Acts, ch 1165, § 8.

12.34 Linked investments — limitations — rules — maturity and renewal of certificates.

1. The treasurer of state may invest up to the lesser of one hundred eight million dollars or twenty-five percent of the balance of the state pooled money fund in certificates

of deposit in eligible lending institutions as provided in section 12.32, this section, and sections 12.35 through 12.43. One-half of the moneys invested pursuant to this section shall be made available under the program implemented pursuant to section 12.43 to increase the availability of lower cost moneys for purposes of injecting needed capital into small businesses which are fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with disabilities. “Disability” means the same as defined in section 15.102, subsection 12. A “minority person” means the same as defined in section 15.102, subsection 12. The treasurer shall invest the remaining one-half of the moneys invested pursuant to this section to support any other eligible applicant as provided in section 12.43.

2. The treasurer of state shall adopt rules pursuant to chapter 17A to administer section 12.32, this section, and sections 12.35 through 12.43.

3. A certificate of deposit that is issued to the treasurer of state by an eligible lending institution on or after July 1, 2006, may be renewed at the option of the treasurer on an annual basis for a total term not to exceed five years. All participants with certificates of deposit issued prior to July 1, 2006, are subject, for renewal certificates of deposit, to the requirements and terms applicable to the certificates of deposit issued prior to July 1, 2006.

86 Acts, ch 1096, §4; 89 Acts, ch 234, §4; 96 Acts, ch 1058, §2, 3, 9, 10, 12; 97 Acts, ch 195, §4, 10; 99 Acts, ch 177, §2, 7, 9; 2001 Acts, ch 24, §2; 2006 Acts, ch 1165, §3

[T] Section not amended; internal reference change applied

12.35 Agreement — loan applications.

1. An eligible lending institution that desires to receive a linked investment shall enter into an agreement with the treasurer of state, which shall include requirements necessary for the eligible lending institution to comply with sections 12.32 and 12.34, this section, and sections 12.36 through 12.43.

2. An eligible lending institution that desires to receive a linked investment shall accept and review applications for loans from eligible borrowers.

3. The eligible lending institution shall forward to the treasurer of state a linked investment loan package in the form and manner as prescribed by the treasurer of state. The package shall include information required by the treasurer of state, including but not limited to the amount of the loan requested and the purpose of the loan. The institution shall certify that the applicant is an eligible borrower.

86 Acts, ch 1096, §5; 89 Acts, ch 234, §5; 96 Acts, ch 1058, §4; 2001 Acts, ch 24, §3; 2006 Acts, ch 1165, §4

12.36 Actions by treasurer.

1. The treasurer of state shall accept or reject a linked investment loan package or any portion of the package based on the type or terms of the loan involved, the availability of state funds, or the compliance of the eligible borrower or eligible lending institution.

2. Upon acceptance of the linked investment loan package or any portion of the package, the treasurer of state shall deposit funds with the eligible lending institution and the eligible lending institution shall issue to the treasurer of state one or more certificates of deposit with interest at a rate determined pursuant to section 12.32, subsection 3. The treasurer of state shall not deposit funds with an eligible lending institution pursuant to sections 12.32, 12.34, 12.35, this section, and sections 12.37 through 12.43, unless the certificate of deposit earns a rate of interest of at least one percent. Interest earned on the certificate of deposit and principal not renewed shall be remitted to the treasurer of state at the time the certificate of deposit matures. Interest from the linked investments for tomorrow program shall be considered earnings of the general fund of the state. Certificates of deposit issued pursuant to sections 12.32, 12.34, 12.35, this section, and sections 12.37 through 12.43 are not subject to a penalty for early withdrawal.

86 Acts, ch 1096, §6; 89 Acts, ch 234, §6; 92 Acts, ch 1105, §1; 96 Acts, ch 1058, §5; 2001 Acts, ch 24, §4; 2006 Acts, ch 1165, §5

12.37 Loans.

1. Upon the placement of a linked investment with an eligible lending institution, the institution is required to lend the funds to the eligible borrower listed in the linked investment loan package and in accordance with the investment agreement. The loan shall be at a rate not more than four percent above the rate paid the treasurer by the financial institution. The eligible lending institution shall be required to submit a certification of compliance with this section in the form and manner as prescribed by the treasurer of state.

