



THOMAS J. VILSACK  
GOVERNOR

**OFFICE OF THE GOVERNOR**

SALLY J. PEDERSON  
LT. GOVERNOR

June 15, 2005

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**House File 875**, an Act relating to and making appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, Environment First Fund, Tobacco Settlement Trust Fund, vertical infrastructure fund, general fund of the state, and related matters and creating the Honey Creek premier destination park bond program and authority and providing for the issuance of tax-exempt bonds and including effective and retroactive applicability date provisions.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 875

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO STATE DEPARTMENTS AND AGENCIES FROM THE REBUILD IOWA INFRASTRUCTURE FUND, ENVIRONMENT FIRST FUND, TOBACCO SETTLEMENT TRUST FUND, VERTICAL INFRASTRUCTURE FUND, GENERAL FUND OF THE STATE, AND RELATED MATTERS, AND CREATING THE HONEY CREEK PREMIER DESTINATION PARK BOND PROGRAM AND AUTHORITY AND PROVIDING FOR THE ISSUANCE OF TAX-EXEMPT BONDS, AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I  
STATE GENERAL FUND

Section 1. There is appropriated from the general fund of the state to the following departments and agencies for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF EDUCATION

To the vocational rehabilitation division to replace lost indirect costs:

..... \$ 101,164

2. DEPARTMENT OF PUBLIC SAFETY

For capitol building and judicial building security:  
..... \$ 800,000

DIVISION II

STORMWATER DISCHARGE PERMIT FEES

Sec. 2. STORMWATER DISCHARGE PERMIT FEES APPROPRIATION -- AIR QUALITY MONITORING. Notwithstanding any contrary provision of state law, there is appropriated from stormwater discharge permit fees as authorized to be collected pursuant to section 455B.103A to the department of natural resources for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For full-time personnel to conduct air quality monitoring, which may include but is not limited to staffing required to perform field monitoring and laboratory functions, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 275,000

DIVISION III

REBUILD IOWA INFRASTRUCTURE FUND

Sec. 3. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For technology improvement projects, notwithstanding section 8.57, subsection 6, paragraph "c":  
..... \$ 3,802,000

Of the amount appropriated in this lettered paragraph, \$2,700,000 is allocated for continued implementation and operation of the integrated information for Iowa system; \$792,000 is allocated for continued development and implementation of the electronic tax administration project; and \$310,000 is allocated for maintenance and costs associated with upgrading the enterprise data warehouse.

b. For relocation and project costs directly associated with remodeling projects on the capitol complex and for facility lease payments, notwithstanding section 8.57,



subsection 6, paragraph "c":

..... \$ 1,824,000

c. For routine maintenance of state buildings and facilities, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 2,000,000

d. For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the department:

..... \$ 291,891

e. For upgrades to the electrical distribution system serving the capitol complex:

..... \$ 1,843,878

f. For remodeling and renovation of the sexually violent predators unit at Cherokee:

..... \$ 1,400,000

g. For the costs associated with the replacement of the powerhouse facilities at the Iowa juvenile home at Toledo:

..... \$ 1,161,045

h. For improvements to the Wallace state office building:

..... \$ 625,000

i. For maintenance of the Terrace Hill complex:

..... \$ 571,000

2. DEPARTMENT OF CORRECTIONS

a. For construction of a community-based correctional facility, including district offices, in Fort Dodge:

..... \$ 50,000

b. For the lease-payment under the lease-purchase agreement to connect the electrical system supporting the special needs unit in Fort Madison:

..... \$ 333,168

c. For remodeling and renovation of the kitchen facilities at the Anamosa correctional facility:

..... \$ 940,000

d. For maintenance costs of the department of corrections and board of parole associated with the department of administrative services, notwithstanding section 8.57,



subsection 6, paragraph "c":

..... \$ 105,300

e. For rent payments for the community-based corrections facility located in Davenport and the department of corrections training center, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 122,000

3. DEPARTMENT OF CULTURAL AFFAIRS

For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 220,000

4. DEPARTMENT OF ECONOMIC DEVELOPMENT

a. To provide a grant to match federal grant dollars that affect areas that are both an enterprise zone and a brownfield site in a county with a population of at least 103,000, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

b. For costs associated with a study involving an environmental assessment and preliminary cultural and historical impact related to the establishment of a regional ferryboat service between Iowa and Illinois, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 60,000

The funds are to be allocated to an area of the state that has an established ferryboat task force. The funds appropriated in this lettered paragraph are contingent upon the receipt of federal matching funds and financial participation by the state of Illinois in the study.

5. DEPARTMENT OF EDUCATION

a. To provide resources for structural and technological improvements to local libraries and for the enrich Iowa program, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 700,000

b. For maintenance and lease costs associated with connections for part III of the Iowa communications network,

notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 2,727,000

c. To the public broadcasting division for replacing transmitters, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 2,000,000

d. For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the community colleges:

..... \$ 2,000,000

The moneys appropriated in this lettered paragraph shall be allocated to the community colleges based upon the distribution formula established in section 260C.18C, if enacted by 2005 Iowa Acts, House File 816.

e. For implementation of the provisions of Code chapter 280A, as amended by 2005 Iowa Acts, House File 739, if enacted, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

6. DEPARTMENT OF HUMAN SERVICES

To provide a grant for the planning, design, and construction of a residential treatment facility for youth with emotional and behavioral disorders in a central Iowa county with a population of approximately 80,000:

..... \$ 250,000

7. IOWA FINANCE AUTHORITY

For deposit into the transitional housing revolving loan program fund created in section 16.184, if enacted by 2005 Iowa Acts, House File 825:

..... \$ 1,400,000

8. IOWA STATE FAIR AUTHORITY

For vertical infrastructure projects on the state fairgrounds:

..... \$ 750,000

For purposes of this subsection, "vertical infrastructure" means the same as defined in section 8.57, subsection 6, paragraph "c".



9. NATIONAL PROGRAM FOR PLAYGROUND SAFETY AT THE UNIVERSITY OF NORTHERN IOWA

For the Iowa safe surfacing initiative, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

Not more than 2.5 percent of the funds appropriated in this subsection shall be used by the national program for playground safety for administrative costs associated with the Iowa safe surfacing initiative.

