

Reprinted 5/10/83

FILED MAY 6 1983

SENATE FILE 548

BY COMMITTEE ON FINANCE
Approved 5/6/83 (p. 1581)

Passed Senate, Date 5-9-83 (p. 1608) Passed House, Date _____
Vote: Ayes 31 Nays 17 Vote: Ayes _____ Nays _____
Approved Tom Veto June 12, 1983

A BILL FOR

1 An Act for the purpose of improving the Iowa economy and
2 providing improved employment conditions by establishing
3 work relief programs for unemployed Iowans, establishing
4 energy management programs in buildings owned or occupied
5 by state agencies, encouraging capital investment to
6 stimulate the establishment or expansion of small business
7 and industry, establishing a small business division
8 within the Iowa development commission, creating an Iowa
9 product development corporation, appropriating funds for
10 a residential mortgage interest reduction program,
11 creating an Iowa high technology council, establishing a
12 community development loan program, establishing a fund
13 from which to make loans for the establishment of soil
14 and water conservation practices, authorizing the Iowa
15 department of transportation to issue and become obligated
16 for road use tax revenue bonds, appropriating funds for
17 the purpose of providing state matching funds for the
18 Title III dislocated workers program of the Jobs
19 Training Partnership Act, and making various appropriations
20 to carry out the programs.

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

22
23
24
25

S.F. 548

1 DIVISION I

2 Section 1. TITLE. Division I of this Act shall be known
3 as the "Iowans Out of Work Act of 1983".

4 Sec. 2. IOWA JOBS NOW. There is appropriated from the
5 general fund of the state for the fiscal year beginning July
6 1, 1983, and ending June 30, 1984, three million fifty thousand
7 (3,050,000) dollars, and from federal oil overcharge funds
8 apportioned to this state under Pub. L. No. 97-377, nine
9 hundred fifty thousand (950,000) dollars, or so much thereof
10 as is necessary, to establish and fund a statewide work relief
11 program for unemployed Iowans, to be known as the Iowa jobs
12 now program, in accordance with the following conditions:

13 1. Of the funds appropriated under this section from the
14 general fund of the state, one million five hundred thousand
15 (1,500,000) dollars, or so much thereof as is necessary, is
16 appropriated to the office for planning and programming to
17 be used as follows:

18 a. A policy-making commission is established to direct
19 and supervise the establishment and funding of local work
20 relief projects. The commission shall consist of five public
21 members, not more than two from the same political party,
22 appointed by the governor subject to confirmation by the
23 senate under section 2.32, and one senator, to serve as an
24 ex officio nonvoting member, appointed by the president of
25 the senate, and one representative, to serve as an ex officio
26 nonvoting member, appointed by the speaker of the house of
27 representatives. Notwithstanding section 69.19, the commission
28 members' terms of office shall begin as soon as all members
29 are appointed and shall expire on June 30, 1985. Members
30 of the commission while engaged in their official duties shall
31 be reimbursed for their actual and necessary expenses. Public
32 members shall be reimbursed from funds appropriated by this
33 division. Members of the general assembly shall be reimbursed
34 pursuant to section 2.12. The appointments under this section
35 shall be made within thirty days after the effective date

1 of this division. The commission shall meet as soon as
2 possible after the effective date of this division to establish
3 policies for the implementation of the Iowa jobs now program
4 on July 1, 1983.

5 b. Funds under the program shall be made available to
6 a county or city which establishes and administers a work
7 relief project, but shall not be made available to a hospital
8 or a school district. The jobs commission shall prescribe
9 standards for the priority selection of work relief projects
10 to be funded under the program. The standards shall include,
11 but are not limited to, priority selection based on the
12 commitment of local matching funds at a ratio of two dollars
13 of local funds to each dollar of state funds; the project's
14 rate of economic return to the community; the number of
15 individuals who will work on the project; the number of
16 individuals who would benefit from the project; the benefit
17 to the community as a whole and the need for the project.
18 Sixty percent of the state funds shall be targeted to those
19 counties of the state with unemployment rates at least two
20 percent above the statewide unemployment rate, as determined
21 by the jobs commission from statistics provided by the
22 department of job service. The remaining funds shall be
23 distributed to other counties of the state. The office for
24 planning and programming may prohibit or limit the use of
25 the funds for county or city administrative or supervisory
26 expenses. The county or city shall pay for all necessary
27 project supplies and materials. The office for planning and
28 programming shall not administer or supervise local projects
29 but shall provide technical support and financial accounting
30 services only to the program. The office for planning and
31 programming shall not use more than one and one-half percent
32 of the funds appropriated under this subsection for
33 administrative expenses.

34 c. The county or city which establishes a local work
35 relief project shall administer the project and shall hire

1 and supervise individuals to work on the project. The state
2 shall provide general liability coverage for the individuals
3 employed, under chapter 25A, as if the individuals were
4 employees of the state. The state shall provide workers'
5 compensation coverage for the individuals employed under
6 sections 85.57 and 85.58 as if the individuals were state
7 employees. Individuals employed on a project are exempt from
8 the provisions of chapter 96, under section 96.19, subsection
9 6, paragraph a, subparagraph (6), subpart (e), and are hereby
10 exempted from the provisions of chapters 19A, 97B, and 400.

11 d. The county or city shall employ only those unemployed
12 individuals, who receive little or no unearned income and
13 who have exhausted all available unemployment compensation
14 benefits or are not eligible for unemployment compensation
15 benefits, to work on a local work relief project. The jobs
16 commission may prescribe a uniform procedure to disregard
17 all or a portion of an unemployed individual's unearned income.
18 The individuals shall be paid the federal statutory minimum
19 hourly wage, and shall not be employed for more than thirty-
20 two hours per week in order to allow the individuals to seek
21 private employment. The individuals shall apply for any job
22 training or counseling services available within their
23 respective service delivery areas under the federal Job
24 Training Partnership Act, Pub. L. No. 97-300.

25 This subsection shall not be construed to disqualify
26 individuals employed by a local work relief project from
27 receiving services for which the individuals are otherwise
28 eligible under the federal Job Training Partnership Act, Pub.
29 L. No. 97-300.

30 e. The county or city shall not employ the individuals
31 to replace regular county or city employees, but shall employ
32 the individuals in labor-intensive jobs for no longer than
33 six months. However, if federal law or regulation prohibits
34 an individual's exemption from chapter 96, the individual
35 shall be employed for no longer than three months. Hiring

1 practices shall follow an affirmative action plan based upon
2 guidelines provided by the Iowa state civil rights commission.
3 The plan shall provide for the hiring of women in traditional
4 and nontraditional employment.

5 f. Notwithstanding section 8.33, unencumbered or
6 unobligated funds appropriated by this subsection for the
7 fiscal year beginning July 1, 1983 and ending June 30, 1984
8 shall not revert to the general fund of the state until June
9 30, 1985.

10 2. Of the funds appropriated under this section from the
11 general fund of the state, five hundred thousand (500,000)
12 dollars, or so much thereof as is necessary, is appropriated
13 to the office for planning and programming to contract with
14 the federal action agency for the establishment and funding
15 of a volunteers in service to Iowa program for unemployed
16 Iowans in accordance with the following conditions:

17 a. The policy-making commission established in subsection
18 1 shall direct and supervise the establishment and funding
19 of the volunteers in service to Iowa program. The office
20 for planning and programming shall contract with the federal
21 action agency to administer the volunteers in service to Iowa
22 program on a cost-sharing basis with the federal action agency.
23 The federal action agency shall not use more than one and
24 one-half percent of the funds appropriated under this
25 subsection for administrative expenses. If the office for
26 planning and programming is unable to contract with the federal
27 action agency, the office shall monitor the use of funds under
28 the program, and shall not use more than one and one-half
29 percent of the funds appropriated under this subsection for
30 administrative expenses.

31 b. Funds under the program shall be used to pay a stipend
32 of three hundred thirty-five dollars per one-month period
33 to unemployed volunteers who receive little or no unearned
34 income and who have exhausted all available unemployment
35 compensation benefits or are not eligible for unemployment

1 compensation benefits. In addition, the volunteers shall
2 receive at the end of their period of work assignment, seventy-
3 five dollars for each month of work completed. The commission
4 may prescribe a uniform procedure to disregard all or a portion
5 of an unemployed individual's unearned income. The volunteers
6 may be assigned to work for any public or nonprofit entity
7 for a minimum of six months and a maximum of one year.
8 However, if a contract with the federal action agency is not
9 entered into for administration of the program, a volunteer
10 under the program shall be assigned to work for no longer
11 than three months. The volunteers shall agree to make a full-
12 time commitment to a work assignment which is beneficial to
13 the community or assists unemployed or elderly, low-income
14 Iowans or other needy Iowans to become more self-sufficient
15 or to improve their quality of life. The volunteers shall
16 be available for work at least forty hours per week without
17 regard to regular working hours and at all times during their
18 periods of work, except for authorized periods of leave.
19 The work assignments may include, but are not limited to,
20 assignments to projects providing chore services for the
21 elderly, remedial reading or writing instruction, community
22 or individual gardening instruction and organization, food
23 cooperative instruction and organization, home energy
24 conservation assistance, skill-sharing instruction and
25 organization, distribution services for public or private
26 commodities, and child day care. The work assignments shall
27 not be made to replace regular employees or for participation
28 in religious activities. The work assignments shall, if
29 possible and where needed, be approached in a manner which
30 would assist in the continuation of volunteers' assignments
31 beyond their terms of assignment, by encouraging local
32 involvement.

33 c. The public or nonprofit entity to which an individual
34 is assigned shall supervise and direct the individual and
35 shall pay for all necessary work materials, supplies, and

1 transportation costs. Work assignment practices shall follow
2 an affirmative action plan based upon guidelines provided
3 by the Iowa state civil rights commission. The plan shall
4 provide for the assignment of women to traditional and
5 nontraditional employment. If the federal action agency
6 administers the program, volunteers are provided general
7 liability, health and accident, and workers' compensation
8 coverage pursuant to federal regulations. If a contract with
9 the federal action agency is not entered into for the
10 administration of the program, the state shall provide general
11 liability coverage for the volunteers, under chapter 25A,
12 as if the volunteers were employees of the state, and the
13 state shall provide workers' compensation coverage for the
14 volunteers under sections 85.57 and 85.58 as if the volunteers
15 were state employees. The volunteers are exempt from the
16 provisions of chapter 96, under section 96.19, subsection
17 6, paragraph a, subparagraph (6), subpart (e), and are hereby
18 exempted from the provisions of chapters 19A, 97B, and 400.

19 d. Notwithstanding section 8.33, unencumbered or
20 unobligated funds appropriated by this subsection for the
21 fiscal year beginning July 1, 1983 and ending June 30, 1984
22 shall not revert to the general fund of the state until June
23 30, 1985. Funds appropriated by this subsection may be
24 transferred under section 8.39 to the local work relief
25 projects funded under subsection 1 if the funds are not needed
26 for the volunteers to service in Iowa program.

27 3. Of the funds appropriated under this section, fifty
28 thousand (50,000) dollars from the general fund of the state,
29 and nine hundred fifty thousand (950,000) dollars from federal
30 oil overcharge funds, or so much thereof as is necessary,
31 are appropriated to the energy policy council to be used for
32 grants to local governments for energy management programs,
33 to be used as follows:

34 a. Funds appropriated in this subsection are allocated
35 for grants to cities and counties for the following programs

1 according to the following percentages:
2 (1) For grants to area education
3 agencies to consult in the area of
4 technical energy management with
5 school districts 15 percent
6 (2) For grants to local governments
7 to train maintenance personnel in
8 energy management 4 percent
9 (3) For grants to local governments
10 to pay for the installation of utility
11 meters to monitor energy use in build-
12 ings occupied by government agencies 6 percent
13 (4) For grants to local governments
14 for energy audits of buildings occupied
15 by government agencies 28 percent
16 (5) For grants to local governments,
17 except hospitals and school districts,
18 for energy conservation improvements in
19 government-owned buildings 47 percent
20 b. Cities, counties, and area education agencies are
21 eligible for grants under paragraph a. The governing body
22 of the unit of local government may apply for and is designated
23 to receive the grant. The amount of the grant shall not
24 exceed fifty percent of the cost of the project and the
25 application must demonstrate that the local government will
26 provide the required matching money.
27 c. In approving grants under this subsection, the energy
28 policy council shall give priority to projects which provide
29 significant new employment opportunities, and each grant
30 request shall contain information regarding the number of
31 persons expected to be employed as a result of the grant and
32 the number of permanent jobs which might result from the
33 approval of the grant.
34 4. Of the funds appropriated under this section from the
35 general fund of the state, one hundred thousand (100,000)

1 dollars, or so much thereof as is necessary, is appropriated
2 to the Iowa arts council, to be used as follows:

3 a. An individual artist may receive a cash grant not to
4 exceed three thousand dollars for a project determined to
5 be in the public good including but not limited to touring
6 performances and exhibitions, concerts for hospitals or nursing
7 home residents, school concerts, participation in art
8 festivals, fairs, and conventions, paintings, drawings, or
9 sculpture for state buildings, photographic documentation
10 of life in Iowa, public murals, training seminars for students,
11 poetry readings, publications, school residencies, or other
12 projects which are open to the public. A grantee may request
13 an additional stipend not to exceed ten percent of the grant
14 to be used for materials and transportation costs. A grant
15 may be made to an individual artist for a project involving
16 a group of artists. Only the individual artist submitting
17 the application must qualify under paragraph d.

18 b. An eligible organization under paragraph d may apply
19 for a grant not to exceed three thousand dollars to match
20 an equal amount to be used to hire, for up to one year, an
21 artist-in-residence or arts administrator. Artists hired
22 must meet the eligibility requirements of paragraph d.

23 c. Applications for a grant may be submitted to the Iowa
24 arts council or to any job service office in the state.
25 Applications shall be reviewed monthly by an advisory committee
26 appointed under section 304A.6, subsection 4. The advisory
27 committee shall submit recommendations to the council regarding
28 possible recipients and the grant amount.

29 d. An individual must be an Iowa resident and must have
30 been unemployed or had a combined adjusted gross income for
31 federal income tax purposes for the individual and the
32 individual's spouse of less than ten thousand dollars during
33 the twelve months prior to making application. An organization
34 must be incorporated under chapter 504A.

35 e. The Iowa arts council shall require all grantees to

1 sign a contract and to report to the council within forty-
2 five days following completion of the project. Works produced
3 by a person receiving an individual grant are the property
4 of the state in care of the Iowa arts council. Works produced
5 by a person hired by an organization receiving a grant are
6 the property of the organization.