2. The treasurer of state shall take all steps necessary to implement the linked investments for tomorrow program and monitor compliance of eligible lending institutions and eligible borrowers.

86 Acts, ch 1096, §7; 89 Acts, ch 234, §7

12.38 Reports.

By February 1 of each year, the treasurer of state shall report on the linked investments for tomorrow programs for the preceding calendar year to the governor, the economic development authority, the speaker of the house of representatives, and the president of the senate. The speaker of the house shall transmit copies of this report to the house co-chairperson of the joint economic development appropriations subcommittee and the chairpersons of the standing committees in the house which customarily consider legislation regarding agriculture, commerce, and economic growth, and the president of the senate shall transmit copies of this report to the senate co-chairperson of the joint economic development appropriations subcommittee and the chairpersons of the standing committees in the senate which customarily consider legislation regarding agriculture, commerce, and economic growth. The report shall set forth the linked investments made by the treasurer of state under the program during the year, the total amount deposited, the number of deposits, and an estimate of foregone interest, and shall include information regarding the nature, terms, and amounts of the loans upon which the linked investments were based and a listing of eligible borrowers to which the loans were made.

86 Acts, ch 1096, §8; 89 Acts, ch 234, §8; 94 Acts, ch 1188, §31; 96 Acts, ch 1058, §6; 2006 Acts, ch 1165, §6; 2011 Acts, ch 118, §85, 89

[T] Code editor directive applied

12.39 Liability.

The state and the treasurer of state are not liable to an eligible lending institution in any manner for payment of the principal or interest on the loan to an eligible borrower. Any delay in payments or default on the part of an eligible borrower does not in any manner affect the investment agreement between the eligible lending institution and the treasurer of state.

86 Acts, ch 1096, §9; 90 Acts, ch 1168, §6

12.40 Rural small business transfer linked investment loan program. Repealed by 2006 Acts, ch 1165, § 8.

12.41 Horticultural and nontraditional crops linked investment loan program. Repealed by 2006 Acts, ch 1165, § 8.

12.42 Reserved.**12.43 Small business linked investments program created — definitions.**

The treasurer of state shall adopt rules to implement a small business linked investments program to increase the availability of lower cost funds to inject needed capital into small businesses owned and operated in this state by residents of this state, which is the public policy of the state. The rules shall be in accordance with the following:

1. As used in this section, “*small business*” means one of the following:

a. A new or existing small business that meets all the requirements of subsection 5.

b. For applications to transfer an existing small business to a new owner, the small business must also meet the requirements of subsection 5 when local competition does not

exist in the principal area of business activity of the existing small business, and the loss of the existing small business would result in a hardship on the community.

2. Loan applications for a new or existing small business shall be for the purchase of land, improvements, fixtures, machinery, inventory, supplies, equipment, information technology, or licenses, or patent, trademark, or copyright fees and expenses. Loan applications for the transfer of an existing small business shall be to assist in the transfer of ownership of a retail, wholesale, manufacturing, service, or agricultural business that may close in the absence of sufficient financial assistance.

3. During the lifetime of this loan program, the maximum amount of assistance that an eligible borrower or business may borrow or receive through this loan program shall be two hundred thousand dollars. An eligible borrower or business under this program shall be limited to one loan from one financial institution.

4. A preference shall be given to those persons who are less able than other persons to secure funds for a small business without participation in the small business linked investment program.

