

**12E.2 Definitions.**

As used in [this chapter](#), unless the context otherwise requires:

1. “*Authority*” means the tobacco settlement authority created in [this chapter](#).
  2. “*Board*” means the governing board of the authority.
  3. “*Bonds*” means bonds, notes, and other obligations and financing arrangements issued or entered into by the authority pursuant to [this chapter](#).
  4. “*Financial institution*” means a bank or credit union as defined in [section 12C.1](#).
  5. “*Interest rate agreement*” means an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both, or any similar agreement. Any such agreement may include the option to enter into or cancel the agreement or to reverse or extend the agreement.
  6. “*Master settlement agreement*” means the master settlement agreement as defined in [section 453C.1](#).
  7. “*Net proceeds*” means the amount of proceeds remaining following each sale of bonds which are not required by the authority to establish and fund reserve funds and to pay the costs of issuance and other expenses and fees directly related to the authorization and issuance of bonds.
  8. “*Notes*” means notes, warrants, loan agreements, and all other forms of evidence of indebtedness authorized under [this chapter](#).
  9. “*Program plan*” means the tobacco settlement program plan dated February 14, 2001, including exhibits to the program plan, submitted by the authority to the legislative council and the executive council, to provide the state with a secure and stable source of funding for the purposes designated by [section 12E.3A](#) and other provisions of [this chapter](#).
  10. “*Qualified investments*” means investments of the authority authorized pursuant to [this chapter](#).
  11. “*Sales agreement*” means any agreement authorized pursuant to [this chapter](#) in which the state provides for the sale of all or a portion of the state’s share to the authority.
  12. “*State’s share*” means all of the following:
    - a. All payments required to be made by tobacco product manufacturers to the state, and the state’s rights to receive such payments, under the master settlement agreement.
    - b. To the extent that such amounts have been assigned to the state, all payments of attorney fees required to be made by tobacco product manufacturers under the master settlement agreement, and all rights to receive such attorney fees.
  13. “*Tax-exempt bonds*” means bonds issued by the authority that are accompanied by a written opinion of legal counsel to the authority that the bonds are excluded from the gross income of the recipients for federal income tax purposes.
  14. “*Taxable bonds*” means bonds issued by the authority that are not accompanied by a written opinion of legal counsel to the authority that the bonds are excluded from the gross income of the recipients for federal income tax purposes.
  15. “*Tobacco settlement trust fund*” means the tobacco settlement trust fund created in [this chapter](#).
- 2000 Acts, ch 1208, §2, 25; 2000 Acts, ch 1232, §13, 15; 2001 Acts, ch 164, §2 – 5, 21; 2008 Acts, ch 1186, §9, 10, 19