7 5. Of the funds appropriated under this section from the
8 general fund of the state, nine hundred thousand (900,000)
9 dollars, or so much thereof as is necessary, is appropriated
10 to the office for planning and programming to be used for
11 community grants, to be used as follows:

12 a. The jobs commission established in subsection 1 shall
13 establish a program of grants to cities and community groups
14 for the development of community programs that would provide
15 local jobs for Iowa residents and at the same time promote
16 a city's historical, ethnic, and cultural heritages through
17 the development of festivals, music, drama, or cultural
18 programs, or tourist attractions.

19 b. A city or community group may submit applications to
20 the jobs commission or to any job service office in the state.
21 Applications shall be reviewed by the Iowa arts council, the
22 state historical board, and the Iowa development commission,
23 acting as an advisory committee to the jobs commission. The
24 advisory committee shall submit recommendations to the jobs
25 commission regarding possible recipients and grant amounts.
26 The amount of a grant shall not exceed fifty percent of the
27 cost of the community program and the application must demon-
28 strate that the city or community group will provide the re-
29 quired matching money. In lieu of providing the entire match
30 in money, a city or community group may substitute in-kind
31 services for up to fifty percent of the matching requirement.

32 c. If a portion of the funds appropriated by this subsec-
33 tion is not committed to a city or community group by March
34 1, 1984, the uncommitted funds may be transferred under section
35 8.39 to local work relief projects funded under subsection

1 1.

2 6. The policy-making commission established in subsection
3 1 shall cooperate with the state job training coordinating
4 council established pursuant to the federal Job Training
5 Partnership Act, Pub. L. No. 97-300, in the implementation
6 of the Iowa jobs now program. State agencies shall cooperate
7 with the federal action agency in the implementation of the
8 volunteers in service to Iowa program and with the office
9 for planning and programming in the implementation of the
10 Iowa jobs now program, and shall provide necessary job training
11 and technical assistance, for short periods of time, in
12 assisting in the implementation of the Iowa jobs now program.
13 Chapter 17A does not apply to the office for planning and
14 programming or to the cooperating state agencies in the
15 implementation of the Iowa jobs now program.

16

DIVISION II

17 Sec. 3. There is appropriated from the general fund of
18 the state to the energy policy council for the fiscal year
19 beginning July 1, 1983 and ending June 30, 1984, the sum of
20 five hundred thousand (500,000) dollars, and from federal
21 oil overcharge funds apportioned to Iowa under Pub. L. No.
22 97-377, the sum of five hundred thousand (500,000) dollars,
23 or so much thereof as is necessary to be used for grants to
24 state agencies for energy management programs in buildings
25 owned or occupied by state agencies.

26 Sec. 4. The energy policy council shall allocate the funds
27 appropriated in section 3 of this division to state agencies
28 according to the following guidelines:

29 1. Preference shall be given to projects for energy
30 conservation improvements in buildings owned by the state
31 or by another unit of government that are occupied by a state
32 agency.

33 2. The funds may also be used for grants for training
34 maintenance personnel in energy management, the installation
35 of utility meters to monitor energy use in buildings occupied

1 by state agencies, energy audits of buildings occupied by
2 state agencies, and consultation with state agencies in the
3 area of technical energy management.

4 3. At least sixty percent of the funds appropriated in
5 section 3 of this division shall be used for energy management
6 programs in state owned buildings and buildings owned by
7 another unit of government that are occupied by a state agency
8 and which are located in a county with an unemployment rate
9 that is above the statewide unemployment rate, as determined
10 by statistics provided by the department of job service.

11

DIVISION III

12 Sec. 5. NEW SECTION. 220.70 PURPOSE. It is the purpose
13 of this division to provide capital investment in the state
14 to encourage the establishment or expansion of small business
15 and industry, to provide additional jobs within the state,
16 and to assist communities to diversify and stabilize the
17 economies

18 Sec. 6. NEW SECTION. 220.71 CERTIFIED DEVELOPMENT
19 PROGRAM. The authority shall implement a program to assist
20 small businesses in obtaining funds to establish and expand
21 small businesses and create new jobs. The authority shall
22 use the funds to cooperate with and implement the certified
23 development program of the United States small business ad-
24 ministration. The funds provided by the authority shall be
25 in the form of loans. The loans shall be made available in
26 cooperation with local and statewide certified development
27 companies and shall be available to small businesses qualified
28 under guidelines of the United States small business
29 administration. Section 220.62, subsection 2, applies to
30 the administration of this section.

31 For purposes of this division, "small business" means small
32 business as defined in section 220.1, subsection 28 and
33 "capital infusion loan" means a loan under this division by
34 the authority to a small business.

35 Sec. 7. NEW SECTION. 220.72 CAPITAL INFUSION LOANS.

1 Capital infusion loans authorized under this division shall
2 be made from funds appropriated to the authority for that
3 purpose. A capital infusion loan shall be made only in
4 conjunction with a loan made through or in conjunction with
5 a United States small business administration loan for a
6 project. The capital infusion loan shall not constitute more
7 than ten percent of the entire amounts loaned to the small
8 business with respect to the project. The authority may fund
9 other portions of the project with loans of the authority
10 made pursuant to other sections of this chapter. Capital
11 infusion loans shall be repaid under terms determined by the
12 authority. However, the small business shall not be required
13 to pay interest on that part of the loan received from funds
14 appropriated to the authority for that purpose from the general
15 fund of the state.

16 Sec. 8. Sections 5 through 7 are enacted as a new division
17 of chapter 220.

18 Sec. 9. There is appropriated from the general fund of
19 the state to the Iowa housing finance authority for the fiscal
20 year beginning July 1, 1983 and ending June 30, 1984, the
21 sum of five million (5,000,000) dollars, or so much thereof
22 as is necessary, to implement this division.

23 DIVISION IV

24 Sec. 10. NEW SECTION. 28.35 PURPOSES. It is the purpose
25 of the general assembly in enacting this division to accomplish
26 the following goals:

27 1. To provide that the small business division shall be
28 the focal point within the Iowa development commission of
29 activities which address the needs of small businesses in
30 this state.

31 2. To encourage the creation of nongovernmental, nonsubsidi-
32 zed and permanent jobs in this state, and to increase real
33 income levels in this state by promoting the stability of
34 existing small businesses and the creation of new small
35 businesses.

1 3. To provide a forum for the coordination of efforts
2 to address the needs and opportunities of small business in
3 this state.

4 Sec. 11. NEW SECTION. 28.36 DEFINITIONS. As used in
5 this division, unless the context otherwise requires:

6 1. "Small business division" means the small business
7 development division established within the Iowa develop-
8 ment commission.

9 2. "Administrator" means the administrator of the small
10 business division.

11 3. "Small business" means a nonprofessional enterprise
12 which is located in this state, and which is operated for
13 profit and under a single management, and which has either
14 fewer than twenty employees or an annual gross income of less
15 than three million dollars.

16 4. "Advisory council" means the small business advisory
17 council.

18 Sec. 12. NEW SECTION. 28.37 SMALL BUSINESS DIVISION.

19 1. The commission shall establish and maintain a small
20 business division.

21 2. The director shall appoint an administrator who shall
22 serve at the pleasure of the director. The administrator
23 shall supervise the small business division, and shall attend
24 meetings of the commission and the advisory council.

25 3. The commission shall assign to the small business
26 division personnel employed under section 28.4 as may be
27 required to enable the administrator and the small business
28 division to perform the functions of the small business
29 division.

30 4. The commission may adopt rules pursuant to chapter
31 17A for the administration of this division.

32 5. The commission shall provide that at least twice each
33 year a meeting of the commission authorized by section 28.6
34 shall be devoted to consultation with the advisory council.

35 Sec. 13. NEW SECTION. 28.38 SMALL BUSINESS ADVISORY

1 COUNCIL.

2 1. The governor shall appoint a small business advisory
3 council to consist of eleven members. The advisory council
4 shall be nonpartisan. Not more than six of the members of
5 the advisory council shall be affiliated with the same
6 political party. The governor shall appoint one member of
7 the advisory council to serve as its chairperson. Members
8 of the advisory council shall be appointed to four-year terms,
9 and the governor shall appoint successors and persons to fill
10 vacancies. The terms of the members of the advisory council
11 shall begin on July 1 in the year of appointment. The governor
12 shall appoint five of the members initially appointed to the
13 advisory council to initial terms of two years.

14 2. More than half of the membership of the advisory council
15 shall be persons who own and operate a small business or
16 persons employed in the management of a small business.

17 3. The advisory council shall meet at least quarterly
18 each year at the seat of government in facilities provided
19 by the commission. In addition, the advisory council shall
20 meet with the commission as provided in section 28.37,
21 subsection 5. The commission shall provide a secretary for
22 meetings of the advisory council.

23 4. The members of the advisory council shall be paid a
24 forty dollar per diem and shall be reimbursed for actual and
25 necessary expenses incurred in performance of duties. All
26 per diem and expense moneys shall be paid from funds
27 appropriated for the use of the small business division.

28 5. The advisory council shall advise and consult with
29 the commission and the small business division with respect
30 to matters which are of concern to small businesses. The
31 advisory council may submit recommendations to the commission
32 relating to actual or proposed activities of the small business
33 division, and may submit recommendations for legislative or
34 administrative actions.

35 Sec. 14. NEW SECTION. 28.39 GENERAL DUTIES OF DIVISION.

- 1 The small business division shall adopt appropriate service
2 programs to:
- 3 1. Represent small business interests before Congress,
4 the general assembly, and state and federal agencies.
 - 5 2. Receive and review complaints from individual small
6 businesses that relate to rules or decisions of state agencies,
7 and refer questions and complaints to a governmental agency
8 when appropriate.
 - 9 3. Administer funding for the small business development
10 centers, contracting with the center for industrial research
11 and service for the administration of the program.
 - 12 4. Channel requests for technical and managerial assistance
13 from small businesses to the small business development centers
14 and the extension system, and other available resources.
 - 15 5. Provide information to small businesses seeking to
16 establish or expand in Iowa through the regulatory information
17 service created in section 28.17.
 - 18 6. Study the feasibility of reducing the total number
19 of state licenses, permits, and certificates required to
20 conduct small businesses.
 - 21 7. Disseminate public information with respect to the
22 legislation, regulation, policies and practices of government
23 which affect the creation and operation of small businesses
24 in this state.
 - 25 8. Research, propose and promote methods of utilizing
26 small businesses to develop economically depressed areas or
27 to provide jobs for unemployed persons.
 - 28 9. Encourage and assist small businesses to obtain state
29 contracts and subcontracts by cooperating with the directors
30 of purchasing in the department of general services, the state
31 board of regents, and the department of transportation in
32 performing the following functions:
 - 33 a. Compiling and maintaining a comprehensive source list
34 of small businesses.
 - 35 b. Assuring that responsible small businesses are solicited

1 on each suitable purchase.

2 c. Assisting small businesses in complying with the pro-
3 cedures for bidding and negotiating for contracts.

4 d. Simplifying procurement specifications and terms in
5 order to increase the opportunities for small business par-
6 ticipation.

7 e. When economically feasible, dividing total purchases
8 into tasks or quantities to permit maximum small business
9 participation.

10 f. Preparing timely forecasts of repetitive contracting
11 requirements by dollar volume and types of contracts to en-
12 hance the participation of responsible small businesses in
13 the public purchasing process.

14 g. Developing a mechanism to measure and monitor the
15 amount of participation by small businesses in state procure-
16 ment.

17 Sec. 15. NEW SECTION. 28.40 ANNUAL REPORT. The small
18 business division shall prepare and submit to the general
19 assembly in January of each year a report of the activities
20 of the small business division during the previous fiscal
21 year. The report shall contain a statement of the expenditures
22 of the small business division for the previous fiscal year
23 and the recommendations of the advisory council, if any, for
24 future action.

25 Sec. 16. There is appropriated from the general fund of
26 the state for the fiscal year beginning July 1, 1983 and
27 ending June 30, 1984, the sum of five hundred thousand
28 (500,000) dollars, or so much thereof as is necessary, to
29 the small business division of the Iowa development commission
30 for the purpose of funding the division's administrative costs
31 and to provide the state's obligation in administering the
32 small business development centers.

33 DIVISION V

34 Sec. 17. NEW SECTION. TITLE. Division V of this Act
35 may be cited as the "Iowa Product Development Corporation

1 Act".

2 Sec. 18. NEW SECTION. DEFINITIONS. As used in this
3 division unless the context otherwise requires:

4 1. "Corporation" means the Iowa product development
5 corporation.

6 2. "Financial aid" means the infusion of risk capital
7 to persons for use in the development and exploitation of
8 specific inventions and products.

9 3. "Invention" means a new process or new technique without
10 regard to whether a patent has or could be granted.

11 4. "Product" means a product, device, technique, or process
12 which is exploitable commercially. The term does not mean
13 a product in a pure research stage of development but applies
14 to a product, device, technique, or process which has advanced
15 beyond the theoretic stage and is readily capable of being
16 reduced to practice.

17 5. "Venture" means a contractual arrangement between a
18 person and the corporation from which the corporation obtains
19 rights, from or in an invention, product, or the proceeds
20 from the product or invention in exchange for granting
21 financial aid to the person.

22 6. "Board" means the board of directors of the Iowa product
23 development corporation.

24 7. "President" means the president of the Iowa product
25 development corporation.

26 Sec. 19. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION.

27 1. There is created a corporate body called the "Iowa
28 product development corporation". The corporation is a quasi-
29 public instrumentality and the exercise of the powers granted
30 to the corporation in this division is an essential
31 governmental function.

32 2. The corporation shall be governed by a board of seven
33 directors who shall serve a term of four years. Each term
34 shall coincide with the term of the governor. The term of
35 the initial appointees shall terminate upon the expiration

1 of the term of the current governor. Each director shall
2 be appointed by the governor, subject to confirmation by the
3 senate. A director is eligible for reappointment. A vacancy
4 on the board of directors shall be filled in the same manner
5 as an original appointment.

6 3. The board of directors shall annually elect one member
7 as chairperson and one member as secretary. The board may
8 elect other officers of the corporation as necessary. Members
9 shall not receive compensation but shall be reimbursed for
10 necessary expenses incurred in the performance of duties.

11 4. Each director of the corporation shall take an oath
12 of office and the record of each oath shall be filed in the
13 office of the secretary of state.

14 5. The corporation shall receive information and cooperate
15 with other agencies of the state and the political subdivisions
16 of the state.

17 6. The corporation shall be a part of the Iowa development
18 commission for administrative purposes only.

19 Sec. 20. NEW SECTION. PERPETUAL SUCCESSION. The
20 corporation has perpetual succession. The succession shall
21 continue until the existence of the corporation is terminated
22 by law. The termination of the corporation shall not affect
23 an outstanding contractual obligation of the corporation to
24 assist a person. In the event of the termination of the
25 corporation, the contractual obligation to assist the person
26 succeeds to the state and the rights and properties of the
27 corporation shall pass to the state. However, debts or other
28 financial obligations of the corporation do not succeed to
29 the state upon termination of the corporation.

