

**15E.72 Program wind-up and future repeal.**

1. *Organization of additional funds prohibited.* Notwithstanding section 15E.65, an Iowa fund of funds shall not be organized on or after June 20, 2013.

2. *New investments by the fund of funds prohibited.* Notwithstanding section 15E.65, the Iowa fund of funds shall not make new investments in private seed and venture capital partnerships or entities on or after June 20, 2013, except as required by the fund documents.

3. *New investments by designated investors prohibited.*

a. Except as provided in paragraph “b”, and notwithstanding any other provision in this division VII, a designated investor shall not invest in the Iowa fund of funds on or after June 20, 2013.

b. Notwithstanding the prohibition in paragraph “a”, a designated investor may invest in the Iowa fund of funds on or after June 20, 2013, to the extent such investment is required by the fund documents. In addition, the director of revenue, with the approval of the attorney general, may authorize additional investment in the Iowa fund of funds but only if such an investment is necessary to preserve fund assets, repay creditors, pay taxes, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

4. *Issuance, verification, and redemption of new certificates prohibited.*

a. Except as provided in paragraph “b”, and notwithstanding any other provision in this division VII, the board shall not issue, verify, or redeem a certificate or a related tax credit on or after June 20, 2013.

b. Notwithstanding the prohibition in paragraph “a”, the board may issue, redeem, or verify a certificate or a related tax credit under any of the following conditions:

(1) The board is required to do so under the terms of the fund documents.

(2) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general in order to arrange new financing terms with a creditor.

(3) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general to preserve fund assets, repay creditors, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

5. *New fund allocation managers prohibited.*

a. Notwithstanding any other provision in this division VII, the Iowa capital investment corporation shall not have authority to solicit, select, terminate, or change a fund allocation manager or similar manager on or after June 20, 2013.

b. On or after June 20, 2013, all decisions pertaining to relationships with a fund allocation manager or similar manager selected prior to June 20, 2013, shall be made by the director of revenue with the approval of the attorney general. This subsection shall not be construed to impair the terms of the fund documents.

6. *Pledging of certificates prohibited.*

a. Except as provided in paragraph “b”, and notwithstanding any other provision of law to the contrary, a certificate and a related tax credit or verified tax credit issued by the board shall not be pledged by a designated investor as security for a loan or an extension of credit on or after June 20, 2013.

b. Notwithstanding the prohibition in paragraph “a”, a certificate and related tax credit or verified tax credit issued by the board may be pledged by a designated investor as security for a loan or an extension of credit to the extent such pledge is required by the fund documents. In addition, the board, with the approval of the director of revenue and the attorney general, may authorize a certificate and related tax credit to be pledged as security for a loan or an extension of credit, but only if such a pledge is necessary to arrange new financing terms with a creditor or to repay creditors for moneys loaned or credit extended to a designated investor.

7. *Rural and small business loan guarantees prohibited.* Notwithstanding any other provision in this division VII to the contrary, the Iowa capital investment corporation shall not make rural and small business loan guarantees or otherwise administer a program to provide loan guarantees and other related credit enhancements on loans to rural and small business borrowers within the state of Iowa on or after June 20, 2013.

8. *Iowa capital investment corporation purposes amended.* Notwithstanding section 15E.64, on or after June 20, 2013, the purposes of the Iowa capital investment corporation shall be to comply with its obligations under the fund documents and to assist the board,

the director of revenue, and the attorney general in effectuating the orderly wind-up of the Iowa fund of funds. In effectuating such a wind-up, the Iowa capital investment corporation shall comply with all reasonable requests by the board, the director of revenue, the attorney general, or the auditor of state.

9. *Use of revolving fund prohibited.*

a. Notwithstanding section 15E.65, subsection 2, paragraph “a”, on or after June 20, 2013, all investment returns received by the Iowa capital investment corporation that are in excess of those payable to designated investors shall be deposited in the general fund of the state.

b. This subsection shall not be construed to impair the terms of the fund documents. It is the intent of the general assembly that this subsection only applies in the event that there are investment returns in excess of those necessary to repay creditors and designated investors under the terms of the fund documents.

10. *Preservation of existing rights.* This section is not intended to and shall not limit, modify, or otherwise adversely affect the fund documents, including any certificate, verified tax credit, or related tax credit issued before June 20, 2013, or limit, modify, or otherwise adversely affect the redemption of any tax credit, verified tax credit, or certificate.

11. *Future repeal.* This division VII is repealed upon the occurrence of one of the following, whichever is earlier:

a. The expiration or termination of all fund documents. The director of revenue shall notify the Iowa Code editor upon the occurrence of this condition.

b. December 31, 2027.

2013 Acts, ch 140, §131, 132

Referred to in §15E.65

[T] NEW section