5. In order to qualify under this program, all owners of the business or borrowers must not have a combined net worth exceeding nine hundred seventy-five thousand dollars as defined in rules adopted by the treasurer of state pursuant to chapter 17A and the small business must meet all of the following criteria:

a. Be a for-profit business.

b. If an application involves an existing business or the transfer of an existing business to a new owner, the business must have annual gross sales of two million dollars or less at the time the application is submitted under section 12.35.

c. Not be operated out of the home of any person, unless the person is eligible for a deduction on federal income taxes pursuant to 26 U.S.C. § 280A.

d. Not involve real estate investments, rental of real estate, leasing of real estate, or real estate speculation.

e. Liquor, beer, and wine sales must not exceed twenty percent of annual sales for establishments holding a class "C" liquor license issued pursuant to section 123.30.

f. If an application involves the transfer of an existing small business, the transfer must be by purchase, lease-purchase, or contract of sale. The purchase must be for all or a portion of the business which is essential to its continued viability, including land where the business is located, fixtures attached to the land, machinery, inventory, supplies, equipment, information technology, or licenses, patents, trademarks, copyrights, or other intellectual property relied upon by the business, and inventory for sale by the business.

6. Loan proceeds shall not be used to refinance existing debt, including credit card debt. However, proceeds may be used to refinance a short-term bridge loan made in anticipation of the treasurer of state's approval of the linked investment loan package.

7. Eligible lending institutions shall verify the borrower is eligible to participate under the provisions of this section pursuant to rules adopted by the treasurer of state pursuant to chapter 17A.

87 Acts, ch 233, §128; 88 Acts, ch 1273, §4; 89 Acts, ch 234, §9; 94 Acts, ch 1201, §13; 97 Acts, ch 195, §9, 10; 2006 Acts, ch 1165, §7; 2010 Acts, ch 1184, §35

12.43A Traditional livestock producer's linked investment loan program. Repealed by 2006 Acts, ch 1165, § 8.

12.43B Value-added agricultural linked investment loan program. Repealed by 2006 Acts, ch 1165, § 8.

TARGETED SMALL BUSINESSES — WAIVER OF BOND REQUIREMENT

12.44 Iowa satisfaction and performance bond program.

Agencies of state government shall be required to waive the requirement of satisfaction, performance, surety, or bid bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience, lack of net worth, or lack of capital. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Subdivisions of state government may also grant such a waiver under similar circumstances.

87 Acts, ch 233, §129; 88 Acts, ch 1273, §5; 90 Acts, ch 1156, §1; 92 Acts, ch 1244, §10

12.45 through 12.50 Reserved.

MAIN STREET LINKED INVESTMENTS LOAN PROGRAM

12.51 and 12.52 Repealed by 96 Acts, ch 1058, § 10 – 12.

12.53 through 12.60 Reserved.

STATE-SPONSORED CREDIT CARD

12.61 State-sponsored credit card.

1. For purposes of this section, unless the context otherwise requires:

a. “*Financial institution*” means a state bank as defined in section 524.103, subsection 39, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, an association incorporated or authorized to do business under chapter 534, or a trust company organized or incorporated under the laws of this state.

b. “*Financial institution credit card*” means a credit card that entitles the holder to make open-account purchases up to an approved amount and is issued through the agency of a financial institution.

c. “*Sponsoring entity*” means an entity that allows its name or logo to be used on a particular financial institution credit card in exchange for a fee from the credit card issuer.

2. The treasurer is authorized to participate in a financial institution credit card program for the benefit of the state. Within six months of May 27, 1989, the treasurer shall contact each financial institution to determine if:

a. The financial institution or its Iowa holding company or Iowa affiliate currently administers a credit card program.

b. The credit card program provides a fee or commission on retail sales to the sponsoring entity for the issuance and use of the credit card.