30 Sec. 21. NEW SECTION. BOARD OF DIRECTORS. The powers
31 of the corporation are vested in and shall be exercised by
32 the board of directors. Four members of the board constitute
33 a quorum and an affirmative vote of the majority of the members
34 present at a meeting is necessary before an action may be
35 taken by the board. An action taken by the board shall be

1 authorized by resolution at a regular or special meeting and
2 takes effect immediately unless the resolution specifies
3 otherwise. Notice of a meeting shall be given orally or in
4 writing not less than forty-eight hours prior to the meeting.

5 Sec. 22. NEW SECTION. PRESIDENT. The board of directors
6 shall appoint a president of the corporation who shall serve
7 at the pleasure of the board and shall receive the compensation
8 determined by the board. The president shall not be a member
9 of the board. The president shall be the chief administrative
10 and operational officer of the corporation and shall direct
11 and supervise the administrative affairs and the general
12 management of the corporation. The president may employ other
13 employees as designated by the board. The president shall
14 provide copies of all minutes, documents, and other records
15 of the corporation and shall provide a certificate which
16 attests to truthfulness of the copies, if requested. Persons
17 dealing with the corporation may rely upon the certificates.
18 The president shall keep a record of all proceedings,
19 documents, and papers filed with the corporation.

20 Sec. 23. NEW SECTION. CORPORATE PURPOSE--POWERS. The
21 purpose of the corporation is to stimulate and encourage the
22 development of new products within Iowa by the infusion of
23 financial aid for invention and innovation in situations in
24 which financial aid would not otherwise be reasonably available
25 from commercial sources. For this purpose the corporation
26 has the following powers:

27 1. To have perpetual succession as a corporate body and
28 to adopt bylaws, policies, and procedures for the regulation
29 of its affairs and conduct of its business.

30 2. To enter into venture agreements with persons doing
31 business in Iowa upon conditions and terms which are consistent
32 with the purposes of this division for the advancement of
33 financial aid to the persons. The financial aid advanced
34 shall be for the development of specific products, procedures,
35 and techniques which are to be developed and produced in this

1 state. The corporation shall condition the agreements upon
2 contractual assurances that the benefits of increasing or
3 maintaining employment and tax revenues shall remain in Iowa.

4 3. To receive and accept aid or contributions from a
5 source of money, property, labor, or other things of value
6 to be used to carry out the purposes of this division including
7 gifts or grants from a department or agency of the United
8 States or any state.

9 4. With approval of the director of the department of
10 general services to acquire, lease, purchase, manage, hold,
11 and dispose of real and personal property and to lease, convey,
12 or enter into contracts with respect to such property provided
13 that all acquisitions of real property shall be as required
14 by law.

15 5. To issue notes and bonds as provided under this
16 division.

17 6. To hold patents, copyrights, trademarks, or other
18 evidences of protection or exclusivity issued under the laws
19 of this state or the United States to any products.

20 7. To employ assistants, agents, and other employees who
21 shall be state employees and to engage consultants, attorneys,
22 and appraisers as necessary or desirable to carry out the
23 purposes of the corporation.

24 8. To make and enter into contracts and agreements
25 necessary or incidental to its performance of the duties and
26 the powers granted to the corporation.

27 9. To sue and be sued, plead, and adopt a seal.

28 10. With the approval of the treasurer of state, to invest
29 funds which are not needed for immediate use or disbursement,
30 including funds held in reserve, in obligations issued or
31 guaranteed by the state or the United States.

32 11. To procure insurance against a loss in connection
33 with its property and other assets.

34 12. To the extent permitted under a corporation contract
35 with other persons, to consent to a termination, modification,

1 forgiveness, or other change in the terms of a contractual
2 right, payment, royalty, contract, or agreement.

3 13. To take necessary action to render bonds issued under
4 this division more marketable.

5 Sec. 24. NEW SECTION. APPLICATIONS FOR FINANCIAL AID.

6 1. Applications for financial aid shall be forwarded,
7 together with an application fee prescribed by the corporation,
8 to the president of the corporation. The president, after
9 preparing the necessary records for the corporation, shall
10 forward each application to the staff of the corporation,
11 for an investigation and report concerning the advisability
12 of approving the financial aid for the company and concerning
13 any other factors found relevant by the corporation. The
14 investigation and report shall include but are not limited
15 to the following:

- 16 a. The history of the applicant, its wage standards, job
17 opportunities, and stability of employment.
- 18 b. The extent of the applicant's dependence on agriculture.
- 19 c. The applicant's past, present, and future financial
20 condition and structure.
- 21 d. The applicant's pro-forma income statements.
- 22 e. The present and future market prospects for the product.
- 23 f. The feasibility of the proposed project or invention
24 to be given financial aid and the integrity of management.
- 25 g. The state of the project's development.

26 2. After receipt and consideration of the report and any
27 other action the corporation finds necessary, the corporation
28 shall approve or deny the application. The president shall
29 promptly notify an applicant by certified mail of the
30 disposition of its application. The corporation shall give
31 priority to those applicants whose business is agriculture
32 related or whose business is located in an area which the
33 corporation determines has been severely adversely affected
34 by depressed agricultural prices and whose proposed product
35 or invention is to be used to convert all or a portion of

1 the business to nonagriculture-related industrial or commercial
2 activity or to create a new nonagriculture-related industrial
3 or commercial business.

4 Sec. 25. NEW SECTION. IOWA PRODUCT DEVELOPMENT CORPORATION
5 FUND. There is created an "Iowa product development
6 corporation fund". All funds of the corporation including
7 the proceeds from the issuance of notes or sale of bonds under
8 this division, any funds appropriated from the general fund
9 to the corporation, and other income derived from the exercise
10 of authority granted to the corporation under this division
11 shall be paid to the treasurer of state as an agent of the
12 corporation and the treasurer shall deposit the amounts in
13 the Iowa product development corporation fund. The money
14 in the Iowa product development corporation fund shall be
15 paid out by warrants signed by the treasurer of state on
16 requisition of the president of the corporation. The money
17 in the Iowa product development corporation fund shall be
18 used for repayment of notes and bonds issued under this
19 division, the extension of financial aid granted by the
20 corporation under this division, and the amount remaining
21 may be used for the payment of the administrative and overhead
22 costs of the corporation to the extent required.

23 Sec. 26. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION
24 NOTES. The corporation may issue Iowa product development
25 corporation fund notes, the principal and interest of which
26 shall be payable solely from the Iowa product development
27 corporation fund established by this division. The fund notes
28 of each issue shall be dated, shall mature at times not
29 exceeding ten years from their dates of issue, and may be
30 made redeemable before maturity, at the option of the
31 corporation, at prices and under terms and conditions as
32 determined by the corporation. The corporation shall determine
33 the form and manner of execution of the fund notes, including
34 any interest coupons to be attached, and shall fix the
35 denominations and the places of payment of principal and

1 interest, which may be any financial institution within or
2 without the state or any agent, including the lender. If
3 an officer whose signature or a facsimile of whose signature
4 appears on fund notes or coupons ceases to be that officer
5 before the delivery of the notes or coupons, the signature
6 or facsimile is valid and sufficient for all purposes the
7 same as if the officer had remained in office until delivery.
8 The fund notes may be issued in coupon or in registered form,
9 or both, as the corporation determines, and provision may
10 be made for the registration of coupon fund notes as to
11 principal alone and also as to both principal and interest,
12 and for the conversion into coupon fund notes of any fund
13 notes registered as to both principal and interest, and for
14 the interchange of registered and coupon fund notes. Fund
15 notes shall bear interest at rates as determined by the
16 corporation and may be sold in a manner, either at public
17 or private sale, and for a price as the corporation determines
18 to be best to effectuate the purposes of the housing assistance
19 fund. The proceeds of fund notes shall be used solely for
20 the purposes for which issued and shall be disbursed in a
21 manner and under restrictions as provided in this division
22 and in the resolution of the corporation providing for their
23 issuance. The corporation may provide for the replacement
24 of fund notes which become mutilated or are destroyed or lost.

25 Sec. 27. NEW SECTION. BONDS AND NOTES.

26 1. The corporation may issue its negotiable bonds and
27 notes in principal amounts as, in the opinion of the
28 corporation, are necessary to provide sufficient funds for
29 achievement of its corporate purposes, the payment of interest
30 on its bonds and notes, the establishment of reserves to
31 secure its bonds and notes, and all other expenditures of
32 the corporation incident to and necessary or convenient to
33 carry out its purposes and powers. However, the corporation
34 shall not have a total principal amount of bonds and notes
35 outstanding at any time in excess of one million dollars,

1 or the value of the aggregate assets of the corporation, as
2 certified by an independent certified public accountant.
3 The bonds and notes shall be deemed to be investment securities
4 and negotiable instruments within the meaning of and for all
5 purposes of the uniform commercial code.

6 2. Bonds and notes issued by the corporation are payable
7 solely and only out of the moneys, assets, or revenues of
8 the corporation, and as provided in the agreement with
9 bondholders or noteholders pledging any particular moneys,
10 assets or revenues. Bonds or notes are not an obligation
11 of this state or any political subdivision of this state other
12 than the corporation within the meaning of any constitutional
13 or statutory debt limitations, but are special obligations
14 of the corporation payable solely and only from the sources
15 provided in this chapter, and the corporation shall not pledge
16 the credit or taxing power of this state or any political
17 subdivision of this state other than the corporation, or make
18 its debts payable out of any moneys except those of the
19 corporation.

20 3. Bonds and notes must be authorized by a resolution
21 of the corporation. However, a resolution authorizing the
22 issuance of bonds or notes may delegate to an officer of the
23 corporation the power to negotiate and fix the details of
24 an issue of bonds or notes by an appropriate certificate of
25 the authorized officer.

26 4. Bonds shall:

27 a. State the date and series of the issue, be consecutively
28 numbered, and state on their face that they are payable both
29 as to principal and interest solely out of the assets of the
30 corporation and do not constitute an indebtedness of this
31 state or any political subdivision of this state other than
32 the corporation within the meaning of any constitutional or
33 statutory debt limit.

34 b. Be either registered, registered as to principal only,
35 or in coupon form, issued in denominations as the corporation

1 prescribes, fully negotiable instruments under the laws of
2 this state, signed on behalf of the corporation with the
3 manual or facsimile signature of the chairperson or president,
4 attested by the manual or facsimile signature of the secretary,
5 have impressed or imprinted thereon the seal of the corporation
6 or a facsimile of it, and the coupons attached shall be signed
7 with the facsimile signature of the chairperson or president,
8 be payable as to interest at rates and at times as the
9 corporation determines, be payable as to principal at times
10 over a period not to exceed fifty years from the date of
11 issuance, at places, and with reserved rights of prior
12 redemption, as the corporation prescribes, be sold at prices,
13 at public or private sale, and in a manner as the corporation
14 prescribes, and the corporation may pay the expenses, premiums,
15 and commissions which it deems necessary or advantageous in
16 connection with the issuance and sale, and be issued under
17 and subject to the terms, conditions, and covenants providing
18 for the payment of the principal, redemption premiums, if
19 any, interest, and other terms, conditions, covenants, and
20 protective provisions safeguarding payment, not inconsistent
21 with this division, as are found to be necessary by the
22 corporation for the most advantageous sale, which may include,
23 but are not limited to, covenants with the holders of the
24 bonds as to:

25 (1) Pledging or creating a lien, to the extent provided
26 by the resolution, on moneys or property of the corporation
27 or moneys held in trust or otherwise by others to secure the
28 payment of the bonds.

29 (2) Providing for the custody, collection, securing,
30 investment, and payment of any moneys of or due to the
31 corporation.

32 (3) Limitations on the purpose to which the proceeds of
33 sale of an issue of bonds then or thereafter to be issued
34 may be applied.

35 (4) Limitations on the issuance of additional bonds and

1 on the refunding of outstanding or other bonds.

2 (5) The procedure by which the terms of a contract with
3 the holders of bonds may be amended or abrogated, the amount
4 of bonds the holders of which must consent to an amendment
5 or abrogation, and the manner in which consent may be given.

6 (6) Vesting in a trustee properties, rights, powers, and
7 duties in trust as the corporation determines, which may
8 include the rights, powers, and duties of the trustee appointed
9 for the holders of any issue of bonds pursuant to this
10 division, in which event the provisions of that section
11 authorizing appointment of a trustee by the holders of bonds
12 do not apply, or limiting or abrogating the right of the
13 holders of bonds to appoint a trustee under that section,
14 or limiting the rights, duties, and powers of the trustee.

15 (7) Defining the acts or omissions which constitute a
16 default in the obligations and duties of the corporation and
17 providing for the rights and remedies of the holders of bonds
18 in the event of a default. However, rights and remedies shall
19 be consistent with the laws of this state and this division.

20 (8) Any other matters which affect the security and
21 protection of the bonds and the rights of the holders.

22 5. The corporation may issue its bonds for the purpose
23 of refunding any bonds or notes of the corporation then
24 outstanding, including the payment of any redemption premiums
25 on the bonds or notes and any interest accrued or to accrue
26 to the date of redemption of the outstanding bonds or notes.
27 Until the proceeds of bonds issued for the purpose of refunding
28 outstanding bonds or notes are applied to the purchase or
29 retirement of outstanding bonds or notes or the redemption
30 of outstanding bonds or notes, the proceeds may be placed
31 in escrow and be invested and reinvested in accordance with
32 this division. The interest, income, and profits earned or
33 realized on an investment may also be applied to the payment
34 of the outstanding bonds or notes to be refunded by purchase,
35 retirement, or redemption. After the terms of the escrow

1 have been fully satisfied and carried out, any balance of
2 proceeds and interest earned or realized on the investments
3 may be returned to the corporation for use by it in any lawful
4 manner. Refunding bonds shall be issued and secured and
5 subject to this division in the same manner and to the same
6 extent as other bonds issued pursuant to this division.

7 6. The corporation may issue negotiable bond anticipation
8 notes and may renew them from time to time but the maximum
9 maturity of the notes, including renewals, shall not exceed
10 ten years from the date of issue of the original notes. Notes
11 are payable from any available moneys of the corporation not
12 otherwise pledged, or from the proceeds of the sale of bonds
13 of the corporation in anticipation of which the notes were
14 issued. Notes may be issued for any corporate purpose of
15 the corporation. Notes shall be issued in the same manner
16 as bonds, and notes and the resolution authorizing them may
17 contain any provisions, conditions, or limitations, not
18 inconsistent with this subsection, which the bonds or a bond
19 resolution of the corporation may contain. Notes may be sold
20 at public or private sale. In case of default on its notes
21 or violation of any obligations of the corporation to the
22 noteholders, the noteholders have all the remedies provided
23 in this division for bondholders. Notes are as fully
24 negotiable as bonds of the corporation.