The crumb rubber playground tiles for the initiative shall be international play equipment manufacturers association (IPEMA)-certified to the American society for testing and materials (ASTM) F1292 standard.

The national program for playground safety shall submit a report by January 15, 2006, to the joint appropriations subcommittee on transportation, infrastructure, and capitals detailing the use of the moneys appropriated in this subsection. The report shall specify the projects for which moneys were used and the cost of each project including the amounts spent on administration.

10. DEPARTMENT OF NATURAL RESOURCES

a. For lake dredging and the construction of bike trails at Lake Cornelia in Wright county, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 429,000

b. For the purchase of property adjacent to Waubonsie state park and for the improvement of facilities at Waubonsie state park:

..... \$ 1,500,000

c. For costs associated with renovation and improvements at the Fort Atkinson state preserve:

..... \$ 500,000

d. For costs associated with Iowa's membership in the mid-America port commission established in chapter 28K, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 80,000

e. For costs associated with the planning, design, and construction of a destination park:

..... \$ 3,000,000



11. DEPARTMENT OF PUBLIC SAFETY

a. For costs of entering into and making payments under a lease-purchase agreement to replace and upgrade the automated fingerprint identification system, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 550,000

b. To the division of fire safety for allocation to the fire service training bureau for the planning, design, and construction of fire regional training facilities in the state:

..... \$ 800,000

Of the amount appropriated in this lettered paragraph, \$300,000 shall be allocated to the Waterloo fire regional training center.

Of the amount appropriated in this lettered paragraph, \$200,000 shall be allocated to the Dubuque fire regional training center.

The division of fire safety shall submit a report by January 15, 2006, to the joint appropriations subcommittee on transportation, infrastructure, and capitals detailing the use of the moneys appropriated in this subsection.

c. To the division of fire safety for allocation to the fire service training bureau to be used for the revolving loan program for equipment purchases by local fire departments, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

12. STATE BOARD OF REGENTS

a. For major maintenance at the Iowa school for the deaf and the Iowa braille and sight saving school:

..... \$ 500,000

b. For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the state board of regents institutions:

..... \$ 6,250,000

13. STATE DEPARTMENT OF TRANSPORTATION

a. For operation and maintenance of the network of automated weather observation and data transfer systems associated with the Iowa aviation weather system, the runway marking program for public airports, the windsock program for public airports, and the aviation improvement program, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 564,792

b. For a vertical infrastructure improvement grant program for improvements at general aviation airports within the state:

..... \$ 750,000

In awarding assistance under the vertical infrastructure improvement grant program, the department shall give preference to projects that demonstrate a collaborative effort between airports.

c. For acquiring, constructing, and improving recreational trails within the state:

..... \$ 1,000,000

Of the amount appropriated in this lettered paragraph, \$500,000 shall be used for funding, on a matching basis, recreational trail projects, with priority given to completion of trail connections and sections between existing trails and parks within the established state recreational trails system. Such projects shall be matched by \$1 of private or other funds for each \$3 of state funds.

d. For the rail assistance program and to provide economic development project funding:

..... \$ 35,959

Sec. 4. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For costs associated with the remodeling of the records and property center:

..... \$ 2,200,000



b. For costs associated with the replacement of the powerhouse facilities at the Iowa juvenile home at Toledo:  
..... \$ 1,521,045

2. DEPARTMENT OF CORRECTIONS

a. For construction of a community-based correctional facility, including district offices, in Fort Dodge:  
..... \$ 1,400,000

b. For the remodeling and renovation of the kitchen facilities at the Anamosa correctional facility:  
..... \$ 1,840,000

Sec. 5. DEPARTMENT OF CORRECTIONS. There is appropriated from the rebuild Iowa infrastructure fund to the department of corrections for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For construction of a community-based correctional facility, including district offices, in Fort Dodge:  
..... \$ 2,450,000

Sec. 6. 2001 Iowa Acts, chapter 185, section 12, is amended to read as follows:

SEC. 12. REVERSION. *Notwithstanding*

1. Except as provided in subsection 2 and notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2004, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated in section 6, subsection 1, of this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, 2005, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 7. 2004 Iowa Acts, chapter 1175, section 288, subsection 13, paragraph c, is amended to read as follows:



c. For costs of entering into and making a down payment under a lease-purchase agreement to replace and upgrade the automated fingerprint identification system, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005 ..... \$ 550,000

The appropriation made in this lettered paragraph to enter into and make payments under a lease-purchase agreement constitutes approval by the general assembly of a financing agreement in excess of \$1 million as required by section 12.28, subsection 6.

Sec. 8. COMMISSION OF VETERANS AFFAIRS TRANSFER.

Notwithstanding 2002 Iowa Acts, chapter 1173, section 10, subsection 13, any unencumbered and unobligated moneys remaining on the effective date of this section from the appropriation made in 2002 Iowa Acts, chapter 1173, section 10, subsection 12, may be transferred to the appropriation made in 2000 Iowa Acts, chapter 1225, section 19, to be used for the purposes designated in 2000 Iowa Acts, chapter 1225, section 19, as amended by 2004 Iowa Acts, chapter 1175, section 296.

Sec. 9. REVERSION.

Notwithstanding section 8.33, moneys appropriated from the rebuild Iowa infrastructure fund in this division of this Act, except for the moneys appropriated in section 1, subsection 2, paragraph "a", for maintenance costs of the department of corrections and subsection 5, paragraph "d", for the vocational rehabilitation division of the department of education, shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2008, or until the project for which the appropriation was made is completed, whichever is earlier. This section does not apply to the sections in this division of this Act that were previously enacted and are amended in this division of this Act.

Sec. 10. Section 8.57B, subsection 4, Code 2005, is

amended to read as follows:

4. There is appropriated from the rebuild Iowa

infrastructure fund to the vertical infrastructure fund, the following:

a. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of fifteen million dollars.

b. For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of fifteen million dollars.

c. For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of fifty million dollars.

d. For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of fifty million dollars.