- c. The credit card program would accept the state as a sponsoring entity.
 - 3. If the treasurer determines that the state may be a sponsoring entity for a financial institution credit card, the treasurer shall negotiate the most favorable rate for the state's fee by a credit card issuer.
 - a. The state shall not offer a more favorable rate to any other credit card issuer.
 - b. The rate must be expressed as a percentage of the gross sales from the use of the credit card.
 - c. The proceeds of the fee shall be deposited in the Iowa resources enhancement and protection fund created under section 455A.18.
 - d. The treasurer shall recommend a logo or design for the state-sponsored credit card indicating the use for which the revenues will be used.
 - 4. In selecting a credit card issuer, the treasurer shall consider the issuer's record of investments in the state, shall take into consideration credit card features which will enhance the promotion of the state-sponsored credit card including, but not limited to, favorable interest rates, annual fees, and other fees for using the card, and shall require that the card be available to any person who qualifies for a credit card.
 - 5. Upon entering into an agreement with the financial institution, the treasurer shall notify all state agencies then possessing a credit card to obtain the new state-sponsored credit card.
- 89 Acts, ch 236, §8; 90 Acts, ch 1255, §1

TECHNICAL INFORMATION AND ASSISTANCE

12.62 Investments by agencies and political subdivisions — technical information and assistance.

The treasurer of state shall adopt rules pursuant to chapter 17A for providing technical information and assistance to political subdivisions, the state board of regents, instrumentalities, and agencies of the state authorized to invest funds which are seeking to invest public funds. The treasurer or the treasurer's designee shall provide technical information and assistance to a political subdivision, the state board of regents, or an instrumentality, or agency of the state authorized to invest funds at the request of the political subdivision, the state board of regents, or an instrumentality, or agency of the state authorized to invest funds, including but not limited to technical information regarding the statutory requirements for investments by the political subdivision, the state board of regents, or an instrumentality, or agency and technical assistance to enable the political subdivision, the state board of regents, or an instrumentality, or agency to invest funds in accordance with state law. However, the fact that information and assistance are provided under this section to a political subdivision, the state board of regents, or an instrumentality, or agency authorized to invest funds shall not make the state, the treasurer of state, or the treasurer's designee liable to a political subdivision, the state board of regents, or an instrumentality, or agency of the state in any manner for any loss, damage, or expense incurred by the political subdivision, the state board of regents, or an instrumentality, or agency as a result of an investment.

92 Acts, ch 1156, §5

12.63 and 12.64 Reserved.

HEALTHY IOWANS TOBACCO TRUST

12.65 Healthy Iowans tobacco trust. Repealed by 2008 Acts, ch 1186, § 18, 19. See § 12E.3A.

[SP] Moneys credited or transferred to general fund of the state instead of healthy Iowans tobacco trust; 2008 Acts, ch 1186, §20; 2009 Acts, ch 184, §26, 28

12.66 through 12.70 Reserved.

VISION IOWA PROGRAM

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 this section 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, chapter 554.

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, chapter 554, 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.

2000 Acts, ch 1174, §15; 2005 Acts, ch 3, §8; 2008 Acts, ch 1119, §1; 2010 Acts, ch 1138, §44

12.72 Vision Iowa fund 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 vision Iowa 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 vision Iowa 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 vision Iowa 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 the treasurer's 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. a. The treasurer of state may create and establish one or more special funds, to be known as "*bond reserve funds*", to secure one or more issues of bonds or notes issued pursuant to section 12.71. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise

provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the 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.

b. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the 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 of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

c. The treasurer of state 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 fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term “*bond reserve fund requirement*” means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph “c” 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 treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer’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 treasurer pursuant to this subsection shall be deposited by the treasurer in the applicable bond reserve fund.

2000 Acts, ch 1174, §16; 2001 Acts, ch 24, §7, 8; 2001 Acts, 1st Ex, ch 5, §3, 7; 2002 Acts, ch 1119, §3; 2006 Acts, ch 1030, §3

12.73 Vision Iowa fund moneys — administrative costs.

During the term of the vision Iowa program established in section 15F.302, two hundred thousand dollars of the moneys deposited each fiscal year in the vision Iowa fund and appropriated for the vision Iowa program shall be allocated each fiscal year to the economic development authority for administrative costs incurred by the authority for purposes of administering the vision Iowa program.

2000 Acts, ch 1225, §31, 38, 39; 2001 Acts, ch 185, §34; 2011 Acts, ch 118, §85, 89

[T] Code editor directive applied

12.74 Pledges.

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 treasurer of state 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.