25 7. A copy of each pledge agreement by or to the
26 corporation, including without limitation each bond resolution,
27 indenture of trust, or similar agreement, or any revisions
28 or supplements to it shall be filed with the secretary of
29 state and no further filing or other action under sections
30 554.9101 to 554.9507, article 9 of the uniform commercial
31 code, or any other law of the state is required to perfect
32 the security interest in the collateral or any additions to
33 it or substitutions for it, and the lien and trust created
34 are binding from and after the time made against all parties
35 having claims of any kind in tort, contract, or otherwise

1 against the pledgor.

2 8. Neither the officers of the corporation nor any person
3 executing its bonds, notes, or other obligations is liable
4 personally on the bonds, notes, or other obligations or subject
5 to any personal liability or accountability by reason of the
6 issuance of the corporation's bonds or notes.

7 Sec. 28. NEW SECTION. REPORTING AND FUND SOLVENCY. The
8 chairperson of the corporation on or before July 30 of each
9 fiscal year shall make and deliver a report to the governor
10 and the legislative fiscal committee. The report shall include
11 all transactions conducted by the corporation in the preceding
12 fiscal year. The report shall also include a balance sheet
13 outlining the financial solvency of the Iowa product
14 development corporation fund, a certified copy of any audits
15 of the corporation conducted in the preceding fiscal year,
16 and other information requested by the governor or the
17 legislative fiscal committee.

18 Sec. 29. NEW SECTION. AUDITS. The auditor of state shall
19 audit the books and accounts of the corporation at least semi-
20 annually. One audit shall be conducted for the preceding
21 fiscal year on or after July 1 of each fiscal year. The
22 results of the yearly audit shall be certified and turned
23 over to the governor no later than July 30 of each fiscal
24 year.

25 Sec. 30. NEW SECTION. REMEDIES OF BONDHOLDERS AND
26 NOTEHOLDERS.

27 1. If the corporation defaults in the payment of principal
28 or interest on an issue of bonds or notes after they become
29 due, whether at maturity or upon call for redemption, and
30 the default continues for a period of thirty days, or if the
31 corporation fails or refuses to comply with this division,
32 or defaults in an agreement made with the holders of an issue
33 of bonds or notes, the holders of twenty-five percent in
34 aggregate principal amount of bonds or notes of the issue
35 then outstanding, by instrument filed in the office of the

1 clerk of the county in which the principal office of the
2 corporation is located, and proved or acknowledged in the
3 same manner as a deed to be recorded, may appoint a trustee
4 to represent the holders of the bonds or notes for the purposes
5 of this section.

6 2. The corporation or a trustee appointed under the
7 indenture under which the bonds are issued may, and upon
8 written request of the holders of twenty-five percent in
9 aggregate principal amount of the issue of bonds or notes
10 then outstanding shall:

11 a. Enforce all rights of the bondholders or noteholders,
12 including the right to require the corporation to carry out
13 its agreements with the holders and to perform its duties
14 under this division.

15 b. Bring suit upon the bonds or notes.

16 c. By action require the corporation to account as if
17 it were the trustee of an express trust for the holders.

18 d. By action enjoin any acts or things which are unlawful
19 or in violation of the rights of the holders.

20 e. Declare all the bonds or notes due and payable and
21 if all defaults are made good then with the consent of the
22 holders of twenty-five percent of the aggregate principal
23 amount of the issue of bonds or notes then outstanding, annul
24 the declaration and its consequences.

25 The bondholders or noteholders, to the extent provided
26 in the resolution by which the bonds or notes were issued
27 or in their agreement with the corporation, may enforce any
28 of the remedies in paragraphs a to e or the remedies provided
29 in those agreements for and on their own behalf.

30 3. The trustee has all powers necessary or appropriate
31 for the exercise of functions specifically set forth or
32 incident to the general representation of bondholders or
33 noteholders in the enforcement and protection of their rights.

34 4. Before declaring the principal of bonds or notes due
35 and payable, the trustee shall first give thirty days' notice

1 in writing to the governor, the corporation, and the attorney
2 general of the state.

3 5. The district court has jurisdiction of an action by
4 the trustee on behalf of bondholders or noteholders. The
5 venue of the action is in the county in which the principal
6 office of the corporation is located.

7 Sec. 31. There is appropriated from the general fund of
8 the state to the Iowa product development corporation for
9 the fiscal year beginning July 1, 1983 and ending June 30,
10 1984, the sum of one million (1,000,000) dollars to fund this
11 division.

12 DIVISION VI

13 Sec. 32. There is appropriated from the general fund of
14 the state for the fiscal year beginning July 1, 1983, and
15 ending June 30, 1984, to the Iowa housing finance authority
16 the amount of three million (3,000,000) dollars to be used
17 to fund the program to reduce interest costs to be paid on
18 loans established in section 220.81 of Senate File 223 as
19 enacted by the 1983 Session of the Iowa general assembly.

20 DIVISION VII

21 Sec. 33. NEW SECTION. 28.35 ESTABLISHMENT OF IOWA HIGH
22 TECHNOLOGY COUNCIL. The Iowa high technology council,
23 hereafter referred to as the "council" is created. The council
24 shall be administratively integrated into the Iowa development
25 commission for staff support and assistance.

26 The council shall be composed of no more than seventeen
27 members all of whom shall be appointed by the governor, subject
28 to confirmation by the senate. The governor shall designate
29 one member as chairperson. The members shall serve for a
30 term of four years until their successors are appointed and
31 qualified. Vacancies on the council shall be filled for the
32 unexpired term in the same manner as original appointments.
33 The council members shall not receive per diem nor
34 reimbursement for expenses.

35 The council shall meet once each quarter and shall hold

1 special meetings on call of the chairperson. Five members
2 shall constitute a quorum. The council shall adopt rules
3 pursuant to chapter 17A to govern its procedures.

4 Sec. 34. NEW SECTION. 28.36 POWERS AND DUTIES. The
5 council shall:

6 1. Promote, encourage, and support education and research
7 development programs in the fields of advanced technology.

8 2. Seek to improve the quality and quantity of the research
9 capabilities of the institutions of higher education, provide
10 incentives to attract and retain superior faculty members
11 at the institutions of higher education, and enhance the
12 economic health of the state through encouraging investment
13 by both governmental and private sources in educational
14 programs which promote advanced technology and research and
15 development.

16 3. Establish priorities to encourage development in
17 agriculture and industrial technology most closely related
18 to the state's current economy and review the priorities to
19 facilitate possible future changes in the economy.

20 4. Consider and award grants on a project basis to an
21 educational institution or commercial entity in which an
22 educational institution has an ownership interest, for any
23 of the following:

24 a. Further research on an idea, process, or product to
25 determine potential for commercially feasible application.

26 b. Product development and testing.

27 c. Market analysis.

28 d. Public investment in commercial development in
29 conjunction with private investment.

30 5. Promote the planning, coordination, and evaluation
31 of Iowa's efforts to develop high technology capabilities
32 and employment.

33 6. Provide leadership in the establishment of research
34 and development centers for high technology.

35 7. Encourage the private development of properties for

1 the development of high technology companies.

2 8. Coordinate and stimulate promotional efforts to attract
3 and expand high technology enterprises with the Iowa
4 development commission.

5 9. Ensure the proper development of an effective mechanism
6 to transfer information on technology and research to Iowa's
7 existing industry.

8 10. Promote legislation that will stimulate the development
9 and growth of high technology in Iowa.

10 11. Aid in identifying the research needs of industry,
11 universities, and government.

12 12. Encourage the funding of technology and research from
13 business and government sources.

14 13. Work to increase the public awareness of technology
15 and the attractiveness of Iowa as a location for industry.

16 14. Work to form a broad-based, long-term commitment to
17 build up Iowa's research base through promotion, human resource
18 development, and capital investment.

19 15. Receive and disburse funds available from public or
20 private sources to be used to further the overall development
21 of high technology in Iowa.

22 Sec. 35. NEW SECTION. 28.37 GRANTS, GIFTS, AND BEQUESTS.
23 The council may receive and expend grants, gifts, and bequests,
24 including but not limited to appropriations, federal funding,
25 and other funding available for the purposes pursuant to
26 section 28.36.

27 Sec. 36. NEW SECTION. 28.38 CONTRIBUTIONS FROM PRIVATE
28 INDUSTRY.

29 1. The council may accept contributions of advanced
30 technology equipment, grants, gifts, and bequests from advanced
31 technology companies. A company may designate the institution
32 of higher education the contribution is awarded to or may
33 provide a nondesignated contribution.

34 2. Equipment, grants, gifts, or bequests which are not
35 designated pursuant to subsection 1 shall be utilized for

1 agricultural research or advanced technology industry-generated
2 research conducted in equipped laboratories at the institutions
3 of higher education and for maintaining state of the art
4 laboratory equipment at the institutions.

5 Sec. 37. NEW SECTION. 28.39 OPERATIONS OF COUNCIL.

6 A public investment in commercial development by the council
7 may be made only in Iowa and in conjunction with private
8 investment and shall be reflected in a public ownership
9 interest in the commercial entity which is established. The
10 public ownership interest shall be negotiated with the other
11 investing parties, including but not limited to, educational
12 institutions, inventors, and private investors. A provision
13 relating to the terms of ownership and the circumstances of
14 disposal of the public ownership interest shall be made at
15 the time of investment.

16 Upon the disposition of a public investment, one half of
17 the proceeds beyond the original investment shall be available
18 for research support at the educational institutions making
19 application for support under this chapter. The remainder
20 of the proceeds attributable to an educational institution
21 ownership interest shall be available for support and
22 investment pursuant to this chapter.

23 All support and investment authorized by this chapter shall
24 be made consistent with the rules and policies concerning
25 property rights, patents, copyrights, and intellectual property
26 of the educational institutions involved in each project.

27 Sec. 38. NEW SECTION. 28.40 COUNCIL AND COMMISSION
28 FUNDING. There is appropriated from the general fund of the
29 state to the Iowa high technology council for the fiscal year
30 beginning July 1, 1983 and ending June 30, 1984 the sum of
31 two million (2,000,000) dollars to fund the projects. In
32 addition, there is appropriated from the general fund of the
33 state an amount for operations of the council but not to
34 exceed one hundred thousand (100,000) dollars for the fiscal
35 year beginning July 1, 1983 and ending June 30, 1984. From

1 the funds appropriated for operations, fifty thousand (50,000)
2 dollars shall be used for developing or to contract for
3 developing a mechanism for transferring jobs, related to
4 research findings, and innovations from the research
5 institutions to industry.

6 The appropriations from the state general fund in this
7 section shall be in addition to and separate from the
8 appropriations from the state general fund which may be made
9 to an institution of higher education in the state.

10 Notwithstanding section 8.33, unencumbered or unobligated
11 funds appropriated by this section for the fiscal year
12 beginning July 1, 1983 and ending June 30, 1984 shall not
13 revert to the general fund of the state.

14 Sec. 39. Five of the appointed council members appointed
15 pursuant to section 28.35 shall initially serve a two-year
16 term, six of the council members shall initially serve a
17 three-year term, and six council members shall initially serve
18 a four-year term.

19 DIVISION VIII

20 Sec. 40. NEW SECTION. SHORT TITLE. Division VIII of
21 this Act may be cited as the "Iowa community development loan
22 program".

23 Sec. 41. NEW SECTION. INTENT. The purpose of this
24 division is to assist Iowa communities in the construction
25 and improvement of public works and facilities which support
26 and enhance local economic development by the creation of
27 the Iowa community development loan program.

28 Sec. 42. NEW SECTION. ESTABLISHMENT OF PROGRAM.

29 1. The Iowa community development loan program is es-
30 tablished to aid communities in improving and developing
31 adequate public works and facilities needed to support local
32 economic development projects by providing a revolving loan
33 fund.

34 2. The program is administered by the office for planning
35 and programming.

1 3. The program provides loans to cities for projects which
2 address the following objectives:

- 3 a. The construction and improvement of public works and
4 facilities needed for economic development.
- 5 b. The creation or retention of jobs especially in cities
6 or cities located in counties with an unemployment rate higher
7 than the statewide average.
- 8 c. The promotion of the expansion of existing business
9 and industry.
- 10 d. The leveraging of local resources.
- 11 e. The creation of job opportunities for women and
12 minorities.

13 4. The program shall provide that the moneys appropriated
14 to the revolving loan fund shall be available as follows:

- 15 a. Twenty-five percent of the moneys shall be designated
16 for cities with a population of less than five thousand.
- 17 b. Fifty percent of the moneys shall be designated for
18 cities with a population of five thousand or more.
- 19 c. Twenty-five percent of the moneys shall be designated
20 for any city.
- 21 d. Loans repaid which were from moneys designated for
22 cities as provided in paragraph a or b shall be redesignated
23 for those cities.

24 5. Job service of Iowa is required to supply information
25 regarding unemployment rates to any city or county requesting
26 it.

27 Sec. 43. NEW SECTION. QUALIFICATIONS FOR LOAN PROGRAM.

28 1. Any Iowa city is eligible to apply for and receive
29 loans through the program. However, preference shall be given
30 to cities or cities located in counties with unemployment
31 rates higher than the statewide average.

32 2. Loans provided through the program shall be used to
33 pay the cost of public works and facilities. "Public works
34 and facilities" means "essential corporate purpose" and
35 "general corporate purpose" as defined in section 384.24,

1 subsections 3 and 4. "Cost" means all the costs of the
2 project, including the cost of acquisition, construction,
3 reconstruction and improvement, and all the items listed in
4 section 384.24, subsection 5.

5 3. Funds provided through the loan program shall be matched
6 with local cash resources equal to not less than fifty percent
7 of the amount loaned. All matching local cash resources shall
8 be specifically committed to the accomplishment of the project
9 for which the loan is made.

10 4. Loans shall be provided through the program only in
11 those situations where sufficient assistance from other sources
12 is unavailable.

13 Sec. 44. NEW SECTION. APPROVAL OF LOANS.

14 1. Loans provided through the program are interest free.

15 2. The maximum amount of a loan made through the program
16 is two hundred fifty thousand dollars.

17 3. Initial loans provided through the program shall be
18 awarded, subject to the amounts designated as provided in
19 section 42, subsection 4 of this division, on a competitive
20 basis to those community projects which meet the minimum
21 qualifications of this division and which best meet the
22 objectives of section 42, subsection 3 of this division.
23 Consideration shall be given to the payback methods proposed
24 by each city, with preference shown to projects which offer
25 shorter loan maturities and greater security of repayment
26 to the state.