Sec. 11. Section 328.1, subsection 9, Code 2005, is amended to read as follows:

9. "Airport" means any landing area used regularly by aircraft for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, and all appurtenant rights of way, whether heretofore or hereafter established. "Airport" includes land within a city with a population greater than one hundred seventy-five thousand which is acquired to replace or mitigate land used in an airport runway project at an existing airport when federal law, grant, or action requires such replacement or mitigation.

Sec. 12. Section 452A.79, unnumbered paragraph 2, Code 2005, is amended to read as follows:

~~Annually~~ For the fiscal year beginning July 1, 2005, the first four hundred eleven thousand three hundred eleven dollars derived from the excise tax on the sale of motor fuel used in watercraft shall be deposited in the general fund of the state.--The and the moneys in excess of four hundred eleven thousand three hundred eleven dollars shall be deposited in the rebuild Iowa infrastructure fund. For the fiscal years beginning on or after July 1, 2006, all revenues derived from the excise tax on the sale of motor fuel used in watercraft shall be deposited in the rebuild Iowa infrastructure fund. Moneys deposited to the general fund and to the rebuild Iowa infrastructure fund under this section and section 452A.84 are subject to the requirements of section 8.60 and are subject to appropriation by the general assembly to the department of natural resources for use in its recreational boating program, which may include but is not limited to:



Sec. 13. 2005 Iowa Acts, House File 466, section 3, is repealed.

Sec. 14. EFFECTIVE DATE. The sections of this division of this Act relating to the amendment to 2004 Iowa Acts, chapter 1175, section 288, subsection 13, appropriating moneys for a lease-purchase agreement, relating to the amendment to 2001 Iowa Acts, chapter 185, section 12, and relating to the commission of veterans affairs transfer, being deemed of immediate importance, take effect upon enactment.

DIVISION IV

ENVIRONMENT FIRST FUND

Sec. 15. There is appropriated from the environment first fund to the following departments and agencies for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. For the conservation reserve enhancement program to restore and construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices:

..... \$ 1,500,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

b. For continuation of a program that provides multiobjective resource protections for flood control, water quality, erosion control, and natural resource conservation:

..... \$ 2,700,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

c. For continuation of a statewide voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits:

..... \$ 850,000



Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

Of the amount appropriated in this lettered paragraph, \$400,000 shall be allocated to the Iowa soybean association's agriculture and environment performance program.

d. For deposit in the alternative drainage system assistance fund created in section 460.303 to be used for purposes of supporting the alternative drainage system assistance program as provided in section 460.304:

..... \$ 500,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

e. To provide financial assistance for the establishment of permanent soil and water conservation practices:

..... \$ 5,500,000

(1) Not more than 5 percent of the moneys appropriated in this lettered paragraph may be allocated for cost-sharing to abate complaints filed under section 161A.47.

(2) Of the moneys appropriated in this lettered paragraph, 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment as provided in section 161A.73.

(3) Not more than 30 percent of a soil and water conservation district's allocation of moneys as financial incentives may be provided for the purpose of establishing management practices to control soil erosion on land that is row-cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping as provided in section 161A.73.

(4) The state soil conservation committee created in section 161A.4 may allocate moneys appropriated in this lettered paragraph to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

(5) The financial incentive payments may be used in combination with department of natural resources moneys.

(6) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

f. To encourage and assist farmers in enrolling in and the implementation of federal conservation programs and work with them to enhance their revegetation efforts to improve water quality and habitat:

..... \$ 2,000,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

g. For deposit in the loess hills development and conservation fund created in section 161D.2:

..... \$ 600,000

Of the amount appropriated in this lettered paragraph, \$400,000 shall be allocated to the hungry canyons account and \$200,000 shall be allocated to the loess hills alliance account to be used for the purposes for which the moneys in those accounts are authorized to be used under chapter 161D. No more than 5 percent of the moneys allocated to the hungry canyons account in this lettered paragraph may be used for administrative costs. No more than 10 percent of the moneys allocated to the loess hills alliance account in this lettered paragraph may be used for administrative costs.

h. For deposit in the southern Iowa development and conservation fund created in section 161D.12:

..... \$ 300,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for administrative costs.

2. DEPARTMENT OF ECONOMIC DEVELOPMENT

For deposit in the brownfield redevelopment fund created in section 15.293 to provide assistance under the brownfield redevelopment program:

..... \$ 500,000



3. DEPARTMENT OF NATURAL RESOURCES

a. For statewide coordination of volunteer efforts under the water quality and keepers of the land programs:

..... \$ 100,000

b. For purposes of funding capital projects for the purposes specified in section 452A.79, and for expenditures for the local cost-share grants to be used for capital expenditures to local governmental units for boating accessibility:

..... \$ 2,300,000

c. For regular maintenance of state parks and staff time associated with these activities:

..... \$ 2,000,000

d. To provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work:

..... \$ 195,000

e. For continuing the establishment and operation of water quality monitoring stations:

..... \$ 2,955,000

f. For deposit in the administration account of the water quality protection fund, to carry out the purposes of that account:

..... \$ 500,000

g. For the dredging of lakes, including necessary preparation for dredging, in accordance with the department's classification of Iowa lakes restoration report:

..... \$ 1,500,000

Of the amount appropriated in this lettered paragraph, \$100,000 shall be allocated for the five island lake in Palo Alto county.

The department shall consider the following criteria for funding lake dredging projects as provided in this lettered paragraph, and shall prioritize projects based on the following:

- (1) Documented efforts to address watershed protection, considering testing, conservation efforts, and the amount of time devoted to watershed protection.



- (2) Protection of a natural resource and natural habitat.
- (3) Percentage of public access and undeveloped lakefront property.
- (4) Continuation of current projects partially funded by state resources to achieve department recommendations.

RESOURCES ENHANCEMENT AND PROTECTION FUND

Sec. 16. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the environment first fund to the Iowa resources enhancement and protection fund, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, to be allocated as provided in section 455A.19:

..... \$ 11,000,000

Sec. 17. Section 161A.80, subsection 2, paragraphs a and b, Code 2005, are amended to read as follows:

- a. This section is repealed on July 1, ~~2005~~ 2015.
- b. The principal and interest from any blufflands protection loan outstanding on July 1, ~~2005~~ 2015, and payable to the blufflands protection revolving fund, shall be paid to the administrative director of the division of soil conservation on or after July 1, ~~2005~~ 2015, pursuant to the terms of the loan agreement and shall be credited to the rebuild Iowa infrastructure fund.