2000 Acts, ch 1174, §17; 2000 Acts, ch 1232, §42; 2001 Acts, ch 24, §9; 2001 Acts, ch 185, §35, 49

12.75 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 12.74, this section, and sections 12.76 and 12.77 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.

2000 Acts, ch 1174, §18

12.76 Limitations.

Bonds or notes issued pursuant to section 12.71 are not debts 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 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.

2000 Acts, ch 1174, §19; 2007 Acts, ch 22, §5

12.77 Construction.

Sections 12.71 through 12.76, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2000 Acts, ch 1174, §20

12.78 Reserved.**PRISON INFRASTRUCTURE****12.79 FY 2009 prison bonding fund.**

1. An FY 2009 prison bonding fund is created as a separate fund in the state treasury. 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 FY 2009 prison bonding fund.

2. Revenue for the fund shall consist of the net proceeds from the bonds issued pursuant to section 12.80.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for prison improvement and prison construction projects.

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. Annually, on or before January 15 of each year, the department of corrections shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2008 Acts, ch 1179, §41

12.80 General and specific bonding powers — prison infrastructure.

1. The treasurer of state is authorized to issue bonds to provide prison infrastructure financing as provided in this section. Bonds shall be issued in accordance with the provisions of chapter 12A.

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the prison infrastructure fund established in section 602.8108A, and other moneys available as provided in this section, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state, or a charge against the general credit or general fund of the state, and the state shall not be liable for the bonds except from amounts on deposit in the prison infrastructure fund and other moneys available as provided in this section. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state.

3. Bonds issued under this section are declared to be issued for an essential 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.

4. The net proceeds from the bonds issued under this section shall be deposited into the FY 2009 prison bonding fund.

5. The treasurer of state shall cooperate with the department of corrections in the implementation of this section.

6. In order to assure maintenance of bond reserve funds, an issuer shall, on or before January 1 of each calendar year, make and deliver to the governor the issuer'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 issuer pursuant to this subsection shall be deposited by the issuer in the applicable bond reserve fund.

2008 Acts, ch 1179, §42; 2010 Acts, ch 1138, §45

SCHOOL INFRASTRUCTURE PROGRAM**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, chapter 554.

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, chapter 554, 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.

2000 Acts, ch 1174, §21; 2005 Acts, ch 3, §9; 2008 Acts, ch 1119, §2; 2010 Acts, ch 1138, §46

12.82 School infrastructure fund 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. Notwithstanding any other provision of this chapter, 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. Any amounts remaining in the school infrastructure fund at the end of the fiscal year beginning July 1, 2010, and for each fiscal year thereafter, which are determined by the treasurer of state to be unencumbered and unobligated and otherwise unnecessary to make the payments for such fiscal year, shall be transferred to the rebuild Iowa infrastructure fund.

5. a. The treasurer of state may create and establish one or more special funds, to be known as "*bond reserve funds*", to secure one or more issues of bonds or notes issued pursuant to section 12.81. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the 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.

b. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the 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 of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

c. The treasurer of state 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 fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term "*bond reserve fund requirement*" means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "c" 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 treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer'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 treasurer pursuant to this subsection shall be deposited by the treasurer in the applicable bond reserve fund.

2000 Acts, ch 1174, §22; 2001 Acts, 1st Ex, ch 5, §4, 7; 2002 Acts, ch 1119, §4; 2005 Acts, ch 19, §12; 2011 Acts, ch 133, §24, 25, 29

[SP] 2011 amendment to subsection 1 and new subsection 4 take effect July 27, 2011, and apply retroactively to June 30, 2011; 2011 Acts, ch 133, §29

[T] Subsection 1 amended

[T] NEW subsection 4 and former subsection 4 renumbered as 5

12.83 School infrastructure fund moneys — state fire marshal.

During the term of the school infrastructure program established in section 292.2, up to fifty thousand dollars of the moneys deposited each fiscal year in the school infrastructure fund shall be allocated each fiscal year to the department of public safety for the use of the state fire marshal. The funds shall be used by the state fire marshal solely for the purpose of retaining an architect or architectural firm to evaluate structures for which school infrastructure program grant applications are made, to consult with school district representatives, to review construction drawings and blueprints, and to perform related duties at the direction of the state fire marshal to ensure the best possible use of moneys received by a school district under the school infrastructure program. The state fire marshal shall provide for the review of plans, drawings, and blueprints in a timely manner.