27 4. Prior to the receipt of the loan funds, each loan
28 recipient shall pay to the state a loan origination fee in
29 an amount equal to six-tenths of one percent of the loan
30 amount. The fees shall be paid from private or local funds
31 and shall be placed into a special account used to defray
32 the state's expense in operating the loan program. Funds
33 in this special account shall not revert to the state's general
34 fund.

35 5. Loan proceeds shall not be disbursed to a city until

1 a loan agreement has been executed between the state office
2 for planning and programming and that city.

3 Sec. 45. NEW SECTION. LOAN REPAYMENTS.

4 1. A city shall repay funds borrowed in accordance with
5 a loan agreement to be executed prior to the disbursement
6 of a loan by the state.

7 2. In accordance with this division, additional loans
8 shall be periodically awarded by the office for planning and
9 programming. The additional loans shall be provided from
10 funds not previously awarded and from repayments received
11 from prior recipients of loans.

12 3. Loan repayments shall be returned to the program and
13 shall not revert to the state's general fund.

14 Sec. 46. NEW SECTION. RULES. The office for planning
15 and programming shall adopt rules pursuant to chapter 17A
16 to implement this division.

17 Sec. 47. NEW SECTION. ANNUAL REPORT. The office for
18 planning and programming shall submit to the governor, once
19 each year, a report setting forth details of the operation
20 of the program and shall make that report available to members
21 of the general assembly upon their request.

22 Sec. 48. There is appropriated from the general fund of
23 the state on July 1, 1983 to the office for planning and
24 programming five million (5,000,000) dollars to establish
25 the revolving loan fund provided in this division. This
26 appropriation is in addition to any other moneys appropriated
27 to the office for planning and programming. Notwithstanding
28 section 8.33, no part of this fund shall revert at or after
29 the close of a fiscal period, but shall remain in the fund
30 and appropriated for the purposes of this division.

31 Sec. 49. NEW SECTION. LOANS NOT DEPENDENT ON BONDS.
32 Notwithstanding any law to the contrary cities shall not be
33 required to issue bonds to secure loans received by the city
34 through the Iowa community development loan program.

35 Sec. 50. Section 384.4, subsection 2, Code 1983, is amended

1 to read as follows:

2 2. Interest as it becomes due and the amount necessary
3 to pay, or to create a sinking fund to pay, the principal
4 at maturity of all general obligation bonds issued by the
5 city or to pay, or to create a sinking fund to pay, amounts
6 as due on loans received through the Iowa community development
7 loan program.

8

DIVISION IX

9 Sec. 51. Chapter 467A, Code 1983, is amended by adding
10 the following new section:

11 NEW SECTION. CONSERVATION PRACTICES REVOLVING LOAN FUND.

12 1. The state soil conservation committee may establish
13 a conservation practice revolving loan fund composed of any
14 money appropriated by the general assembly for that purpose,
15 and of any other moneys available to and obtained or accepted
16 by the committee from the federal government or private sources
17 for placement in that fund. Except as otherwise provided
18 by subsection 3, the assets of the conservation practices
19 revolving loan fund shall be used only to make loans directly
20 to owners of land in this state with a net worth not to exceed
21 two hundred fifty thousand dollars for the purpose of
22 establishing on that land any new permanent soil and water
23 conservation practice which the commissioners of the soil
24 conservation district in which the land is located have found
25 is necessary or advisable to meet the soil loss limits
26 established for that land. Revolving loan funds and public
27 cost-sharing funds shall not be used in combination for fund-
28 ing a particular soil and water conservation practice. The
29 net worth of the applicant shall be provided by a financial
30 institution of the state of Iowa. Each loan made under this
31 section shall be for a period not to exceed ten years, shall
32 bear no interest, and shall be repayable to the conservation
33 practice revolving loan fund in equal yearly installments
34 due March 1 of each year the loan is in effect. The interest
35 rate upon loans for which payment is delinquent shall ac-

1 celerate immediately to the current legal usury limit. Appli-
2 cants shall be eligible for no more than ten thousand dollars
3 in loans outstanding at any time under this program.

4 "Permanent soil and water conservation practices" has the
5 same meaning as defined in section 467A.42 and those
6 established under this program are subject to the requirements
7 of section 467A.7, subsection 16. Loans made under this
8 program shall come due for payment upon sale of the land on
9 which those practices are established.

10 2. The general assembly finds and declares the following:

11 a. The erosion of topsoil on agricultural land by wind
12 and water is a serious problem within the state and one which
13 threatens to destroy the natural resource most responsible
14 for Iowa's prosperity.

15 b. It is necessary to the preservation of the economy
16 and well-being of the state to encourage soil conservation
17 practices by providing loans for permanent soil and water
18 conservation practices on agricultural land within the state.

19 c. The use of state funds for the conservation practices
20 revolving loan fund established under subsection 1 is in the
21 public interest, and the purposes of this division are public
22 purposes and uses for which public moneys may be borrowed,
23 expended, advanced, loaned, or granted.

24 3. The state soil conservation committee may:

25 a. Contract, sue and be sued, and promulgate administrative
26 rules necessary to carry out the provisions of this section,
27 but the committee shall not in any manner directly or
28 indirectly pledge the credit of the state of Iowa.

29 b. Authorize payment from the conservation practices
30 revolving loan fund, from fees and from any income received
31 by investments of money in the fund for costs, commissions,
32 attorney fees and other reasonable expenses related to and
33 necessary for making and protecting direct loans under this
34 section, and for the recovery of moneys loaned or the
35 management of property acquired in connection with such loans.

1 4. This section does not negate the provisions of section
2 467A.48 that an owner or occupant of land in this state shall
3 not be required to establish any new soil and water
4 conservation practice unless public cost-sharing funds have
5 been approved and are available for the land affected.
6 However, the owner of land with respect to which an
7 administrative order to establish soil and water conservation
8 practices has been issued under section 467A.47 but not
9 complied with for lack of public cost-sharing funds, may waive
10 the right to await availability of such funds and instead
11 apply for a loan under this section to establish any permanent
12 soil and water conservation practices necessary to comply
13 with the order. If a landowner does so, that loan application
14 shall be given reasonable preference by the state soil
15 conservation committee if there are applications for more
16 loans under this section than can be made from the money
17 available in the conservation practices loan reserve fund.
18 If it is found necessary to deny an application for a soil
19 and water conservation practices loan to a landowner who has
20 waived the right to availability of public cost-sharing funds
21 before complying with an administrative order issued under
22 section 467A.47, the landowner's waiver is void.

23 Sec. 52. There is appropriated from the general fund of
24 the state to the state soil conservation commission for each
25 fiscal year of the fiscal biennium beginning July 1, 1983
26 and ending June 30, 1985, one million (1,000,000) dollars
27 to be used for the establishment of the revolving loan fund
28 as provided in this division.

29 DIVISION X

30 Sec. 53. NEW SECTION. 307.41 SHORT TITLE. Sections
31 307.41 through 307.62 are created as a separate division of
32 chapter 307, known as the "Iowa Economic Development Highway
33 Bond Act".

34 Sec. 54. NEW SECTION. 307.42 DECLARATION OF NECESSITY
35 AND PURPOSE. The purpose of this division is to benefit the

1 citizens of Iowa by assuring that adequate funds are available
2 to meet road transportation needs of the state, to construct,
3 reconstruct, and improve the highways and bridges of this
4 state, including acquiring rights-of-way for them, and to
5 assure that there are adequate highways for the health, safety,
6 economic development, prosperity, and well-being of the
7 citizens of Iowa. It is the further purpose of this division
8 to authorize the department to issue bonds to finance the
9 improvement of existing highways and bridges and to
10 reconstruct, construct, and improve these highways as necessary
11 for the health, safety, economic development, prosperity,
12 and well-being of the citizens of Iowa. All of the purposes
13 stated in this section are public purposes for which public
14 moneys may be borrowed, expended, advanced, loaned, and
15 appropriated.

16 Sec. 55. NEW SECTION. 307.43 LEGISLATIVE FINDINGS.

17 The general assembly finds and declares:

18 1. The construction, reconstruction, and improvement of
19 an adequate highway system within this state is vital for
20 the well-being, health, safety, economic development, and
21 prosperity of the state, its citizens, and its economy.

22 2. It is essential to the continued well-being, health,
23 safety, economic development, and prosperity of the state,
24 its citizens, and its economy that the state proceed promptly
25 to improve existing roadways, acquire real property necessary
26 to constitute right-of-way for future highway construction,
27 construct, reconstruct, and improve highways and bridges,
28 and have adequate financial resources to meet these needs.

29 3. Current revenues available are insufficient to
30 construct, reconstruct, and improve the highways and bridges
31 necessary for the continued well-being, health, safety,
32 economic development, and prosperity of the state, its
33 citizens, and its economy.

34 4. The issuance by the department of road use tax revenue
35 bonds, the appropriation of the net proceeds of the bonds

1 to the primary road fund, and the appropriation of funds of
2 the road use tax fund to the payment of principal of and
3 interest on the road use tax revenue bonds are in all respects
4 for the benefit of the people of the state of Iowa, for the
5 improvement of their health and welfare, and for the promotion
6 of economic development and the economy, all of which are
7 public purposes.

8 Sec. 56. NEW SECTION. 307.44 DEFINITIONS. When used
9 in this division, unless the context otherwise requires:

10 1. "Construction projects" or "road construction projects"
11 means the surfacing and resurfacing of primary roads and the
12 grading, draining, paving, bridging, and the incidental work
13 in connection therewith, the reconstruction and improvement
14 of primary roads and bridges, and the acquisition of real
15 property for future highway needs.

16 2. "Bonds" means negotiable road use tax revenue bonds
17 of the department issued pursuant to this division, and all
18 bonds, notes, and other obligations issued in anticipation
19 of these bonds or as refunding bonds pursuant to this division.

20 3. "Primary roads" means as defined in section 306.3,
21 subsection 2.

22 4. "Primary road fund" means the fund created by section
23 313.3.

24 5. "Highway bond fund" means the fund created in section
25 307.51.

26 6. "Road use tax fund" means the fund created by section
27 312.1.

28 7. "Treasurer" means the treasurer of the state of Iowa.

29 Sec. 57. NEW SECTION. 307.45 BONDS AUTHORIZED. The
30 department may issue and sell bonds in an amount not to exceed
31 ten million dollars, and may become obligated to pay the
32 bonds, as provided in this division. Bonds are limited
33 obligations of the department payable solely from the highway
34 bond fund. The total amount of bonds outstanding at any time
35 shall not exceed ten million dollars. If the supreme court

1 of this state determines that this division and any bonds
2 issued and sold pursuant to this division are not in violation
3 of the constitution of this state, the limit on the total
4 amount of bonds that may be outstanding at any one time shall
5 be increased by one hundred million dollars. Beginning with
6 the fiscal year after such determination by the supreme court
7 and for each fiscal year thereafter the department may issue
8 and sell bonds in an amount, not in excess of ten million
9 dollars, equal to the difference between the estimated amount
10 of road use tax funds to be credited to the primary road fund
11 in that fiscal year and the actual amount of road use tax
12 funds so credited. If the department has a project which
13 will cost more than ten million dollars and the issuance and
14 sale of bonds are needed the department may issue and sell
15 an amount of bonds sufficient to pay the cost for this project
16 if the general assembly passes a concurrent resolution
17 authorizing the department to issue and sell bonds in a
18 specific amount and for that specific project. The proceeds
19 of the sale of bonds shall be paid into the primary road fund
20 to be expended for road construction projects and for expenses
21 incurred in issuing the bonds, as approved, directed, or
22 incurred by the department. The proceeds of the bonds shall
23 not be used by the department to pay other administrative
24 expenses.

25 Sec. 58. NEW SECTION. 307.46 TERMS OF BONDS. Bonds
26 shall bear interest at the rate or rates and be in the
27 denominations determined by the commission. The commission
28 shall determine the maturity or maturities of the bonds and
29 the dates of interest payment on the bonds. Each bond is
30 due and payable on the date stipulated on the face of the
31 bond, which date shall not be more than ten years after the
32 date of issuance. The principal and interest are payable
33 at the office of the treasurer or at any other place or places
34 designated by the commission. Each bond shall be executed
35 on behalf of the department with the manual signature of the

1 chairperson or vice chairperson of the commission and attested
2 with a manual or facsimile signature of the director and shall
3 have impressed or printed on it the seal of the department.
4 Coupons attached to the bonds, if any, shall be executed by
5 the facsimile signature of the director. Each facsimile
6 signature has the same force and effect as if the officer
7 had manually signed or attested to each of the bonds and
8 coupons.

9 The bonds are limited obligations of the department payable
10 solely from those road use tax funds credited to the highway
11 bond fund and are not general obligations of the state and
12 are not debts or obligations of the state within the meaning
13 of any statutory or constitutional debt limitation.

14 Sec. 59. NEW SECTION. 307.47 SALE OF BONDS. The
15 commission shall sell the bonds to obtain funds to carry out
16 the purpose of this division and authorize the payments as
17 provided in this division. The proceeds from the sale shall
18 be deposited with the treasurer. The bonds may be sold by
19 the commission at public sale. If the commission so
20 determines, the bonds may be sold by the commission at private
21 sale without published notice and without the regular
22 requirements of a public sale and the sale of the bonds shall
23 be in the manner and upon the terms prescribed by the
24 resolution of the commission authorizing the private sale.
25 If the bonds are sold at public sale, they shall be sold upon
26 terms of not less than par plus accrued interest.

27 The director with the advice and assistance of counsel
28 shall cause to be prepared the form of advertisements,
29 resolutions, agreements, and other necessary forms for use
30 in the offering for sale and issuance of the bonds and to
31 prepare and cause to be printed the proper form of bond and
32 to deliver the bonds to the proper officials for signature.

33 If the bonds are offered for public sale the commission
34 shall, by advertisement published for two or more successive
35 weeks in at least one newspaper of general circulation in

1 the state, give notice of the time and place of sale of the
2 bonds, the amounts to be offered for sale, and other
3 information which is deemed pertinent. The last day of
4 publication shall not be less than seven days prior to the
5 date of sale of the bonds. Sealed bids may be received at
6 any time prior to the calling for open bids. At the time
7 and place designated for the sale of bonds, the commission
8 shall first call for open bids. After all of the open bids
9 have been received the substance of the best open bid shall
10 be noted in the minutes. The commission shall then open the
11 sealed bids that have been received and shall note in the
12 minutes the substance of the best sealed bid.

13 In the discretion of the commission, any or all bids may
14 be rejected, and the sale may be advertised anew in the same
15 manner, or the bonds or any portion of the bonds may be sold
16 at private sale to one or more of the bidders, or other
17 persons.

