

**7C.4A Allocation of state ceiling.**

For each calendar year, the state ceiling shall be allocated among bonds issued for various purposes as follows:

1. *a.* Thirty percent of the state ceiling shall be allocated solely to the Iowa finance authority for any of the following purposes:

- (1) Issuing qualified mortgage bonds.
- (2) Reallocating the amount, or any portion thereof, to another qualified political subdivision for the purpose of issuing qualified mortgage bonds.
- (3) Exchanging the allocation, or any portion thereof, for the authority to issue mortgage credit certificates by election under section 25(c) of the Internal Revenue Code.
- (4) Issuing qualified residential rental project bonds.

*b.* However, at any time during the calendar year the director of the Iowa finance authority may determine that a lesser amount need be allocated to the Iowa finance authority and on that date this lesser amount shall be the amount allocated to the authority and the excess shall be allocated under [subsection 7](#).

2. Twelve percent of the state ceiling shall be allocated to bonds issued to carry out programs established under [chapters 260C, 260E, and 260F](#). However, at any time during the calendar year the director of the economic development authority may determine that a lesser amount need be allocated and on that date this lesser amount shall be the amount allocated for those programs and the excess shall be allocated under [subsection 7](#).

3. Sixteen percent of the state ceiling shall be allocated to qualified student loan bonds. However, at any time during the calendar year the governor's designee, with the approval of the Iowa student loan liquidity corporation, may determine that a lesser amount need be allocated to qualified student loan bonds and on that date the lesser amount shall be the amount allocated for those bonds and the excess shall be allocated under [subsection 7](#).

4. Twenty-one percent of the state ceiling shall be allocated to qualified small issue bonds issued for first-time farmers under [chapter 16, subchapter VIII](#). However, at any time during the calendar year the governor's designee, with the approval of the Iowa finance authority, may determine that a lesser amount need be allocated to qualified small issue bonds for first-time farmers and on that date this lesser amount shall be the amount allocated for those bonds and the excess shall be allocated under [subsection 7](#).

5. Eighteen percent of the state ceiling shall be allocated to bonds issued by political subdivisions to finance a qualified industry or industries for the manufacturing, processing, or assembly of agricultural or manufactured products even though the processed products may require further treatment before delivery to the ultimate consumer. A single project allocated a portion of the state ceiling pursuant to [this subsection](#) shall not receive an allocation in excess of ten million dollars in any calendar year.

6. During the period of January 1 through June 30, three percent of the state ceiling shall be reserved for private activity bonds issued by political subdivisions, the proceeds of which are used by the issuing political subdivisions.

7. *a.* The amount of the state ceiling which is not otherwise allocated under [subsections 1 through 5](#), and after June 30, the amount of the state ceiling reserved under [subsection 6](#) and not allocated, shall be allocated to all bonds requiring an allocation under section 146 of the Internal Revenue Code without priority for any type of bond over another, except as otherwise provided in sections [7C.5](#) and [7C.11](#). A single project allocated a portion of the state ceiling pursuant to [this subsection](#) shall not receive an allocation in excess of fifty million dollars in any calendar year.

*b.* The population of the state shall be determined in accordance with the Internal Revenue Code.

[87 Acts, ch 171, §4; 90 Acts, ch 1011, §1; 91 Acts, ch 25, §1; 98 Acts, ch 1165, §1; 2005 Acts, ch 30, §2; 2008 Acts, ch 1024, §1, 2; 2008 Acts, ch 1032, §201; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 100, §18, 27; 2014 Acts, ch 1012, §8; 2014 Acts, ch 1080, §81, 98; 2023 Acts, ch 19, §2130](#)

Referred to in [§7C.5, 7C.6, 7C.12, 7C.13](#)  
Subsection 1, paragraph b amended