

463C.12 Premier destination park bonds.

1. The authority may issue taxable or tax-exempt bonds, or a combination thereof, for the purpose of funding the Honey creek premier destination park bond fund established in section 463C.11 and for the purpose of refunding any bonds issued under this section. The authority may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the Honey creek premier destination park bond fund established in section 463C.11, 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 authority 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, the board shall issue bonds pursuant to this section which result in the deposit of net bond proceeds of not more than twenty-eight million dollars credited to the Honey creek premier destination park bond fund.

2. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code, chapter 554.

3. The authority may pledge amounts deposited in the Honey creek premier destination park bond fund established in section 463C.11 as security for the payment of the principal of, premium, if any, and interest on the bonds. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the Honey creek premier destination park bond fund and any bond reserve funds established pursuant to section 463C.13, 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 funds. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state.

4. The bonds shall be:

a. In a form, issued in denominations, executed in a manner, payable over terms and with rights of redemption, and 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 this state and may be sold at prices, at public or private sale, and in a manner as prescribed by the authority. 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, 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 authority that is approved by the authority. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issuance of bonds.

7. Neither the resolution, trust agreement, or any other instrument by which a pledge is created is required to be recorded or filed under the uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Tax-exempt bonds issued by the authority in connection with the program, which are exempt from taxation for federal tax purposes, are also exempt from taxation by the state of Iowa and the interest on these bonds is exempt from state income taxes and state inheritance and estate taxes.

9. The authority 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 Honey creek premier destination park bond fund established in section 463C.11. 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.

2005 Acts, ch 178, §54, 64; 2006 Acts, ch 1004, §3, 5; 2008 Acts, ch 1119, §10; 2010 Acts, ch 1138, §56; 2012 Acts, ch 1017, §87

[T] Subsection 5 amended