18 Sec. 60. NEW SECTION. 307.48 BOND PROCEEDINGS. The
19 bonds shall be authorized by resolution of the commission
20 and bond proceedings shall provide for the purpose of the
21 bonds, principal amount and principal maturity or maturities,
22 not exceeding ten years from the date of issuance, the interest
23 rate or rates or the maximum interest rate, the date of the
24 bonds and the dates of payment of interest on the bonds, their
25 denomination, the terms and conditions upon which parity bonds
26 may be issued, and the establishment within or without the
27 state of a place or places of payment of principal of and
28 interest on the bonds. The purpose of the bonds may be stated
29 in the bond proceedings in terms describing the general purpose
30 or purposes to be served. The commission may cause to be
31 issued a prospectus or official statement in connection with
32 the offering of the bonds. Bonds may be issued in coupon
33 or in registered form, or both. Provision may be made for
34 the registration of bonds with coupons attached as to principal
35 alone, or as to both principal and interest, their exchange

1 for bonds so registered, and for the conversion or reconversion
2 into bonds with coupons attached of any bonds registered as
3 to both principal and interest, and for reasonable charges
4 for registration, exchange, conversion, and reconversion.
5 Bonds shall be sold in the manner and at the time determined
6 by the commission. Chapter 75 and sections 23.12 through
7 23.16 do not apply to these bonds. The bonds are negotiable
8 instruments. The bond proceedings may contain additional
9 provisions as to:

10 1. The redemption of bonds prior to maturity at the option
11 of the commission at the price and on the terms and conditions
12 provided in the bond proceedings.

13 2. Other terms of the bonds and concerning execution and
14 delivery of the bonds.

15 3. The delegation of responsibility for any act relating
16 to the issuance, execution, sale, redemption, or other matter
17 pertaining to the bonds to any other officer, agency of the
18 state, or other person or body.

19 4. Additional agreements with the bondholders relating
20 to the bonds.

21 5. Payment from the proceeds of the sale of the bonds
22 of all legal and financial expenses incurred by the department
23 or the commission in the issuance, sale, delivery, and payment
24 of the bonds.

25 6. Other matters, alike or different, which may in any
26 way affect the security of the bonds and the protection of
27 the bondholders.

28 Sec. 61. NEW SECTION. 307.49 ADDITIONAL POWERS OF
29 COMMISSION. In connection with the issuance of the bonds
30 or in order to secure the payment of the bonds and interest
31 on the bonds, the commission may by resolution:

32 1. Provide that the bonds be secured by first lien on
33 all or any part of the moneys paid into the road use tax fund
34 from the sources specifically prescribed in article VII,
35 section 8 of the Iowa constitution and that the moneys when

1 paid into the road use tax fund will be credited to the highway
2 bond fund with the moneys credited to the highway bond fund
3 each fiscal year being deemed from the road use tax fund
4 allocation to the primary road fund for that fiscal year.

5 2. Pledge and assign to or entrust for the benefit of
6 the bondholders any part of the road use tax fund revenues
7 collected as prescribed in article VII, section 8 of the Iowa
8 constitution, as will be necessary to pay the principal of
9 and interest on the bonds as they mature or become due by
10 providing that the revenues collected shall be credited to
11 the highway bond fund with the moneys credited to the highway
12 bond fund each fiscal year being deemed from the road use
13 tax fund allocation to the primary road fund for that fiscal
14 year.

15 3. Establish, authorize, set aside, regulate, and dispose
16 of reserves and sinking funds.

17 4. Provide that sufficient amounts of the proceeds of
18 the sale of the bonds may be used to fully or partially fund
19 any and all reserves or sinking funds set out by the bond
20 resolution.

21 5. Prescribe the procedure, if any, by which the terms
22 of any contract with bondholders may be amended or abrogated,
23 the amount of the bonds whose holders must consent thereto,
24 and the manner in which the consent may be given.

25 6. Purchase bonds, out of funds available for that purpose,
26 which shall be canceled, at a price not exceeding either of
27 the following:

28 a. If the bonds are then redeemable, the redemption price
29 then applicable plus accrued interest to the next interest
30 payment date.

31 b. If the bonds are not then redeemable, the redemption
32 price applicable on the first date after the purchase upon
33 which the bonds become subject to redemption plus accrued
34 interest to that date.

35 Sec. 62. NEW SECTION. 307.50 FUNDS APPROPRIATED. The

1 proceeds from the issuance of the bonds shall be paid into
2 a separate account which shall be established within the
3 primary road fund and are appropriated to and shall be expended
4 by the department for road construction projects.

5 In expending the proceeds from the issuance of the bonds,
6 the department shall implement a women's business enterprise
7 program to involve independent businesses owned and controlled
8 by women in road construction projects funded under this
9 division. The program shall establish an overall goal for
10 the participation of women's business enterprises of five
11 percent of the proceeds from the issuance of the bonds, and
12 shall establish specific project goals, including dollar
13 goals, for the participation of women's business enterprises
14 capable of meeting general contracting requirements and
15 particular project solicitations. General contractors shall
16 make a good faith effort to meet the specific goals established
17 for a project funded under this division. The department
18 shall maintain a current directory of women's business
19 enterprises which have been certified as owned and controlled
20 by women and which are capable of meeting general contracting
21 requirements and particular project solicitations. A women's
22 business enterprise shall be certified as owned and controlled
23 by women if the business is independent, at least fifty-one
24 percent owned by women, and managed and operated by women,
25 with women making both the day-to-day decisions as well as
26 the major decisions for the business. The women's ownership
27 shall be real, substantial, and continuing.

28 In advertising for bids and letting contracts for road
29 construction projects funded under this division, the
30 department shall establish an overall goal for the
31 participation of women construction workers and shall establish
32 specific project participation goals, including percentages
33 of women workers on the project, after considering the number
34 of women workers available and trainable, by the department,
35 for the project. Contractors shall make a good faith effort

1 to meet the specific goals established for a project funded
2 under this division.

3 Sec. 63. NEW SECTION. 307.51 PAYMENT OF BONDS. A highway
4 bond fund is created in the state treasury. At the direction
5 of the commission as provided in the bond proceedings or
6 pursuant to section 307.49, subsection 1 or 2, and as certified
7 by the director, the treasurer of state shall credit to the
8 highway bond fund from the road use tax fund a sum at least
9 sufficient to pay interest on the bonds in each fiscal year
10 and principal on the bonds that mature during each fiscal
11 year with the moneys credited each fiscal year to the highway
12 bond fund coming from the road use tax fund allocation to
13 the primary road fund for that fiscal year. In each fiscal
14 year after the effective date of this division and after bonds
15 are issued, and until all the bonds issued have been retired,
16 in order to provide for the payment of principal of the bonds
17 issued and sold and the interest on them as the same become
18 due and mature, there is pledged and annually appropriated
19 out of the road use tax fund to be credited to the highway
20 bond fund an amount sufficient to pay principal and interest
21 on the bonds issued for each of the years the bonds are
22 outstanding with the moneys credited each fiscal year to the
23 highway bond fund coming from the road use tax fund allocation
24 to the primary road fund for that fiscal year. The director
25 shall annually certify to the treasurer the amount of funds
26 required to pay interest on the bonds in the ensuing fiscal
27 year and the principal on the bonds that mature during the
28 ensuing fiscal year.

29 Sec. 64. NEW SECTION. 307.52 PLEDGE AS SECURITY FOR
30 BONDS. A pledge made pursuant to this division is valid and
31 binding from the time the pledge is made.

32 The moneys pledged and received by the treasurer to be
33 placed in the road use tax fund and subsequently credited
34 to the highway bond fund are immediately subject to the lien
35 of the pledge without any future physical delivery or further

1 act and the lien of a pledge is valid and binding against
2 all parties having claims of any kind in tort, contract, or
3 otherwise against the commission or the department irrespective
4 of whether the parties have notice of the lien of the pledge.
5 The resolution or trust indenture or other instrument by which
6 a pledge is created, when placed in the records of the
7 department, is notice to all concerned of the creation of
8 the pledge, and the instruments need not be recorded in any
9 other place.

10 Sec. 65. NEW SECTION. 307.53 NONLIABILITY OF THE STATE
11 AND ITS OFFICIALS. Bonds issued are special limited
12 obligations of the department and are not a debt or liability
13 of the state or any other political subdivision within the
14 meaning of any constitutional or statutory debt limitation
15 and are not a pledge of the state's credit or taxing power
16 within the meaning of any constitutional or statutory
17 limitation or provision and except as provided in this
18 division, an appropriation shall not be made, directly or
19 indirectly, by the state or any political subdivision of the
20 state for the payment of bonds. The bonds are special
21 obligations of the department payable solely from the highway
22 bond fund. Funds from the general fund of the state shall
23 not be used to pay interest or principal on the bonds if
24 revenues deposited in the road use tax fund are insufficient.

25 The members of the commission, the department, or other
26 person executing the bonds is not personally liable for the
27 payment of the bonds. The bonds are valid and binding
28 obligations of the department notwithstanding the fact that
29 before the delivery of the bonds any of the officers whose
30 signatures appear on the bonds cease to be officers of the
31 state. From and after the sale and delivery of the bonds,
32 they shall be incontestable by the department or the
33 commission.

34 Sec. 66. NEW SECTION. 307.54 BOND ANTICIPATION NOTES.
35 The power to issue bonds includes the power to issue

1 obligations in the form of bond anticipation notes or other
2 forms of short-term indebtedness and to renew these notes
3 by the issuance of new notes. The holders of notes or interest
4 coupons of notes have a right to be paid solely from those
5 road use tax funds credited to the highway bond fund which
6 were pledged to the payment of the bonds anticipated, or from
7 the proceeds of those bonds or renewal notes, or both, as
8 the commission provides in the bond proceedings authorizing
9 the notes. The notes may be additionally secured by covenants
10 of the commission to the effect that the commission will do
11 those acts authorized by this division and necessary for the
12 issuance of the bonds or renewal notes in appropriate amount,
13 and either exchange the bonds or renewal notes for the notes,
14 or apply the proceeds of the notes, to the extent necessary,
15 to make full payment of the principal of and interest on the
16 notes at the time contemplated, as provided in the bond
17 proceedings. For this purpose, the commission may issue bonds
18 or renewal notes in a principal amount and upon terms as
19 authorized by this division and as necessary to provide funds
20 to pay when required the principal of and interest on the
21 outstanding notes, notwithstanding any limitations prescribed
22 by this division, other than the limitation contained in
23 section 307.45. All provisions for and references to bonds
24 in this division are applicable to notes authorized under
25 this section to the extent not inconsistent with this section.

26 Sec. 67. NEW SECTION. 307.55 REFUNDING OF OBLIGATIONS.
27 The commission may authorize and issue bonds for the refunding,
28 including funding and retirement, and advance refunding with
29 or without payment or redemption prior to maturity, of bonds
30 previously issued by the department. These bonds may be
31 issued in amounts sufficient for payment of the principal
32 amount of the prior bonds, any redemption premiums on the
33 prior bonds, principal maturities of bonds maturing prior
34 to the redemption of the remaining bonds on a parity with
35 them, interest accrued or to accrue to the maturity date or

1 dates of redemption of the bonds, and project costs including
2 expenses incurred or to be incurred in connection with this
3 issuance, refunding, funding, and retirement. Subject to
4 the bond proceedings, the portion of proceeds of the sale
5 of bonds issued under this section to be applied to principal
6 of and interest on the prior bonds shall be credited to the
7 appropriate account for the prior bonds. Bonds authorized
8 under this section shall be deemed to be issued for those
9 purposes for which the prior bonds were issued and are subject
10 to the provisions of this division pertaining to other bonds.
11 Bonds refunded shall not be considered to be outstanding for
12 purposes of section 307.45.

13 Refunding bonds may be issued without regard to whether
14 or not the bonds to be refunded are payable on the same date
15 or different dates or due serially or otherwise.

16 Sec. 68. NEW SECTION. 307.56 BONDS AND INTEREST ON THE
17 BONDS NOT SUBJECT TO TAXATION. Bonds, their transfer, and
18 the income from the bonds are not subject to taxation by this
19 state.

20 Sec. 69. NEW SECTION. 307.57 BONDS AS LEGAL INVESTMENTS.
21 Bonds are securities in which all public officers and bodies
22 of the state and all municipalities and political subdivisions
23 of this state, all insurance companies and associations and
24 other persons carrying on an insurance business, all banks,
25 bankers, trust companies, savings banks, and savings
26 associations, including savings and loan associations, building
27 loan associations, investment companies, and other persons
28 carrying on a banking business, all administrators, guardians,
29 executors, trustees, and other fiduciaries and all other
30 persons who are now or may be authorized to invest in bonds
31 or other obligations of this state may properly and legally
32 invest funds including capital in their control or belonging
33 to them. The bonds are also securities which may be deposited
34 with and may be received by all public officers and bodies
35 of the state and all municipalities and legal subdivisions

1 of this state for any purpose for which the deposit of bonds
2 or other obligations of the state is now or may be authorized.

3 Sec. 70. NEW SECTION. 307.58 RIGHTS OF BONDHOLDERS.

4 The bond proceedings may provide that a holder of bonds or
5 a trustee under the bond proceedings, except to the extent
6 that the holder's rights are restricted by the bond
7 proceedings, may by legal proceedings, protect and enforce
8 any rights under the laws of this state or granted by the
9 bond proceedings. These rights include the right to compel
10 the performance of all duties of the department required by
11 this division or the bond proceedings; to enjoin unlawful
12 activities; and in the event of default with respect to the
13 payment of any principal of or interest on bonds or in the
14 performance of a covenant or agreement on the part of the
15 department in bond proceedings, to apply to a court to appoint
16 a receiver to receive and administer the funds which are
17 pledged to the payment of bonds or which are the subject of
18 the covenant or agreement, with full power to pay and to pro-
19 vide for payment of any principal of or interest on bonds
20 and with powers accorded receivers in general equity cases,
21 excluding power to pledge additional funds or other income
22 or moneys of the department, the state, or governmental
23 agencies of the state to the payment of the bonds.

24 Sec. 71. NEW SECTION. 307.59 NOTICE. Within ten days
25 after the commission adopts a resolution declaring its
26 intention to issue bonds, it shall publish a notice of its
27 intention to issue bonds in a newspaper published in and with
28 general circulation in the state. The notice shall include
29 a statement of the maximum amount of bonds proposed to be
30 issued and, in general terms, what funds will be pledged to
31 pay principal of and interest on the bonds. An action which
32 questions the legality or validity of bonds or the power of
33 the department to issue bonds or the effectiveness or validity
34 of proceedings adopted for the authorization or issuance of
35 bonds shall not be brought after sixty days from the date

1 of publication of the notice.

2 Sec. 72. NEW SECTION. 307.60 COURTS TO HAVE JURISDICTION.
3 Courts of record in this state have jurisdiction to issue
4 all original and remedial writs necessary for the determination
5 of the validity or constitutionality of this division.

