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12A.1 Definitions.  
As used in this chapter, unless the context otherwise requires:
1. “Authorizing documents” means a resolution of the issuer, an indenture of trust, or any other instrument setting forth the terms and conditions of bonds issued in accordance with the provisions of this chapter.
2. “Bonds” means bonds, including refunding bonds, notes, and other obligations issued by an issuer.
3. “Enabling legislation” means legislation enabling the issuance by an issuer of bonds in accordance with the provisions of this chapter.
4. “Issuer” means the state, a department or public or quasi-public agency or instrumentality of the state, or an authority of the state, authorized and enabled to issue bonds in accordance with the provisions of this chapter.

2007 Acts, ch 133, §1; 2008 Acts, ch 1065, §1

12A.2 Provisions applicable.  
An issuer may issue bonds in accordance with the provisions of this chapter if enabling legislation enacted on or after July 1, 2007, provides that the bonds shall or may be issued in accordance with the provisions of this chapter. This chapter establishes the terms, conditions, and procedures applicable to the issuance of bonds by an issuer enabled to issue bonds under this chapter.

2007 Acts, ch 133, §2; 2008 Acts, ch 1065, §2

12A.3 Special obligations.  
Bonds issued under this chapter are payable solely out of the moneys, assets, or revenues pledged to the payment of the bonds pursuant to the enabling legislation and any bond reserve funds established in accordance with this chapter, and are not an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations. Bonds issued under this chapter shall contain a statement that the bonds are issued pursuant to this chapter or the enabling legislation; are payable solely from the moneys, assets, and revenues pledged for their payment and any bond reserve funds established; do not constitute an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations; and that the issuer and the state have no obligation to satisfy any deficiency or default of any payment of the bonds using any moneys, assets, or revenues other than those specifically pledged in the enabling legislation for payment of the bonds, and any bond reserve funds established by the issuer. The issuer shall not pledge the credit or taxing power of the state or any political subdivision of the state; create an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations; or make its bonds payable out of any moneys except those pledged in the enabling legislation and any bond reserve funds established by the issuer.

2007 Acts, ch 133, §3; 2008 Acts, ch 1065, §3
§12A.4, UNIFORM FINANCE PROCEDURES FOR STATE-ISSUED BONDS

12A.4 General powers.

1. An issuer may issue bonds under this chapter and do all things necessary with respect to the issuance of the bonds. An issuer shall have all of the powers necessary to issue and secure bonds and carry out the purposes for which the bonds are to be issued, including the power to secure credit enhancement or support and to enter into agreements providing interest rate protection, as deemed appropriate by the issuer. The issuer may issue bonds in principal amounts consistent with the enabling legislation and which the issuer determines are necessary to provide sufficient funds for the purposes for which the bonds are issued, and to provide for the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, the payment of the costs of issuance of the bonds, the payment of other expenditures of the issuer incident to and necessary or convenient to carry out the issue, and the payment of all other expenditures necessary or convenient to carry out the purposes for which the bonds are issued.

2. The proceeds of bonds issued by the issuer and not required for immediate disbursement may be deposited with a trustee or depository or the treasurer of state as provided in the authorizing documents. Proceeds shall be invested or reinvested as directed by the treasurer of state and specified in the authorizing documents without regard to any limitation otherwise provided by law.

3. Bonds shall be issued as follows:
   a. In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and subject to such other terms and conditions as prescribed in the authorizing documents.
   b. Sold at prices, at public or private sale, and in a manner, as prescribed by the issuer. Chapters 73A, 74, 74A, 75, and 76 do not apply to the sale, issuance, or retirement of the bonds if this chapter is utilized.
   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 chapter and as determined by the authorizing documents.

4. Bonds issued under this chapter are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554. 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 of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

5. Bonds must be authorized by the authorizing documents. The authorizing documents may, however, delegate to an officer of a board or of a governing body of an issuer the power to negotiate and fix the details of an issue of bonds.