Sec. 18. REVERSION.

1. Except as provided in subsection 2, and notwithstanding section 8.33, moneys appropriated in this division of this Act that remain unencumbered or unobligated shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year beginning July 1, 2006, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the establishment of permanent soil and water conservation

practices that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2008.

DIVISION V  
TOBACCO SETTLEMENT TRUST FUND

Sec. 19.

1. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the following departments and agencies for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. DEPARTMENT OF ADMINISTRATIVE SERVICES

(1) For capitol interior restoration:

..... \$ 4,500,000

Of the amount appropriated in this subparagraph, \$700,000 shall be used for cleanup costs associated with the water damage in the statehouse resulting from the pipe break that occurred on December 24, 2004, and for renovation of areas in the statehouse that experienced such water damage.

The use of the moneys allocated in this subparagraph shall not be construed or interpreted as an indication by the governor or general assembly that the state is the responsible party for the water damage in the statehouse resulting from the pipe break that occurred on December 24, 2004, and for the resulting costs or that the amounts allocated in this subparagraph represent the total amount necessary to address all costs associated with the water damage.

(2) For remodeling and renovation of the sexually violent predators unit located at the state mental health institute at Cherokee:

..... \$ 650,000

(3) For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the department:

..... \$ 3,000,000



b. DEPARTMENT OF CORRECTIONS

For the remodeling and renovation of the kitchen facilities at the Anamosa correctional facility:

..... \$ 600,000

c. DEPARTMENT OF ECONOMIC DEVELOPMENT

For accelerated career education program capital projects at community colleges that are authorized under chapter 260G and that meet the definition of "vertical infrastructure" in section 8.57B, subsection 3:

..... \$ 1,500,000

The moneys appropriated in this lettered paragraph shall be allocated equally among the community colleges in the state. If any portion of the equal allocation to a community college is not obligated or encumbered by April 1, 2006, the unobligated and unencumbered portions shall be available for use by other community colleges.

d. DEPARTMENT OF HUMAN SERVICES

For planning, design, and construction of a family resource center in a city with a population between 95,000 and 100,000 residents:

..... \$ 250,000

e. DEPARTMENT OF PUBLIC SAFETY

For the first phase of the regional emergency responder training facility project of the nonprofit Dubuque county fire fighters association:

..... \$ 100,000

f. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

For replacement of equipment for the Iowa communications network notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):

..... \$ 1,704,719

g. STATE DEPARTMENT OF TRANSPORTATION

For vertical infrastructure improvements at the commercial air service airports within the state:

..... \$ 1,500,000

Fifty percent of the funds appropriated in this lettered paragraph shall be allocated equally between each commercial service airport, 40 percent of the funds shall be allocated

based on the percentage that the number of enplaned passengers at each commercial service airport bears to the total number of enplaned passengers in the state during the previous fiscal year, and 10 percent of the funds shall be allocated based on the percentage that the air cargo tonnage at each commercial service airport bears to the total air cargo tonnage in the state during the previous fiscal year. In order for a commercial service airport to receive funding under this lettered paragraph, the airport shall be required to submit applications for funding of specific projects to the department for approval by the state transportation commission.

2. TAX-EXEMPT STATUS -- USE OF APPROPRIATIONS. Payment of moneys from the appropriations in this section shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the tobacco settlement authority.

3. REVERSION. Notwithstanding section 8.33, moneys appropriated in this section shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2006, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 20. PAYMENTS IN LIEU OF TUITION. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the state board of regents for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities



and utility services at the institutions notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):  
..... \$ 10,329,981

Sec. 21. PRISON DEBT SERVICE. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the office of the treasurer of state for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For repayment of prison infrastructure bonds under section 16.177 notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):  
..... \$ 5,422,390

Sec. 22. 2001 Iowa Acts, chapter 185, section 30, is amended to read as follows:

SEC. 30. REVERSION. Notwithstanding

1. Except as provided in subsection 2 and notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2004, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated in section 25, subsection 3, paragraph "b", and section 28 of this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, 2005, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 23. 2002 Iowa Acts, chapter 1173, section 1, subsection 7, paragraph a, as amended by 2004 Iowa Acts, chapter 1175, section 310, is amended to read as follows:

a. For parking improvements and provision of street access for the judicial building:

FY 2002-2003 ..... \$ 700,000

FY 2003-2004 .....	\$	0
FY 2004-2005 .....	\$	0
FY 2005-2006 .....	\$	0

Of the amount appropriated in this lettered paragraph for FY 2002-2003, up to \$330,000 may be used for costs associated with ~~operation-of-the-judicial-building,-notwithstanding section-12E-12,-subsection-1,-paragraph-"b",-subparagraph-(1)~~ site work in the vicinity of the judicial building.

Sec. 24. 2003 Iowa Acts, chapter 177, section 22, subsection 6, paragraph a, is amended by striking the paragraph.

Sec. 25. EFFECTIVE DATE. The section of this division of this Act relating to the amendment to 2001 Iowa Acts, chapter 185, section 30, being deemed of immediate importance, takes effect upon enactment.

Sec. 26. EFFECTIVE DATE. The section of this division of this Act amending 2002 Iowa Acts, chapter 1173, section 1, subsection 7, being deemed of immediate importance, takes effect upon enactment.

Sec. 27. EFFECTIVE DATE. The section of this division of this Act amending 2003 Iowa Acts, chapter 177, section 22, subsection 6, being deemed of immediate importance, takes effect upon enactment.

DIVISION VI

VERTICAL INFRASTRUCTURE FUND

Sec. 28. There is appropriated from the vertical infrastructure fund to the following departments and agencies for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the department:  
 ..... \$ 5,623,200

Of the amount appropriated in this subsection, up to \$200,000 may be used for costs associated with the vertical



infrastructure program, notwithstanding section 8.57B, subsection 3.

