

74A.6 Rates established.

1. The authority contained in this section shall be exercised by a committee composed of the treasurer of state, the superintendent of banking, the superintendent of credit unions, and the auditor of state or a designee.

2. The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate. The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.4.

3. The committee shall establish recommended interest rates, or formulae for determining recommended interest rates, to be applicable to obligations referred to in sections 74A.3 and 74A.7.

4. The committee from time to time shall establish one or more of the interest rates referred to in subsections 2 and 3 as may be necessary in the opinion of the committee to permit the orderly financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state.

5. An interest rate established by the committee under this section shall be in effect commencing on the eighth calendar day following the day the rate is established and until a new rate is established and takes effect. The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected by any other method determined by the committee, or by a combination of these. Actions of the committee under this section are exempt from chapter 17A.

6. The committee shall not establish interest rates for types or categories of obligations other than as specified in this section.

[C81, §74A.6; 81 Acts, ch 39, §1]

97 Acts, ch 33, §1

[P] See §12C.6 for interest rates on public deposits