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

7. Subject to the terms of the authorizing documents, the proceeds of bonds may be expended for administrative expenses.

8. An issuer may issue bonds for the purpose of refunding any bonds 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 chapter, the authorizing documents, and any applicable escrow agreement. 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 issuer. 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 chapter.


12A.5 Reserve funds.
1. An issuer may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds. The issuer shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of that reserve fund, any proceeds of the sale of bonds to the extent provided in the authorizing documents, and any other moneys which may be legally available from any other sources and which the issuer determines to deposit in the reserve fund. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used solely for the payment of the principal of bonds secured in whole or in part by the fund or other 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, all in accordance with the authorizing documents.
2. Except as otherwise specified in the authorizing documents, moneys in a bond reserve fund shall not be withdrawn 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, except for the purpose of making payment as described in subsection 1. For the purposes of this chapter, “bond reserve fund requirement” means, as of any particular date of computation, the amount of moneys, provided in the authorizing documents with respect to which the fund is established. Any income or interest earned by, or incremental to, a bond reserve fund due to its investment may be transferred to other funds or accounts as provided in the authorizing documents to the extent the transfer does not reduce the amount of that bond reserve fund below its bond reserve fund requirement.
3. The issuer 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 for the bonds will be less than the bond reserve fund requirement for the fund, unless the issuer 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.


12A.6 Pledge of funds.
1. Any amounts authorized to be pledged as security for bonds may be held in separate and distinct funds in the state treasury, unless otherwise specified in the authorizing documents. Moneys so held shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for debt service on the bonds and other amounts as set forth in the authorizing documents. The treasurer of state may act as custodian of the funds and disburse moneys contained in the funds as directed by the authorizing documents.
2. Moneys in any fund pledged as security for bonds are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the funds shall be credited to the applicable fund.


12A.7 Authorizing documents provisions.
The authorizing documents may contain the following provisions:
1. Pledges or assignments of the revenue of a project with respect to which the bonds are to be issued or the revenue of other property or facilities.
2. The setting aside of reserves or sinking funds, and their regulation, investment, and disposition.
3. Limitations on the use of a project, property, or facilities.
4. Limitations on the purpose to which the investments in which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied and pledging the proceeds to secure the payment of the bonds.
5. Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

6. The procedure, if any, by which the terms of any contract with the holder of a bond may be amended or abrogated, the amount of bonds may be specified for which the holders must consent to amendment or abrogation, and the manner in which the consent may be given.

7. Definitions of the acts or omissions to act which constitute a default in the duties of the issuer to holders of bonds, specifying any rights and remedies of the holders in the event of a default, and restricting the individual right of action by holders.

8. Other matters relating to the bonds as may be provided by the issuer.


12A.8 Bonds secured by authorizing documents.

The authorizing documents may pledge or assign the revenue to be received for payment of the bonds or the proceeds of any contract pledged. A pledge or assignment made by the issuer pursuant to this chapter is valid and binding from the time that the pledge or assignment is made, and the revenue pledged and thereafter received by the issuer is immediately subject to the lien of the pledge or assignment without physical delivery or any further act. The lien of the pledge or assignment is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the issuer irrespective of whether the parties have notice of the lien. The authorizing documents may contain other provisions the issuer deems reasonable and proper for the security of the bond holders.

2007 Acts, ch 133, §8; 2008 Acts, ch 1065, §8


12A.10 State law.

The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of any issuer, including the power to terminate the issuer, except that a law shall not be enacted that impairs any obligation made pursuant to any contract entered into by the issuer with or on behalf of the holders of the bonds to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa or Article I, section 10, of the Constitution of the United States.

2007 Acts, ch 133, §10; 2008 Acts, ch 1065, §9


The powers granted issuers under this chapter are in addition to the powers of each issuer contained elsewhere in the Code. Nothing in this chapter limits the powers of an issuer to issue bonds under any other applicable provisions of the Code or to otherwise carry out its responsibilities as otherwise set forth in the Code.


12A.12 Construction.

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

2007 Acts, ch 133, §12

12A.13 Coordination.

Issuers of bonds issued under this chapter shall be subject to the provisions of section 12.30.

2008 Acts, ch 1065, §11