2. DEPARTMENT OF CULTURAL AFFAIRS

For historical site preservation grants, to be used for the restoration, preservation, and development of historical sites:

..... \$ 500,000

Historical site preservation grants shall only be awarded for projects which meet the definition of "vertical infrastructure" in section 8.57B, subsection 3.

In making grants pursuant to this subsection, the department shall consider the existence and amount of other funds available to an applicant for the designated project. A grant awarded from moneys appropriated in this subsection shall not exceed \$100,000 per project. Not more than two grants may be awarded in the same county.

3. DEPARTMENT OF ECONOMIC DEVELOPMENT

For accelerated career education program capital projects at community colleges that are authorized under chapter 260G and that meet the definition of "vertical infrastructure" in section 8.57B, subsection 3:

..... \$ 4,000,000

The moneys appropriated in this subsection shall be allocated equally among the community colleges in the state. If any portion of the equal allocation to a community college is not obligated or encumbered by April 1, 2006, the unobligated and unencumbered portions shall be available for use by other community colleges.

4. DEPARTMENT OF PUBLIC DEFENSE

a. For construction of a national guard readiness center in or near Fort Dodge:

..... \$ 608,000

b. For maintenance and repair of national guard armories and facilities, notwithstanding section 8.57B, subsection 3:

..... \$ 1,269,000

c. For upgrading the water treatment facility at Camp Dodge:

..... \$ 1,939,800

5. OFFICE OF TREASURER OF STATE

For county fair infrastructure improvements for distribution in accordance with chapter 174 to qualified fairs which belong to the association of Iowa fairs:

..... \$ 1,060,000

Sec. 29. REVERSION. Notwithstanding section 8.33, moneys appropriated from the vertical infrastructure fund for the fiscal year that begins July 1, 2005, in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2008, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 30. DEPARTMENT OF ADMINISTRATIVE SERVICES.

1. There is appropriated from the vertical infrastructure fund to the department of administrative services for the designated fiscal years, the following amounts, or so much thereof as if necessary, to be used for the purposes designated:

For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the department:

FY 2006-2007.....	\$ 10,000,000
FY 2007-2008.....	\$ 40,000,000
FY 2008-2009.....	\$ 40,000,000

Notwithstanding section 8.33, moneys appropriated in this section shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2010, or until the project for which the appropriation was made is completed, whichever is earlier.

DIVISION VII

RAILROAD REVOLVING LOAN AND GRANT FUND

Sec. 31. Section 327H.20A, Code 2005, is amended to read as follows:

327H.20A RAILROAD REVOLVING LOAN AND GRANT FUND.



1. A railroad revolving loan and grant fund is established in the office of the treasurer of state under the control of the department authority. Moneys in this the fund shall be expended for loans the following purposes:

a. Grants or loans to provide assistance for the restoration, conservation, improvement, and construction of railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards, highway grade separations, and other railroad-related improvements.

b. Grants or loans for rail economic development projects that improve rail facilities, including the construction of branch lines, sidings, rail connections, intermodal yards, and other rail-related improvements that spur economic development and job growth.

2. The department authority shall administer a program for the granting and administration of loans and grants under this section. No more than fifty percent of the total moneys available in the fund in any year shall be awarded in the form of grants. The authority may establish a limit on the amount that may be awarded as a grant for any given project in order to maximize the use of the moneys in the fund. The department authority may enter into agreements with railroad corporations, the United States government, cities, counties, and other persons for carrying out the purposes of this section.

3. Moneys Notwithstanding any other provision to the contrary, on or after July 1, 2006, moneys received as loan repayments for loans made pursuant to this chapter or chapter 327I before, on, or after July 1, 2005, other than repayments of federal moneys subject to section 327H.21, shall be credited to the railroad revolving loan and grant fund. Notwithstanding section 8.33, moneys in the railroad revolving loan and grant fund shall not revert to the general fund of the state but shall remain available indefinitely for expenditure under this section.

Sec. 32. Section 327H.26, Code 2005, is amended to read as follows:

327H.26 ~~DEFINITION~~ DEFINITIONS.

As used in this chapter, unless the context otherwise requires, ~~"department":~~

1. "Department" means the state department of transportation.

2. "Authority" means the railway finance authority created in chapter 327I.

Sec. 33. Section 327I.8, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Administer the railroad revolving loan and grant fund as provided in section 327H.20A.

Sec. 34. Sections 327H.18 and 327H.20, Code 2005, are repealed.

Sec. 35. Notwithstanding section 327H.18, Code 2005, and chapter 327I, there is appropriated from the general fund of the state to the railroad revolving loan fund established in section 327H.20A for the fiscal year beginning July 1, 2004, and ending June 30, 2005, an amount equal to the amount of the loan repayments made under section 327H.18, Code 2005, and chapter 327I that exceed \$1,308,704 during the fiscal year beginning July 1, 2004.

Sec. 36. Notwithstanding section 327H.18, Code 2005, and chapter 327I, there is appropriated from the general fund of the state to the railroad revolving loan and grant fund established in section 327H.20A, as amended by this Act, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, an amount equal to the amount of the loan repayments made under section 327H.18, Code 2005, and chapter 327I that exceed \$1,288,481 during the fiscal year beginning July 1, 2005.

Sec. 37. CONTINUATION OF PRIOR AGREEMENTS. It is the intent of the general assembly that the enactment of this division of this Act shall not affect the terms or duration of railroad assistance agreements entered into under chapter 327H prior to the effective date of this division of this Act.

Sec. 38. EFFECTIVE DATE AND APPLICABILITY. The section of this division of this Act that appropriates excess rail assistance loan repayments for the fiscal year beginning July



1, 2004, and ending June 30, 2005, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2004.

DIVISION VIII

IOWA COMMUNICATIONS NETWORK

Sec. 39. Section 8D.3, subsection 3, paragraph i, Code 2005, is amended to read as follows:

i. Evaluate existing and projected rates for use of the system and ensure that rates are sufficient to pay for the operation of the system excluding the cost of construction and lease costs for Parts I, II, and III. The commission shall establish all hourly rates to be charged to all authorized users for the use of the network and shall consider all costs of the network in establishing the rates. A fee established by the commission to be charged to a hospital licensed pursuant to chapter 135B, a physician clinic, or the federal government shall be at an appropriate rate so that, at a minimum, there is no state subsidy related to the costs of the connection or use of the network related to such user.

