

February 25, 1965.

Governmental Affairs. ⁴do pass 3/23

House File 351

By SMITH of O'Brien and LOSS.
(O'Malley and Frommelt.)

Passed House, Date 4/9.....

Passed Senate, Date 5/6.....

Vote: Ayes 94..... Nays 1.....

Vote: Ayes 49..... Nays 1.....

Approved May 14, 1965.....

*passed on file 4/12
govt affairs 4/14
pass 5/1*

A BILL FOR

An Act to repeal section two hundred sixty-two point fifty-four (262.54), Code 1962, eliminating budget and financial control committee approval of self-liquidating projects at board of regents institutions.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section two hundred sixty-two point
- 2 fifty-four (262.54), Code 1962, is hereby repealed.

EXPLANATION OF HOUSE FILE 351

(For a bill to repeal Section 262.54, Code 1962)

By legislative action the State Board of Regents has the authority to issue revenue bonds to finance the construction of self-liquidating projects. When the Board finds it necessary to sell bonds for this purpose, it must also assume the responsibility for the repayment of the debt. It must be prepared to show that the projected income from the facility is sufficient to service the debt and its covenants to the bond holder that it will maintain the fees and charges at a level sufficient to do this. This debt is not an obligation of the state.

Since this is the responsibility solely of the Board of Regents, the requirement that a legislative committee must approve the action of the board dilutes the board's authority to issue bonds and raises some questions as to the legality of the legislation. This bill removes the requirement that the Budget and Financial Control Committee must approve the project before the board may proceed.