

Senate Amendment 5467

Amendment Text

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1 1 Amend [Senate File 2447](#) as follows:
1 2 #1. Page 16, by inserting after line 7 the
1 3 following:
1 4 "Sec. ____ NEW SECTION. 12.81 GENERAL AND
1 5 SPECIFIC BONDING POWERS SCHOOL INFRASTRUCTURE
1 6 PROGRAM.
1 7 1. The treasurer of state may issue bonds for
1 8 purposes of the school infrastructure program
1 9 established in section 292.2. Excluding the issuance
1 10 of refunding bonds, the treasurer of state shall not
1 11 issue bonds which result in the deposit of bond
1 12 proceeds of more than fifty million dollars into the
1 13 school infrastructure fund. The treasurer of state
1 14 shall have all of the powers which are necessary to
1 15 issue and secure bonds and carry out the purposes of
1 16 the fund. The treasurer of state may issue bonds in
1 17 principal amounts which are necessary to provide funds
1 18 for the fund as provided by this section, the payment
1 19 of interest on the bonds, the establishment of
1 20 reserves to secure the bonds, the costs of issuance of
1 21 the bonds, other expenditures of the treasurer of
1 22 state incident to and necessary or convenient to carry
1 23 out the bond issue for the fund, and all other
1 24 expenditures of the treasurer of state necessary or
1 25 convenient to administer the fund. The bonds are
1 26 investment securities and negotiable instruments
1 27 within the meaning of and for purposes of the uniform
1 28 commercial code.
1 29 2. Bonds issued under this section are payable
1 30 solely and only out of the moneys, assets, or revenues
1 31 of the school infrastructure fund and any bond reserve
1 32 funds, all of which may be deposited with trustees or
1 33 depositories in accordance with bond or security
1 34 documents and pledged by the treasurer of state to the
1 35 payment thereof. Bonds issued under this section
1 36 shall contain on their face a statement that the bonds
1 37 do not constitute an indebtedness of the state. The
1 38 treasurer of state shall not pledge the credit or
1 39 taxing power of this state or any political
1 40 subdivision of this state or make bonds issued
1 41 pursuant to this section payable out of any moneys
1 42 except those in the school infrastructure fund.
1 43 3. The proceeds of bonds issued by the treasurer
1 44 of state and not required for immediate disbursement
1 45 may be deposited with a trustee or depository as
1 46 provided in the bond documents and invested or
1 47 reinvested in any investment approved by the treasurer
1 48 of state and specified in the trust indenture,
1 49 resolution, or other instrument pursuant to which the
1 50 bonds are issued without regard to any limitation
2 1 otherwise provided by law.
2 2 4. The bonds shall be:
2 3 a. In a form, issued in denominations, executed in
2 4 a manner, and payable over terms and with rights of
2 5 redemption, and be subject to such other terms and
2 6 conditions as prescribed in the trust indenture,
2 7 resolution, or other instrument authorizing their

2 8 issuance.

2 9 b. Negotiable instruments under the laws of the
2 10 state and may be sold at prices, at public or private
2 11 sale, and in a manner, as prescribed by the treasurer
2 12 of state. Chapters 73A, 74, 74A, and 75 do not apply
2 13 to the sale or issuance of the bonds.

2 14 c. Subject to the terms, conditions, and covenants
2 15 providing for the payment of the principal, redemption
2 16 premiums, if any, interest, and other terms,
2 17 conditions, covenants, and protective provisions
2 18 safeguarding payment, not inconsistent with this
2 19 section and as determined by the trust indenture,
2 20 resolution, or other instrument authorizing their
2 21 issuance.

2 22 5. The bonds are securities in which public
2 23 officers and bodies of this state; political
2 24 subdivisions of this state; insurance companies and
2 25 associations and other persons carrying on an
2 26 insurance business; banks, trust companies, savings
2 27 associations, savings and loan associations, and
2 28 investment companies; administrators, guardians,
2 29 executors, trustees, and other fiduciaries; and other
2 30 persons authorized to invest in bonds or other
2 31 obligations of the state, may properly and legally
2 32 invest funds, including capital, in their control or
2 33 belonging to them.

2 34 6. Bonds must be authorized by a trust indenture,
2 35 resolution, or other instrument of the treasurer of
2 36 state. However, a trust indenture, resolution, or
2 37 other instrument authorizing the issuance of bonds may
2 38 delegate to an officer of the issuer the power to
2 39 negotiate and fix the details of an issue of bonds.

2 40 7. Neither the resolution, trust agreement, nor
2 41 any other instrument by which a pledge is created
2 42 needs to be recorded or filed under the Iowa uniform
2 43 commercial code to be valid, binding, or effective.

2 44 8. Bonds issued under the provisions of this
2 45 section are declared to be issued for a general public
2 46 and governmental purpose and all bonds issued under
2 47 this section shall be exempt from taxation by the
2 48 state of Iowa and the interest on the bonds shall be
2 49 exempt from the state income tax and the state
2 50 inheritance and estate tax.

3 1 9. Subject to the terms of any bond documents,
3 2 moneys in the school infrastructure fund may be
3 3 expended for administration expenses.