2000 Acts, ch 1225, §32, 38, 39

12.84 Pledges.

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 treasurer of state 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.

2000 Acts, ch 1174, §23; 2000 Acts, ch 1232, §43; 2001 Acts, ch 185, §36, 49

12.85 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 12.84, this section, and section 12.86 are payable solely from funds available under those sections.

2000 Acts, ch 1174, §24

12.86 Construction.

Sections 12.81 through 12.85, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2000 Acts, ch 1174, §25

INFRASTRUCTURE PROJECTS AND
IOWA JOBS PROGRAM
— REVENUE BONDS

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

12.88 Revenue bonds capitals fund.

1. A revenue bonds capitals fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

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

a. The net proceeds of bonds issued pursuant to section 12.87 other than bonds issued for the purpose of refunding such bonds, and investment earnings on the net proceeds.

b. Interest attributable to investment of moneys 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 revenue bonds capitals 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. Annually, on or before January 15 of each year, a state agency that received an appropriation from the revenue bonds capitals fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2009 Acts, ch 173, §2, 36

12.88A Revenue bonds capitals II fund.

1. A revenue bonds capitals II fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. Revenue for the revenue bonds capitals II fund shall include but is not limited to the

following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided by any bond or security documents and credited to the fund:

a. The net proceeds of bonds issued after April 1, 2010, pursuant to section 12.87 other than bonds issued for the purpose of refunding such bonds, and investment earnings on the net proceeds.

b. Interest attributable to investment of moneys 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 revenue bonds capitals II 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. Annually, on or before January 15 of each year, a state agency that received an appropriation from the revenue bonds capitals II fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2010 Acts, ch 1184, §9, 13

12.89 Revenue bonds debt service fund and bond reserve funds.

1. A revenue bonds debt service fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund. The moneys in such fund are appropriated and shall be used for the purpose of making all payments with respect to bonds issued and sold pursuant to section 12.87, including but not limited to the following:

a. Principal payments, interest payments, sinking fund payments, purchase price, redemption price, redemption premiums, and interest rate exchange payments.

b. Fees and expenses of trustees, paying agents, remarketing agents, financial advisors, underwriters, depositories, guarantors, bond insurers, liquidity or credit facility providers, interest rate indexing agents, and other professional services providers.

c. Costs and expenses of the treasurer of state incident to and necessary and convenient to carry out the issuance and sale of the bonds and the administration of the revenue bonds.

2. Moneys in the revenue bonds debt service fund shall include but are not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided in any bond or security documents and credited to the fund:

a. The proceeds of bonds to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance and investment earnings on the proceeds.

b. The revenues required to be deposited into the fund pursuant to section 8.57, subsection 6, paragraph "e", subparagraphs (1) and (2).

c. Transfers from any bond reserve fund created pursuant to this section.

d. Federal subsidies and any transfers from the revenue bonds federal subsidy holdback fund created pursuant to section 12.89A.

e. Interest attributable to investment of moneys in the fund or an account of the fund.

f. Any other moneys from any other sources which may be legally available to the treasurer of state for the purpose of the fund.