Sec. 40. Section 8D.13, subsection 11, Code 2005, is amended to read as follows:

11. The fees charged for use of the network and state communications shall be based on the ongoing ~~operational-costs~~ expenses of the network and of providing state communications ~~only~~. For the services rendered to state agencies by the commission, the commission shall prepare a statement of services rendered and the agencies shall pay in a manner consistent with procedures established by the department of administrative services.

DIVISION IX

ACCESS IOWA HIGHWAYS

Sec. 41.

1. INTENT. It is the intent of the general assembly to formulate an access Iowa plan which shall designate portions of the commercial and industrial network of highways as access Iowa highways. The goal of the access Iowa plan shall be to enhance the existing Iowa economy and ensure its continuing development and growth in the national and global competitive

marketplace by providing for early completion of the construction of the most important portions of the Iowa highway system. These portions of the system shall be those that are essential for support of intrastate transportation and commerce and essential for ensuring Iowans direct access to the nation's system of interstate highways and transportation services.

The general assembly's past actions are consistent with the access Iowa plan. The general assembly has set general policy guidelines for the state transportation commission's planning and programming development, directed that road service be equalized throughout the state, determined that a commercial and industrial network of highways would benefit Iowa transportation services, directed the commission to focus at least part of their legislatively provided resources on the commercial and industrial network, and directed that the commission consider equalization of accessibility for economic development as one of the factors in establishing its plan and program priorities for the commercial and industrial network. These actions recognize that interstate commerce and national economic development are furthered and supported by the national system of interstate and defense highways and the national highway system, and that Iowa commerce and economic development are supported by Iowa's commercial and industrial network of highways.

2. ACCESS IOWA HIGHWAY DESIGNATION. The state department of transportation shall designate portions of the commercial and industrial network of highways as access Iowa highways and shall expedite and accelerate development of access Iowa highways. When designating those portions of the commercial and industrial network as access Iowa highways, the department shall consider the direct and priority linkages between economic centers within the state with populations of 20,000 or more and the enhancement of intrastate mobility and Iowa regional accessibility and national accessibility.

3. REPEAL. This section is repealed effective July 1, 2015.



HONEY CREEK PREMIER DESTINATION  
PARK BOND PROGRAM

Sec. 42. Section 12.30, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. "Authority" means a department, or public or quasi-public instrumentality of the state including, but not limited to, the authority created under chapter 12E, 16, 16A, 175, 257C, 261A, ~~or~~ 327I, or 463C, which has the power to issue obligations, except that "authority" does not include the state board of regents or the Iowa finance authority to the extent it acts pursuant to chapter 260C.

Sec. 43. NEW SECTION. 463C.1 TITLE.

This chapter shall be known and may be cited as the "Honey Creek Premier Destination Park Bond Program".

Sec. 44. NEW SECTION. 463C.2 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Authority" means the honey creek premier destination park authority created in section 463C.4.
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. "Department" means the department of natural resources.
5. "Fund" means the honey creek premier destination park bond fund created in section 463C.11.
6. "Program" means the honey creek premier destination park bond program established in section 463C.10.

Sec. 45. NEW SECTION. 463C.3 LEGISLATIVE FINDINGS.

1. The establishment of the honey creek premier destination park bond program and honey creek premier destination park authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare, and for the promotion of the economy, which are public purposes.
2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.

3. The authority will assist in the establishment of the honey creek premier destination park in the state which will provide important recreational and economic benefits to the state.

4. Current efforts to develop the honey creek premier destination park in the state have fallen short and the creation of an authority which has the mission of engaging and assisting in these efforts will increase the likelihood of reaching the desired goal.

5. It is necessary to create the honey creek premier destination park bond program and authority to encourage the investment of private capital to stimulate the development and construction of the park including lodges, campgrounds, cabins, and golf courses through the use of public financing, and to this extent it is the public policy of this state to support the honey creek premier destination park bond program in the procurement of necessary moneys for deposit into the honey creek premier destination park bond fund.

Sec. 46. NEW SECTION. 463C.4 ESTABLISHMENT OF HONEY CREEK PREMIER DESTINATION PARK AUTHORITY.

1. The honey creek premier destination park authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions.

2. The purposes of the authority include all of the following:

a. To implement and administer the honey creek premier destination park bond program and to establish a stable source of revenue to be used for the purposes designated in this chapter.

b. To issue bonds and enter into funding options, consistent with this chapter, including refunding and refinancing its debt and obligations.

c. To provide for and secure the issuance and repayment of its bonds.

d. To invest funds available under this chapter to provide for a source of revenue in accordance with the program plan.



e. To refund and refinance the authority's debts and obligations, and to manage its funds, obligations, and investments as necessary and if consistent with its purpose.

f. To implement the purposes of this chapter.

3. The authority shall invest its funds and accounts in accordance with this chapter and shall not take action or invest in any manner that would cause the state to become a stockholder in any corporation or that would cause the state to assume or agree to pay the debt or liability of any corporation in violation of the United States Constitution or the Constitution of the State of Iowa.

4. The authority shall not create any obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitation.

5. The authority shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any moneys except those of the authority specifically pledged for their payment.

Sec. 47. NEW SECTION. 463C.5 GOVERNING BOARD.

1. The powers of the authority are vested in and shall be exercised by a board consisting of the treasurer of state, the auditor of state, and the director of the department of management. Notwithstanding the provisions of section 12.30, subsection 2, regarding ex officio nonvoting status, the treasurer of state shall act as a voting member of the authority.

2. Two members of the board constitute a quorum.

3. The members shall elect a chairperson, vice chairperson, and secretary, annually, and other officers as the members determine necessary. The treasurer of state shall serve as treasurer of the authority.

4. Meetings of the board shall be held at the call of the chairperson or when a majority of the members so requests.

5. The members of the board shall not receive compensation by reason of their membership on the board.

Sec. 48. NEW SECTION. 463C.6 STAFF -- ASSISTANCE BY STATE OFFICERS, AGENCIES, AND DEPARTMENTS.