6 Sec. 73. NEW SECTION. 307.61 SEVERANCE CLAUSE. If any
7 clause, sentence, paragraph, or part of this division is for
8 any reason judged by a court of competent jurisdiction to
9 be invalid, the judgment shall not affect, impair, or
10 invalidate the remainder of this division, but is confined
11 in its operation to the clause, sentence, paragraph, or part
12 directly involved in the controversy in which the judgment
13 has been rendered.

14 Sec. 74. NEW SECTION. 307.62 LIBERAL INTERPRETATION.
15 This division, being necessary for the welfare of this state
16 and its inhabitants, shall be liberally construed to effect
17 its purposes.

18 DIVISION XI

19 Sec. 75. There is appropriated from the general fund of
20 the state for the fiscal year beginning July 1, 1983, and
21 ending June 30, 1984, to the office for planning and
22 programming the amount of one million three hundred thousand
23 (1,300,000) dollars for the purpose of providing state matching
24 funds for the Title III dislocated workers program of the
25 Jobs Training Partnership Act (Pub. L. No. 97-300).

26 Sec. 76. This Act, being deemed of immediate importance,
27 takes effect from and after its publication in the Telegraph
28 Herald, a newspaper published in Dubuque, Iowa, and in The
29 Cedar Valley Times, a newspaper published in Vinton, Iowa.

30 EXPLANATION

31 DIVISION I. This division appropriates \$4,000,000 from
32 the general fund of the state and from federal oil overcharge
33 funds to be used to fund an Iowa jobs now program for
34 unemployed Iowans.

35 The program has five components with the funds appropriated

1 to three agencies for administration. The components include:
2 a work relief project for cities and counties (\$1,500,000);
3 a volunteers in service to Iowa program (\$500,000); grants
4 to local governments for energy management programs
5 (\$1,000,000); grants to commission public arts projects
6 (\$100,000); and grants to cities and community groups for
7 the development of community historical or cultural programs
8 (\$900,000).

9 The program for work relief projects for counties and
10 cities (\$1,500,000) is to be established by a seven-member
11 appointed commission, and administered by the office for
12 planning and programming. Funding preference is given to
13 counties of the state with high unemployment. Employment
14 under a project is restricted to jobs which do not displace
15 regular employees. The jobs are to be labor intensive and
16 to last for no more than six months. Individuals shall be
17 employed at or above the federal minimum wage, and only for
18 a maximum of 32 hours per week to allow for private employment
19 job searches.

20 The volunteers in service to Iowa program (\$500,000) is
21 to be established by the same commission by contracting with
22 the federal action agency. Participating individuals are
23 paid a monthly stipend and a lump sum payment at the end of
24 their period of work. Volunteers can be assigned to work
25 for any public or nonprofit entity if the work is beneficial
26 to the community or to needy Iowans. Assignments cannot be
27 made if regular employees would be replaced.

28 The program for grants to local governments for energy
29 management (\$1,000,000) is to be administered by the energy
30 policy council. The program will include energy audits of
31 public buildings, the installation of utility meters, and
32 staff training programs. Cities, counties, and area educa-
33 tion agencies are eligible for grants. The amount of a grant
34 shall not exceed fifty percent of the cost of the project,
35 with the local government paying the remaining fifty percent.

1 Grant applications must demonstrate provisions for the matching
2 money, as well as information regarding the number of jobs
3 to be created and the number of permanent jobs which might
4 result from a project.

5 The program to commission public arts projects (\$100,000)
6 is to be administered by the Iowa arts council. Applications
7 for grants up to \$3,000 are to be submitted to the arts council
8 or job service offices, and will be reviewed by an advisory
9 committee of the Iowa arts council. Grantees may also receive
10 a stipend, of up to 10 percent of a grant, for additional
11 costs. Grant applications may include a grant to an individual
12 artist for a project involving a group of artists or a grant
13 to a nonprofit organization, to be matched by the organization,
14 to hire an artist or arts administrator for one year.
15 Stipulations on the artist grants are: residency; unemployment
16 or gross taxable income of less than \$10,000 during the prior
17 12-month period; and a contract stating that works produced
18 under the grant shall be the property of the state or the
19 nonprofit organization.

20 The program of grants for community historical or cultural
21 programs (\$900,000) is to be administered by the jobs
22 commission, with technical assistance from the office for
23 planning and programming, and programmatic advise from the
24 Iowa arts council, the state historical board, and the Iowa
25 development commission. The grants may be awarded to cities
26 and community groups which provide an equal match in local
27 funds or in local funds and in-kind services. If all funds
28 are not committed by March 1, 1984, the uncommitted funds
29 may be transferred to local work relief projects.

30 DIVISION II. This division appropriates \$1,000,000 to
31 the energy policy council for grants to state agencies for
32 energy management programs in buildings owned or occupied
33 by state agencies. Grants may be used for energy conservation
34 improvements, training maintenance personnel in energy
35 management, installation of utility meters to monitor energy

1 use, energy audits and technical consultations. At last 60
2 percent of the money must be used in counties with an
3 unemployment rate at least two percent above the statewide
4 rate.

5 DIVISION III. This division provides for state
6 participation in the certified development program of the
7 United States small business administration to make loans
8 to small businesses. The program is to be administered by
9 the Iowa housing finance authority. Loans will be made from
10 funds appropriated for that purpose, from funds received from
11 Iowa housing finance authority bonding, and from funds
12 available to the small business administration. The bill
13 appropriates \$5,000,000 to the Iowa housing finance authority
14 for the 1983-84 fiscal year for the program.

15 DIVISION IV. This division creates a small business divi-
16 sion within the Iowa development commission. The new division
17 will be under the supervision of an administrator appointed
18 by the director of the commission. The governor will appoint
19 a small business advisory council which will meet on a periodic
20 basis to consult with and advise the development commission
21 and the administrator with respect to matters of concern to
22 small businesses.

23 The new division is authorized to establish programs which
24 will provide information or assistance to small business in
25 general, or to individual small businesses upon request.
26 The bill appropriates \$500,000 to the new division for its
27 administrative expenses and to provide the state's obligation
28 in administering the small business development centers.

29 DIVISION V. This division provides for the creation of
30 an Iowa product development corporation.

31 The board of IPDC consists of seven members appointed by
32 the governor and confirmed by the senate. Each director
33 serves a four-year term to coincide with the governor's term
34 and is eligible for reappointment. Directors receive no
35 compensation but are reimbursed for necessary expenses. The

1 corporation is a part of the Iowa development commission for
2 administrative purposes only.

3 The corporation is authorized to enter into venture agree-
4 ments with a person and provide financial aid for the develop-
5 ment of new products, procedures, and techniques. The agree-
6 ments are conditioned upon contractual assurances that the
7 benefits of increasing or maintaining employment and tax
8 revenues remain in Iowa. The corporation also has the power
9 to lease and own property with the approval of the director
10 of the department of general services and to accept aid or
11 contributions. The corporation has the power to sell bonds;
12 issue notes; hold patents, copyrights, and trademarks; employ
13 persons; make and enter into contracts; adopt a seal; procure
14 insurance against loss; and with the approval of the treasurer
15 of state invest funds.

16 The corporation is granted the power to issue notes. This
17 section is similar to the housing assistance notes in section
18 220.19.

19 An appropriation of \$1,000,000 for the first fiscal year
20 is established.

21 DIVISION VI. This division makes an appropriation of
22 \$3,000,000 to the Iowa housing finance authority for the
23 residential mortgage interest reduction program to reduce
24 interest costs on a residential mortgage loan for the
25 acquisition of a residential single-family dwelling to be
26 occupied by the owner of that dwelling or a two-family dwelling
27 where the owner will occupy one of the units. This program
28 is contained in Senate File 223 enacted by the 1983 Session
29 of the Iowa general assembly.

30 DIVISION VII. This division establishes the Iowa high
31 technology council which is to promote, encourage and support
32 education and research development programs in the field of
33 advanced technology in Iowa.

34 Specifically, the council is empowered to award project
35 grants to educational institutions (or commercial entities

1 in which the educational institution has an ownership interest)
2 for: research; product development; market analysis; or
3 public investment in an Iowa-based commercial development.

4 The council is to be a board of seventeen members appointed
5 by the governor and administrated by the development commission
6 to serve in a research, advisory and promotional role in high
7 technology development in the state.

8 An appropriation of \$2,000,000 for projects and \$100,000
9 for operations of the council is granted in the bill.

10 DIVISION VIII. This division establishes an Iowa community
11 development loan program to assist Iowa communities in the
12 construction and improvement of public works and facilities
13 which enhance local economic development.

14 This revolving fund would be administered by the office
15 for planning and programming. Twenty-five percent of the
16 moneys would be designated for cities under 5,000 population
17 and 50 percent for cities of over 5,000 population, and funding
18 is targeted toward cities and counties with high unemployment.
19 A 50 percent local funding commitment would be required to
20 qualify projects for the program. A maximum loan of \$250,000
21 per project is allowed, and no interest is to be charged.

22 The office for planning and programming is granted authority
23 under chapter 17A to implement the Act, and a one-time
24 appropriation of \$5,000,000 is made in the Act to establish
25 the revolving fund from which the loans are to be made.
26 Repayment of the loans will go back into the fund and shall
27 not revert to the general fund.

28 DIVISION IX. This division provides that the state soil
29 conservation committee may establish a conservation practice
30 revolving loan fund with money available from the federal
31 government, from private sources, and from state government
32 appropriations. The loans will be made to individual
33 landowners who have a net worth of not over \$250,000 for any
34 new permanent soil conservation practice. Revolving loan
35 funds may not be used in combination with public cost-share

1 funds. The loans will be repayable in equal yearly
2 installments due March 1 of each year over a period not to
3 exceed ten years. The loan shall bear no interest unless
4 a payment is delinquent in which case the interest rate will
5 accelerate to the maximum usury limit. Applicants will be
6 eligible for no more than \$10,000 in loans at any one time.
7 Payment for the loan shall come due upon sale of the land.

8 The bill does not negate the requirement under section
9 467A.48 that the owner or occupant of land shall not be re-
10 quired to establish a soil conservation practice unless public
11 cost-sharing funds are available, but the owner may waive
12 the right to apply for a loan under this section. If the
13 owner's application for a loan is refused the waiver is void.

14 An appropriation of \$1,000,000 is made from the general
15 fund for each year of the next two years beginning July 1,
16 1983 and ending June 30, 1985 to establish the fund.

17 DIVISION X. This division authorizes the department of
18 transportation to issue road use tax revenue bonds. These
19 would be used in funding road construction, reconstruction,
20 improvements, and related costs.

21 First lien security on the bonds would be provided by the
22 primary road allocation of the road use tax fund.

23 Ten million dollars in bonds would be immediately authorized
24 under this division. Language is included that would allow
25 this limit to be extended to a maximum of \$110,000,000, after
26 a supreme court ruling favorable to the legality of the
27 program. After such a ruling the department of transportation
28 could issue bonds in an amount, not in excess of \$10,000,000,
29 equal to the difference between the amount of moneys estimated
30 to be credited to the primary road fund in the fiscal year
31 and the amount actually credited. If the department of
32 transportation has a project for which moneys are needed,
33 it could issue bonds provided the general assembly passes
34 a concurrent resolution.

35 DIVISION XI. This division makes an appropriation of

1 \$1,300,000 to the office for planning and programming to
2 provide state matching funds for the Title III dislocated
3 workers program of the Jobs Training Partnership Act (Pub.
4 L. No. 97-300).

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

SENATE FILE 548

S-3838

1 Amend Senate File 548 as follows:
2 1. Page 30, line 13, by striking the word
3 "appropriated" and inserting in lieu thereof the word
4 "loaned".
5 2. Page 30, line 14, by striking the word "year"
6 and inserting in lieu thereof the word "biennium".
7 3. Page 30, line 15, by striking the figure "1984"
8 and inserting in lieu thereof the figure "1985".
9 4. Page 30, line 19, by inserting after the word
10 "assembly." the following: "The Iowa housing finance
11 authority shall repay the amount of the loan made
12 pursuant to this section for the fiscal biennium
13 beginning July 1, 1983 and ending June 30, 1985 by
14 September 30, 1985."

S-3838 FILED & LOST
MAY 9, 1983 (p. 1605)

BY EDGAR H. HOLDEN

SENATE FILE 548

S-3843

1 Amend Senate File 548 as follows:
2 1. Page 37, by inserting after line 6 the fol-
3 lowing:
4 "2. The loan may be paid from the levy of ad
5 valorem taxes on taxable property within the city
6 through its debt service fund authorized by section
7 384.4 or any other public or private funds it has or
8 may receive during the term of the loan."

S-3843 FILED & WITHDRAWN BY C.W. "BILL" HUTCHINS
MAY 9, 1983 (p. 1605)

SENATE FILE 548

S-3845

1 Amend Senate File 548 as follows:
2 1. By striking page 17, line 34 through page 18,
3 line 1, and inserting in lieu thereof the following:
4 "shall begin and end as provided in section 69.19. No
5 more than a simple majority of the members of the board
6 shall belong to the same political party as provided
7 in section 69.16. Each director shall serve at the
8 pleasure of the governor and shall".
9 2. Page 18, line 5, by inserting after the word
10 "appointment." the following: "For the initial
11 appointments to the board of directors, the governor
12 shall appoint the seven members whose terms shall commence
13 upon appointment and shall expire April 30, 1987."
14 3. Page 18, line 10, by inserting after the word
15 "duties" the words "from funds appropriated to the Iowa
16 development commission".

S-3845 FILED
MAY 9, 1983
ADOPTED AS AMENDED by 3865 (p. 1604)

BY PATRICK J. DELUHERY

SENATE FILE 548

S-3836

1 Amend Senate File 548 as follows:

2 1. Page 54, by inserting after line 25 the
3 following:

4 "Sec. ____ . By January 15 of each year the
5 department, board, commission, or other agency
6 appropriated funds under division I through XI of
7 this Act shall report to the governor and the general
8 assembly the following:

9 1. The amount and percent of the funds appropriated
10 for the program which are expended for administration
11 of the program.

12 2. The amount and percent of the funds appropriated
13 for the program which are expended for the program
14 other than for administration.

15 3. The number of employees that were immediately
16 employed pursuant to the program, in other than
17 administrative positions, and the number that were
18 employed on a permanent or temporary basis. A
19 permanent basis is for a period for longer than one
20 year.

21 4. The number of individuals who will ultimately
22 benefit from the program.

23 5. The program's estimated rate of economic return
24 to each community involved under the program.

25 6. The benefit to each community, as a whole,
26 involved under the program.

27 If the programs for which a department, board,
28 commission, or other agency is appropriated funds
29 under divisions I through XI of this Act require that
30 the department, board, commission or other agency
31 make the funds available to other entities, public
32 or private, such entities shall provide, to the extent
33 possible, the information listed in subsections 1
34 through 6 to the department, board, commission, or
35 other agency."