3. a. The treasurer of state may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds issued and sold pursuant to section 12.87. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance, and any other moneys which may be legally available to the treasurer of state for the purpose of the fund from any other sources. All moneys held in a bond reserve fund shall be used or transferred to the revenue bonds debt service fund to be used as required solely to make the payments authorized to be made from such fund pursuant to subsection 1.

b. Moneys in a bond reserve fund shall not be transferred or withdrawn from the fund at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, the payments authorized to be made from such fund pursuant to subsection 1 for the payment of which sufficient moneys in the revenue bonds debt service fund 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 treasurer of state to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the established bond reserve fund requirement.

c. The treasurer of state shall not at any time issue and sell 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 fund, unless the treasurer of state at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other legally available sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term “*bond reserve fund requirement*” means, as of any particular date of computation, an amount of moneys, as provided in the trust indenture, resolution, or other instrument authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by a bond reserve fund, provision is made in paragraph “c” 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 treasurer of state shall, on or before January 1 of each calendar year, make and deliver to the governor and to both houses of the general assembly the treasurer of state’s certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund and requesting that the budget and appropriation bills approved for such fiscal year include amounts sufficient to restore each bond reserve fund to the bond reserve fund requirement for such fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may 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 treasurer of state pursuant to this subsection shall be deposited by the treasurer of state in the applicable bond reserve fund.

4. Except as otherwise provided in this section, the moneys on deposit in the revenue bonds debt service fund or any bond reserve fund relating to bonds issued pursuant to section 12.87 shall be held for the sole benefit of the bonds and shall not be pledged or used for the benefit of any bonds issued by the treasurer of state pursuant to any other section of the Code.

5. Moneys in the revenue bonds debt service fund and any bond reserve fund created pursuant to this section are not subject to section 8.33; provided however, that on August 31 following the close of each fiscal year, any moneys on deposit in the revenue bonds debt service fund at the end of such fiscal year, which is determined by the treasurer of state to not be encumbered or obligated or otherwise necessary to make the payments for such fiscal year authorized to be made from such fund pursuant to subsection 1, shall be credited to the rebuild Iowa infrastructure fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the revenue bonds debt service fund and any bond reserve fund shall be credited to such funds.

2009 Acts, ch 173, §3, 36; 2010 Acts, ch 1184, §80

12.89A Revenue bonds federal subsidy holdback fund.

1. A revenue bonds federal subsidy holdback fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. The moneys in such fund shall include all of the following:

a. The revenues required to be deposited in the fund pursuant to section 8.57, subsection 6, paragraph “e”, subparagraphs (1) and (2).

b. Interest attributable to investment moneys in the fund.

c. Any other moneys from any other sources which may be legally available to the treasurer of state for the purpose of the fund.

3. The moneys in the revenue bonds federal subsidy holdback fund are appropriated and shall be used or transferred to the revenue bonds debt service fund created in section 12.89, subsection 1, solely for the purpose of making payments of principal and interest on federal subsidy bonds when due, if the treasurer of state or the treasurer’s designee has not received a federal subsidy scheduled to be received for such payment by the due date.

4. The moneys on deposit in the revenue bonds federal subsidy holdback fund shall be used or transferred to the revenue bonds debt service fund created in section 12.89, subsection 1, solely for the purpose of making payments of principal and interest on federal subsidy bonds prior to any use or transfer of moneys on deposit in any bond reserve fund created for such federal subsidy bonds by the treasurer of state pursuant to section 12.89, subsection 3, paragraph “a”.

5. At any time during each fiscal year that there are moneys on deposit in the revenue bonds federal subsidy holdback fund that are not needed to pay principal and interest on federal subsidy bonds during such fiscal year as determined by the treasurer of state or the treasurer’s designee, such moneys on deposit in the revenue bonds federal subsidy holdback fund shall be credited to the rebuild Iowa infrastructure fund of the state.

6. For purposes of this section:

a. “*Federal subsidy*” means any payment from the federal government with respect to federal subsidy bonds.

b. “*Federal subsidy bonds*” means any bonds issued and sold pursuant to section 12.87 for which a federal subsidy is expected to be paid on or before any date on which interest on such bonds is due and payable.

2010 Acts, ch 1184, §81; 2011 Acts, ch 25, §7

[T] Subsection 5 amended

12.90 Pledges — construction.

1. It is the intention of the general assembly that a pledge made in respect of bonds 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 treasurer of state 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. Sections 12.87 through 12.89, and this section, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2009 Acts, ch 173, §4, 36

ANNUAL APPROPRIATION BONDS

12.90A through 12.90C Repealed by 2010 Acts, ch 1184, § 95.

