

**16.233 Security — reserve funds — pledges — nonliability.**

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of bonds or notes pursuant to [chapter 29D](#) that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to the authority's bonds or notes:

a. The income and receipts or other moneys derived from the projects financed with the proceeds of the bonds or notes.

b. The income and receipts or other moneys derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The amounts on deposit in the fund.

d. The amounts payable to the authority by loan recipients pursuant to loan agreements with loan recipients.

e. Any other funds or accounts established by the authority in connection with the program or the sale and issuance of the authority's bonds or notes.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under [this subsection](#) the proceeds of the sale of the authority's bonds or notes and other moneys which are made available from any other source.

3. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the moneys or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, [chapter 554](#), to be valid, binding, or effective against the parties.

4. Neither the members of the authority nor persons executing the bonds or notes are liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations but are special obligations of the authority, and are payable solely from the income and receipts or other funds or property of the authority, and the amounts on deposit in the revolving loan funds, and the amounts payable to the authority under the authority's loan agreements with loan recipients to the extent that the amounts are designated in the resolution, trust agreement, or other instrument of the authority authorizing the issuance of the bonds or notes as being available as security for such bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or levy or pledge any form of taxation to the payment of the bonds or notes.

[2025 Acts, ch 28, §4](#)

NEW section