1. The staff of the office of the treasurer of state shall also serve as staff of the authority under the supervision of the treasurer.

2. State officers, agencies, and departments may render services to the authority within their respective functions, as requested by the authority.

Sec. 49. NEW SECTION. 463C.7 LIMITATION OF LIABILITY.

Members of the board and persons acting on the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties conferred on them under this chapter.

Sec. 50. NEW SECTION. 463C.8 GENERAL POWERS OF AUTHORITY.

1. The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers, including but not limited to all of the following powers:

a. The power to issue its bonds and to enter into other funding options as provided in this chapter.

b. The power to have perpetual succession as a public instrumentality and agency of the state, until dissolved in accordance with this chapter.

c. The power to sue and be sued in its own name.

d. The power to make and execute agreements, contracts, and other instruments, with any public or private person, in accordance with this chapter.

e. The power to hire and compensate legal counsel, notwithstanding chapter 13.

f. The power to hire investment advisors and other persons as necessary to fulfill its purpose.

g. The power to invest or deposit moneys of or held by the authority in any manner determined by the authority, notwithstanding chapter 12B or 12C.

h. The power to procure insurance, other credit enhancements, and other financing arrangements, and to execute instruments and contracts and to enter into agreements convenient or necessary to facilitate financing arrangements



of the authority and to fulfill the purposes of the authority under this chapter, including but not limited to such arrangements, instruments, contracts, and agreements as bond insurance, liquidity facilities, interest rate agreements, and letters of credit.

i. The power to accept appropriations, gifts, grants, loans, or other aid from public or private entities.

j. The power to adopt rules consistent with this chapter and in accordance with chapter 17A, as the board determines necessary.

k. The power to acquire, own, hold, administer, and dispose of property.

l. The power to determine, in connection with the issuance of bonds, and subject to the sales agreement, the terms and other details of financing, and the method of implementation of the program plan.

m. The power to perform any act not inconsistent with federal or state law necessary to carry out the purposes of the authority.

2. The authority is exempt from the requirements of chapter 8A, subchapter III.

Sec. 51. NEW SECTION. 463C.9 POWERS NOT RESTRICTED -- LAW COMPLETE IN ITSELF.

This chapter shall not restrict or limit the powers which the authority has under any other law of this state, but is cumulative as to any such powers. A proceeding, notice, or approval is not required for the creation of the authority or the issuance of obligations or an instrument as security, except as provided in this chapter.

Sec. 52. NEW SECTION. 463C.10 HONEY CREEK PREMIER DESTINATION PARK BOND PROGRAM.

The authority shall assist in the development and expansion of the honey creek premier destination park in the state through the establishment of the honey creek premier destination park bond program. The authority may issue its bonds or notes, or series of bonds or notes, for the purpose of defraying the cost of one or more projects for the development and expansion of the honey creek premier

destination park in the state, including lodges, campgrounds, cabins, and golf courses, and make secured and unsecured loans for the acquisition and construction of such projects on terms the authority determines.

Sec. 53. NEW SECTION. 463C.11 HONEY CREEK PREMIER DESTINATION PARK BOND FUND.

1. The honey creek premier destination park bond fund is established as a separate and distinct fund in the state treasury consisting of honey creek premier destination park revenues, any moneys appropriated by the general assembly to the fund, and any other moneys available to and obtained or accepted by the authority for placement in the fund. The moneys in the fund shall be used to develop the honey creek premier destination park in the state by funding the development and construction of facilities in the park including but not limited to lodges, campgrounds, cabins, and golf courses. The treasurer of state is authorized to establish separate and distinct accounts within the honey creek premier destination park bond fund in connection with the issuance of the authority's bonds in accordance with the trust indenture or resolution authorizing the bonds and the authority is authorized to determine which revenues and accounts shall be pledged as security for the bonds. Amounts deposited in the honey creek premier destination park bond fund shall be deposited in the separate and distinct accounts as set forth in the trust indenture or resolution authorizing the bonds. The authority is authorized to pledge and use the gross revenues from the honey creek premier destination park to and for payment of the bonds. Revenues may also be used for the payment of insurance, other credit enhancements, and other financing arrangements. Operating expenses of the honey creek premier destination park may be paid from the revenues to the extent the revenues exceed the amount determined by the authority to be necessary for debt service on the bonds.

2. Payments of interest, repayments of moneys loaned pursuant to this chapter, and recaptures of awards shall be deposited in the fund.



3. Moneys in the fund may be used by the authority for the purpose of providing grants, loans, forgivable loans, loan guarantees under the honey creek premier destination park bond program established in this chapter, and otherwise funding the development and construction of facilities in the park including but not limited to lodges, campgrounds, cabins, and golf courses. The moneys in the fund shall be used for the development and construction of facilities in the honey creek premier destination park.

4. The authority, in consultation with the department, shall determine which projects qualify for assistance from the fund, and which projects shall be funded.

Sec. 54. NEW SECTION. 463C.12 PREMIER DESTINATION PARK BONDS.

1. The authority may issue bonds for the purpose of funding the honey creek premier destination park bond fund established in section 463C.11 and for the purpose of refunding any bonds issued under this section. The authority may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the honey creek premier destination park bond fund established in section 463C.11, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the authority incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, bonds issued pursuant to this section shall not be issued in an aggregate principal amount which exceeds twenty-eight million dollars.

2. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code.

3. The authority may pledge amounts deposited in the honey creek premier destination park bond fund established in section 463C.11 as security for the payment of the principal of premium, if any, and interest on the bonds. Bonds issued

under this section are payable solely and only out of the moneys, assets, or revenues of the honey creek premier destination park bond fund and any bond reserve funds established pursuant to section 463C.13, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state, or a charge against the general credit or general fund of the state, and the state shall not be liable for the bonds except from amounts on deposit in the funds. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state.

4. The bonds shall be:

a. In a form, issued in denominations, executed in a manner, payable over terms and with rights of redemption, and subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

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

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 section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The 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, savings and loan associations, and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.