ENERGY-EFFICIENT BUILDING PROJECT

12.91 Utilities board and consumer advocate building project — bond issue.

1. For purposes of this section:

a. “*Bonds*” means bonds, notes, or other evidences of indebtedness issued under this section.

b. “*Chargeable expenses*” means expenses charged by the utilities board and the consumer advocate division of the department of justice under section 476.10.

c. “*Chargeable expenses fund*” means the fund created in the state treasury under this section.

d. “*Project*” means a building and related improvements and furnishings authorized under section 476.10B.

2. The treasurer of state may issue bonds and do all things necessary in order to finance the costs of the project. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds to provide the financing for the project. The treasurer of state may issue bonds in principal amounts which, in the opinion of the treasurer, are necessary to provide sufficient funds for the costs of the project, 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, and all other expenditures of the utilities board and the department of administrative services in connection with the construction of the project. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the Iowa uniform commercial code, chapter 554.

3. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the chargeable expenses fund and any bond reserve funds established pursuant to this section, all of which may be held by the treasurer of state or 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 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 chargeable expenses fund and any bond reserve funds established pursuant to this section.

4. 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 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.

5. 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.

6. 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.

7. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state.

8. 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, chapter 554, to be valid, binding, or effective.

9. 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.

10. Subject to the terms of any bond documents, moneys in the chargeable expenses fund may be expended for administration expenses of the treasurer of state in connection with the bonds.

11. The treasurer of state may issue bonds for the purpose of refunding any bonds 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. 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 may be returned to the treasurer of state for deposit in the chargeable expenses fund unless all bonds issued under the provisions of this section have been retired, in which case the proceeds shall be deposited in the general fund of the state. 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.

12. A chargeable expenses fund is created and established as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated for payment of the principal of, premium, and interest on any bonds issued under this section. 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 chargeable expenses fund. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund for payment of the principal of, premium, and interest on any bonds issued under this section. Notwithstanding section 476.10, there shall in each fiscal year be deposited in the chargeable expenses fund from amounts collected by the utilities board as chargeable expenses an amount equal to the principal of, premium, if any, and interest on any bonds issued under this section to become due, whether at maturity, by call for optional redemption or by sinking fund redemption, in such fiscal year. The treasurer of state is authorized to pledge any amounts in the chargeable expenses fund as security for the payment of the principal of, premium, and interest on any bonds issued under this section. The treasurer of state may provide in the trust indenture, resolution, or other instrument authorizing the issuance of bonds for the transfer to the general fund of the state of any amounts on deposit in the chargeable expenses fund that are not necessary for the payment of the principal of, premium, and interest on any bonds issued under this section.

13. Moneys in the chargeable expenses 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.

14. *a.* The treasurer of state may create and establish one or more special funds, to be known as “*bond reserve funds*”, to secure one or more issues of bonds issued pursuant to this section. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer of state for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer of state for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the 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.

b. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the 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 of the treasurer of state are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer of state to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for that bond reserve fund. For the purposes of this subsection, the term “*bond reserve fund requirement*” means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

c. The treasurer of state shall comply with the provisions of section 476.10B in order to assure the maintenance of any bond reserve funds established under this section.

15. It is the intent of the general assembly that a pledge made in respect of bonds issued under this section 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 treasurer of state 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.

16. Bonds issued pursuant to this section are not debts 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 of any bonds pursuant to this section 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. Bonds issued under this section are payable solely and only from the sources and special fund provided in this section.

17. This section, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2006 Acts, ch 1179, §70; 2007 Acts, ch 22, §6; 2008 Acts, ch 1119, §3; 2010 Acts, ch 1138, §49

12.92 through 12.100 Reserved.

FAIRGROUNDS INFRASTRUCTURE

12.101 and 12.102 Repealed by 2009 Acts, ch 184, § 40.