3 4 10. The treasurer of state may issue bonds for the
3 5 purpose of refunding any bonds or notes issued
3 6 pursuant to this section then outstanding, including
3 7 the payment of any redemption premiums thereon and any
3 8 interest accrued or to accrue to the date of
3 9 redemption of the outstanding bonds or notes. Until
3 10 the proceeds of bonds issued for the purpose of
3 11 refunding outstanding bonds or notes are applied to
3 12 the purchase or retirement of outstanding bonds or
3 13 notes or the redemption of outstanding bonds or notes,
3 14 the proceeds may be placed in escrow and be invested
3 15 and reinvested in accordance with the provisions of
3 16 this section. The interest, income, and profits
3 17 earned or realized on an investment may also be
3 18 applied to the payment of the outstanding bonds or
3 19 notes to be refunded by purchase, retirement, or
3 20 redemption. After the terms of the escrow have been
3 21 fully satisfied and carried out, any balance of
3 22 proceeds and interest earned or realized on the
3 23 investments may be returned and deposited in the
3 24 school infrastructure fund. All refunding bonds shall

3 25 be issued and secured and subject to the provisions of
3 26 this chapter in the same manner and to the same extent
3 27 as other bonds issued pursuant to this section.

3 28 Sec. _____. NEW SECTION. 12.82 SCHOOL
3 29 INFRASTRUCTURE AND RESERVE FUNDS.

3 30 1. A school infrastructure fund is created and
3 31 established as a separate and distinct fund in the
3 32 state treasury. The fund shall be used for purposes
3 33 of the school infrastructure program established in
3 34 section 292.2.

3 35 2. Revenue for the school infrastructure fund
3 36 shall include, but is not limited to, the following,
3 37 which shall be deposited with the treasurer of state
3 38 or its designee as provided by any bond or security
3 39 documents and credited to the fund:

3 40 a. The proceeds of bonds issued to capitalize and
3 41 pay the costs of the fund and investment earnings on
3 42 the proceeds.

3 43 b. Interest attributable to investment of money in
3 44 the fund or an account of the fund.

3 45 c. Moneys in the form of a devise, gift, bequest,
3 46 donation, federal or other grant, reimbursement,
3 47 repayment, judgment, transfer, payment, or
3 48 appropriation from any source intended to be used for
3 49 the purposes of the fund.

3 50 3. Moneys in the school infrastructure fund are
4 1 not subject to section 8.33. Notwithstanding section
4 2 12C.7, subsection 2, interest or earnings on moneys in
4 3 the fund shall be credited to the fund.

4 4 4. The treasurer of state may establish reserve
4 5 funds to secure one or more issues of bonds or notes
4 6 issued pursuant to section 12.81. The treasurer of
4 7 state may deposit in a reserve fund established under
4 8 this subsection the proceeds of the sale of its bonds
4 9 or notes and other money which is made available from
4 10 any other source. The treasurer of state may allow a
4 11 reserve fund established under this subsection to be
4 12 depleted.

4 13 Sec. _____. NEW SECTION. 12.83 PLEDGES.

4 14 1. It is the intention of the general assembly
4 15 that a pledge made in respect of bonds or notes shall
4 16 be valid and binding from the time the pledge is made,
4 17 that the money or property so pledged and received
4 18 after the pledge by the authority shall immediately be
4 19 subject to the lien of the pledge without physical
4 20 delivery or further act, and that the lien of the
4 21 pledge shall be valid and binding as against all
4 22 parties having claims of any kind in tort, contract,
4 23 or otherwise against the treasurer of state whether or
4 24 not the parties have notice of the lien.

4 25 2. The state pledges to and agrees with the
4 26 holders of bonds or notes issued under section 12.81,
4 27 that the state will not limit or alter the rights and
4 28 powers vested in the treasurer of state to fulfill the
4 29 terms of a contract made by the treasurer of state
4 30 with respect to the bonds or notes, or in any way
4 31 impair the rights and remedies of the holders until
4 32 the bonds and notes, together with the interest on
4 33 them including interest on unpaid installments of
4 34 interest, and all costs and expenses in connection
4 35 with an action or proceeding by or on behalf of the
4 36 holders, are fully met and discharged. The treasurer
4 37 of state is authorized to include this pledge and
4 38 agreement of the state, as it refers to holders of
4 39 bonds or notes of the authority, in a contract with
4 40 the holders.

4 41 Sec. _____. NEW SECTION. 12.84 LIMITATIONS.

4 42 Bonds or notes issued pursuant to section 12.81 are
4 43 not debts of the state, or of any political
4 44 subdivision of the state and do not constitute a
4 45 pledge of the faith and credit of the state or a
4 46 charge against the general credit or general fund of
4 47 the state. The issuance of any bonds or notes
4 48 pursuant to section 12.81 by the treasurer of state
4 49 does not directly, indirectly, or contingently
4 50 obligate the state or a political subdivision of the
5 1 state to apply moneys from, or to levy or pledge any
5 2 form of taxation whatever to, the payment of the bonds
5 3 or notes. Bonds and notes issued under section 12.81
5 4 are payable solely and only from the sources and
5 5 special fund provided in section 12.82. Expenses
5 6 incurred in carrying out sections 12.81 through 12.83,
5 7 this section, and section 12.85 are payable solely
5 8 from funds available under those sections.

5 9 Sec. _____. NEW SECTION. 12.85 CONSTRUCTION.

5 10 Sections 12.81 through 12.84, being necessary for
5 11 the welfare of this state and its inhabitants, shall
5 12 be liberally construed to effect its purposes."

5 13 #2. Page 16, line 20, by striking the figure
5 14 "292.3", and inserting the following: "12.82".

5 15 #3. Page 22, by striking lines 17 through 25.

5 16 #4. By renumbering as necessary.

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5 20 JEFF LAMBERTI

5 21 SF 2447.505 78

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