6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the authority that is approved by the authority. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issuance of bonds.

7. Neither the resolution, trust agreement, or any other instrument by which a pledge is created is required to be recorded or filed under the uniform commercial code to be valid, binding, or effective.

8. All bonds issued by the authority in connection with the program are exempt from taxation by the state of Iowa and the interest on the bonds is exempt from state income taxes and state inheritance and estate taxes.

9. The authority may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section 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 or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes 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 may be returned to the board for deposit in the honey creek premier destination park bond fund established in section 463C.11. 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 section.

Sec. 55. NEW SECTION. 463C.13 BOND RESERVE FUNDS.

1. The authority may create and establish one or more special funds, to be known as bond reserve funds, and shall pay into each bond reserve fund any moneys appropriated and made available by the authority for the purpose of the bond reserve fund, any proceeds of sale of notes or bonds to the extent provided in the trust indenture, resolution, or other instrument of the treasurer of state authorizing their issuance, and any other moneys which may be available to the authority for the purpose of the bond reserve fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this section, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the bond reserve fund or of the sinking fund 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.

2. Moneys in a bond reserve fund shall not be withdrawn from the bond reserve fund at any time in an amount that will reduce the amount of the bond reserve fund to less than the bond reserve fund requirement established for the bond reserve fund, as provided in this section, except for the purpose of making, with respect to bonds secured in whole or in part by the bond reserve fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of moneys in the bond reserve fund may be transferred by the authority to other reserve funds or the honey creek premier destination park bond fund to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for the bond reserve fund.

3. The authority 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 will be less than the bond reserve fund requirement for the bond reserve fund, unless the authority at the time of



issuance of the bonds deposits in the bond reserve fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the bond reserve fund, will not be less than the bond reserve fund requirement for the bond reserve fund. For the purposes of this section, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the trust indenture, resolution, or other instrument of the authority authorizing the bonds with respect to which the bond reserve fund is established, equal to not more than ten percent of the outstanding principal amount of bonds secured in whole or in part by the bond reserve fund.

4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before January 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

Sec. 56. NEW SECTION. 463C.14 PLEDGES.

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 money or property so pledged and received after the pledge by the treasurer of state 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 treasurer of state whether or not the parties have notice of the lien.

Sec. 57. NEW SECTION. 463C.15 MONEYS OF THE AUTHORITY.

1. Moneys of the authority from whatever source derived, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in the honey creek premier destination park bond fund. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall, if required by the authority, be secured in the manner determined by the authority. The auditor of state and the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment, and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes, and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of the moneys may be secured in the same manner as moneys of the authority, and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt by the authority, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.



Sec. 58. NEW SECTION. 463C.16 ANNUAL REPORT.

1. The authority shall submit to the governor, the general assembly, and the attorney general, on or before December 31, annually, a report including information regarding all of the following:

- a. Its operations and accomplishments.
- b. Its receipts and expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.
- c. Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.
- d. A schedule of its bonds outstanding at the end of the previous fiscal year, and a statement of the amounts redeemed and issued during the previous fiscal year.
- e. A statement of its proposed and projected activities.
- f. Recommendations to the governor and the general assembly, as deemed necessary.
- g. A statement of all projects funded in the previous fiscal year.
- h. Any other information deemed necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period in attaining these goals.

Sec. 59. NEW SECTION. 463C.17 EXEMPTION FROM COMPETITIVE BID LAWS.

The authority and contracts entered into by the authority in carrying out its public and essential governmental functions are exempt from the laws of the state which provide for competitive bids and hearings in connection with contracts, except as provided in section 12.30. However, the exemption from competitive bid laws in this section shall not be construed to apply to contracts for the development of the park or the development or construction of facilities in the park, including, but not limited to, lodges, campgrounds, cabins, and golf courses.

Sec. 60. NEW SECTION. 463C.18 BANKRUPTCY.

Prior to the date which is three hundred sixty-six days after which the authority no longer has any bonds outstanding, the authority is prohibited from filing a voluntary petition under chapter 9 of the federal bankruptcy code or such corresponding chapter or section as may, from time to time, be in effect, and a public official or organization, entity, or other person shall not authorize the authority to be or become a debtor under chapter 9 or any successor or corresponding chapter or sections during such periods. The provisions of this section shall be part of any contractual obligation owed to the holders of bonds issued under this chapter. Any such contractual obligation shall not subsequently be modified by state law, during the period of the contractual obligation.

Sec. 61. NEW SECTION. 463C.19 DISSOLUTION OF THE AUTHORITY.

The authority shall dissolve no later than two years after the date of final payment of all outstanding bonds and the satisfaction of all outstanding obligations of the authority, except to the extent necessary to remain in existence to fulfill any outstanding covenants or provisions with bondholders or third parties made in accordance with this chapter. Upon dissolution of the authority, all assets of the authority shall be returned to the state and shall be deposited in the general fund of the state, unless otherwise directed by the general assembly, and the authority shall execute any necessary assignments or instruments, including any assignment of any right, title, or ownership to the state for receipt of payments.

Sec. 62. NEW SECTION. 463C.20 LIBERAL INTERPRETATION.

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

Sec. 63. MATCHING FUNDS. Moneys appropriated in this Act, if enacted, to be used for the purpose of funding the development and construction of the honey creek premier destination park shall be available only for projects that contain a match of four dollars of private funds for each three dollars of state funds.

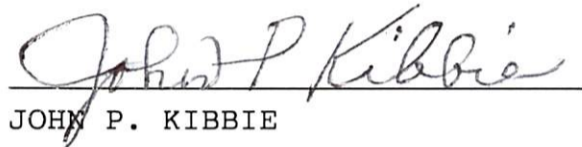


Sec. 64. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.



CHRISTOPHER C. RANTS

Speaker of the House



JOHN P. KIBBIE

President of the Senate

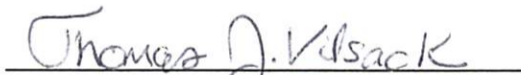
I hereby certify that this bill originated in the House and is known as House File 875, Eighty-first General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved June 15, 2005



THOMAS J. VILSACK

Governor