S-3836 FILED & LOST
MAY 9, 1983 (p. 1607)

BY EDGAR H. HOLDEN

SENATE FILE 548

S-3837

1 Amend Senate File 548 as follows:

2 1. Page 30, by striking lines 12 through 19.

3 2. Title page, by striking lines 9 and 10 and
4 inserting in lieu thereof the words "product
5 development corporation,".

6 3. By renumbering as necessary.

S-3837 FILED & LOST
MAY 9, 1983 (p. 1604)

BY EDGAR H. HOLDEN

SENATE FILE 548

S-3844

- 1 Amend Senate File 548 as follows:
2 1. Page 14, line 3, by striking the words "The
3 advisory council".
4 2. Page 14, by striking line 4 and inserting in lieu
5 thereof the words "No more than a simple majority of
6 the members of".
7 3. Page 14, line 6, by inserting after the word
8 "party" the words and figure "as provided in section
9 69.16".
10 4. Page 14, by striking lines 8 through 13 and
11 inserting in lieu thereof the following: "of the
12 advisory council shall serve four-year terms at the
13 pleasure of the governor subject to confirmation of
14 the senate. The terms shall begin and end as provided
15 in section 69.19. The governor shall fill a vacancy
16 in the same manner as the original appointment for the
17 unexpired portion of the member's term. For the initial
18 appointments to the advisory council, the governor shall
19 appoint five members whose terms shall commence upon
20 appointment and shall expire April 30, 1985 and shall
21 appoint six members whose terms shall commence upon
22 appointment and shall expire April 30, 1987."

S-3844 FILED

BY PATRICK J. DELUHERY

MAY 9, 1983

ADOPTED AS AMENDED *by 3855 5/9/83 (p. 1603)*

SENATE FILE 548

S-3846

- 1 Amend Senate File 548 as follows:
2 1. Page 30, line 27, by inserting after the word
3 "whom" the words "shall serve at the pleasure of the
4 governor and".
5 2. Page 30, by striking lines 30 through 34 and
6 inserting in lieu thereof the words and figures "term
7 of four years beginning and ending as provided in
8 section 69.19. No more than a simple majority of the
9 members of the council shall belong to the same political
10 party as provided in section 69.16. Vacancies on the
11 council shall be filled for the unexpired terms in
12 the same manner as original appointments. The council
13 members shall not receive per diem but shall be
14 reimbursed for necessary expenses incurred in the
15 performance of duties from funds appropriated to
16 the Iowa development commission. For the initial
17 appointments to the council, the governor shall
18 appoint the members whose terms shall commence upon
19 appointment and shall expire April 30, 1987."

S-3846 FILED

BY PATRICK J. DELUHERY

MAY 9, 1983

RULED OUT OF ORDER *(p. 1608)*

3-3853

1 Amend Senate File 548 as follows:

2 1. Page 30, by striking lines 26 through 28 and
3 inserting in lieu thereof the following:

4 "The council shall be composed of thirteen members
5 appointed by the governor, subject to confirmation
6 by the senate. Two members shall be from the working
7 force of the state, at least one of whom shall be
8 a member of a labor union. Two members shall be
9 selected to represent the community colleges of this
10 state and two members shall be selected to represent
11 the board of regents institutions. Two members shall
12 be selected from the agricultural community of the
13 state, at least one of whom shall represent a family
14 farm operation. Two members shall be selected to
15 represent existing high technology ventures in the
16 state. Three members shall be selected to represent
17 the public. The governor shall designate".

18 2. Page 31, line 1, by striking the word "Five"
19 and inserting in lieu thereof the word "Seven".

20 3. Page 31, by inserting after line 4 the
21 following: "purpose of the council shall be to
22 encourage the development of high technology industries
23 and research in Iowa which will establish net new
24 employment opportunities for Iowa workers or assist
25 in improving the efficiency, productivity, and
26 viability of family farm operations and which will
27 improve the quality of life in an environmentally-
28 sound manner. For high technologies consistent with
29 this purpose the".

30 4. Page 31, line 7, by striking the word "advanced"
31 and inserting in lieu thereof the word "high".

32 5. Page 31, line 14, by striking the word
33 "advanced" and inserting in lieu thereof the word
34 "high".

35 6. Page 31, by inserting after line 29 the
36 following:

37 "The council shall report annually to the governor
38 and the general assembly on the grants awarded,
39 including an analysis of how the grants serve to meet
40 the general purpose of this section. The council
41 shall provide post-grant audits of all grants awarded."

42 7. Page 32, by inserting after line 21 the
43 following:

44 "16. Examine and evaluate the social benefits
45 and the social costs of the developments in high
46 technology research and industrial application in
47 Iowa."

48 8. Page 34, line 14, by striking the word "Five"
49 and inserting in lieu thereof the word "Four".

50 9. Page 34, line 16, by striking the word "six"
1 and inserting in lieu thereof the word "four".

2 10. Page 34, line 17, by striking the word "six"
3 and inserting in lieu thereof the word "five".

S-3853 FILED

MAY 9, 1983

DIVISIONS A & B - WITHDRAWN (p. 1605)(p. 1607)

DIVISION C - ADOPTED (p. 1607)

BY CHARLES BRUNER

SENATE FILE 548

S-3847

- 1 Amend Senate File 548 as follows:
2 1. Title page, lines 1 and 2, by striking the
3 words "for the purpose of improving the Iowa economy
4 and providing improved employment conditions by".

S-3847 FILED & LOST BY DOUG RITSEMA
MAY 9, 1983 (p.1607)

SENATE FILE 548

S-3848

- 1 Amend Senate File 548 as follows:
2 1. Page 36, by striking lines 10 through 12.

S-3848 FILED & ADOPTED BY BILL HUTCHINS
MAY 9, 1983 (p.1605)

SENATE FILE 548

S-3851

- 1 Amend Senate File 548 as follows:
2 1. Page 16, line 32, by inserting after the word
3 "centers." the words and figures "However, not more
4 than one hundred fifty thousand (150,000) dollars
5 of the amount appropriated in this section shall be
6 used for the purpose of funding the division's
7 administrative costs."

S-3851 FILED BY BILL HUTCHINS
MAY 9, 1983 FORREST SCHWENGELS
ADOPTED (p.1604)

SENATE FILE 548

S-3852

- 1 Amend Senate File 548 as follows:
2 1. Page 13, line 23, by inserting after the word
A 3 "division," the words and figure "shall be responsible
4 for the operation of the regulatory information service
5 established pursuant to section 28.17."
B 6 2. Page 15, by striking lines 3 and 4.
7 3. By renumbering and correcting internal
8 references as necessary.

S-3852 FILED BY BILL HUTCHINS
MAY 9, 1983
DIVISIONS A & B ADOPTED (p.1603)

SENATE FILE 548

S-3855

- 1 Amend amendment S-3844 to Senate File 548 as
2 follows:
3 1. Page 1, by striking lines 7 through 11 and
4 inserting in lieu thereof the following:
5 "3. Page 14, by striking lines 6 through 13 and
6 inserting in lieu thereof the following: "political
7 party as provided in section 69.16. The advisory
8 council shall elect one of its members to serve as
9 its chairperson. Members of the".

S-3855 FILED BY BILL HUTCHINS
MAY 9, 1983 PATRICK DELUHERY
ADOPTED (p.1603)

SENATE FILE 548

S-3869

1 Amend Senate File 548 as follows:

2 1. Page 30, by striking lines 26 through 28
3 and inserting in lieu thereof the following:

4 "The council shall be composed of seventeen
5 members appointed by the governor, subject to
6 confirmation by the senate. After April 30,
7 1985, the membership shall include:

8 1. Two members from the working force of
9 the state, at least one of which shall be a
10 member of a labor union.

11 2. Two members from the state's community
12 college system.

13 3. Two members from the board of regents'
14 institutions.

15 4. Two members from the agricultural
16 community of the state, at least one of whom
17 shall represent a family farm operation.

18 5. Two members from management of industrial
19 firms located in the state, at least one of
20 whom from a firm engaged in high technology.

21 After April 30, 1985, no more than a simple
22 majority of the members of the council shall
23 belong to the same political party as provided
24 in section 69.16. Vacancies on the council
25 shall be filled for the unexpired terms in
26 the same manner as original appointments. The
27 council members shall not receive per diem but
28 shall be reimbursed for necessary expenses
29 incurred in the performance of duties from funds
30 appropriated to the Iowa development commission.
31 Membership on the council until May 1, 1985
32 shall be those members on the high technology
33 council created by executive order. Pursuant
34 to section 69.19, the governor shall appoint
35 members to terms of four years, with an
36 initial appointment of nine members to serve
37 two year terms commencing May 1, 1985 and
38 ending April 30, 1987 and eight members to
39 serve four year terms commencing May 1, 1985
40 and ending April 30, 1989. The governor shall designate".

41 2. Page 31, line 1, by striking the word
42 "Five" and inserting in lieu thereof the
43 word "Eight".

44 3. Page 34, by striking lines 14 through 18.
45

S-3869 FILED & ADOPTED
MAY 9, 1983 (p. 1668)

BY CHARLES BRUNER

SENATE 24
MAY 10, 1983

SENATE FILE 548

S-3867

1 Amend Senate File 548 as follows:
2 1. Page 30, line 27, by inserting after the word
3 "whom" the words "shall serve at the pleasure of the
4 governor and".
5 2. Page 30, by striking lines 30 through 34 and
6 inserting in lieu thereof the words and figures "term
7 of four years beginning and ending as provided in
8 section 69.19. No more than a simple majority of
9 the members of the council shall belong to the same
10 political party as provided in section 69.16.
11 Vacancies on the council shall be filled for the
12 unexpired terms in the same manner as original
13 appointments. The council members shall not receive
14 per diem but shall be reimbursed for necessary expenses
15 incurred in the performance of duties from funds
16 appropriated to the Iowa development commission.
17 For the initial appointments to the council, the
18 governor shall appoint the number of the members equal
19 to one less than a simple majority whose terms shall
20 commence upon appointment and shall expire April 30,
21 1985 and shall appoint the number of members equal
22 to a simple majority whose terms shall commence upon
23 appointment and shall expire April 30, 1987."
24 3. Page 34, by striking lines 14 through 18.
25 4. By renumbering and correcting internal
26 references as necessary.

S-3867 FILED

BY PATRICK J. DELUHERY

MAY 9, 1983

RULED OUT OF ORDER (p. 1608)

SENATE FILE 548

S-3865

1 Amend S-3845 to Senate File 548 as
2 follows:
3 1. Page 1, by striking line 12 and inserting
4 in lieu thereof the following: "shall appoint
5 three members whose terms shall commence upon
6 appointment and shall expire April 30, 1985, and
7 four members whose terms shall commence".

S-3865 FILED & ADOPTED

BY CHARLES BRUNER

MAY 9, 1983 (p. 1604)

SENATE FILE 548

S-3866

1 Amend Senate File 548 as follows:
2 1. Page 38, by striking lines 26 through 28 and
3 inserting in lieu thereof the words "established for
4 that land. Revolving loan funds used in combination
5 with other public funds shall be for no more than
6 fifty percent of the approved conservation practice
7 project cost. The".

S-3866 FILED & LOST

BY ARNE WALDSTEIN

MAY 9, 1983 (p. 1605)

SENATE FILE 548

S-3868

- 1 Amend the Bruner amendment, S-3853, to Senate File
2 548 as follows:
3 1. Page 1, line 2, by striking the figure "28"
4 and inserting in lieu thereof the figure "34".
5 2. Page 1, line 4, by inserting after the word
6 "members" the words "who shall serve at the pleasure
7 of the governor and shall be".
8 3. Page 1, line 17, by inserting after the word
9 "designate" the following: "one member as chairperson.
10 The members shall serve for a term of four years
11 beginning and ending as provided in section 69.19.
12 No more than a simple majority of the members of the
13 council shall belong to the same political party as
14 provided in section 69.16. Vacancies on the council
15 shall be filled for the unexpired terms in the same
16 manner as original appointments. The council members
17 shall not receive per diem but shall be reimbursed
18 for necessary expenses incurred in the performance
19 of duties from funds appropriated to the Iowa
20 development commission. For the initial appointments
21 to the council, the governor shall appoint six members
22 whose terms shall commence upon appointment and shall
23 expire April 30, 1985 and shall appoint seven members
24 whose terms shall commence upon appointment and shall
25 expire April 30, 1987."
26 4. By striking page 1, line 50 through page 2,
27 line 3 and inserting in lieu thereof the following:
28 "8. Page 34, by striking lines 14 through 18."

S-3868 FILED
MAY 9, 1983

BY PATRICK J. DELUHERY

RULED OUT OF ORDER (p. 1607)

SENATE FILE 548

S-3861

- 1 ~~Amend Senate File 548 as follows:~~
2 ~~1. Page 15, by striking lines 3 and 4.~~
3 ~~2. Page 15, by striking lines 21 through 24.~~

S-3861 FILED
MAY 9, 1983

BY EDGAR H. HOLDEN

DIVISION A - WITHDRAWN (p. 1603)
DIVISION B - LOST (p. 1604)

SENATE FILE 548

S-3864

- 1 Amend the Senate File 548 as follows:
2 1. Page 16, lines 27 and 28, by striking the words
3 and figure "five hundred thousand (500,000)" and
4 inserting in lieu thereof the words and figure "one
5 hundred fifty thousand (150,000)".

S-3864 FILED
MAY 9, 1983

BY ARTHUR A. SMALL, JR.

ADOPTED AS AMENDED

Done 5/9/83 (p. 1604)

SENATE FILE 548

S-3856

1 Amend Senate File 548 as follows:
2 1. By striking page 42, line 35 through page 43,
3 line 18, and inserting in lieu thereof the words
4 "shall not exceed ten million dollars. The proceeds".

S-3856 FILED & LOST BY RICHARD DRAKE
MAY 9, 1983 (p. 1606)

SENATE FILE 548

S-3857

1 Amend Senate File 548 as follows:
2 1. Page 36, line 1, by inserting after the figure
3 "4" the words "and also means the acquisition of real
4 property which is to be developed into an industrial
5 park".

S-3857 FILED & ADOPTED BY BILL HUTCHINS
MAY 9, 1983 (p. 1605) BERL PRIEBE

SENATE FILE 548

S-3858

1 Amend the Bruner amendment, S-3853, to Senate File
2 548 as follows:
3 1. Page 1, line 2, by striking the figure "28"
4 and inserting in lieu thereof the figure "34".
5 2. Page 1, line 4, by inserting after the word
6 "members" the words "who shall serve at the pleasure
7 of the governor and shall be".
8 3. Page 1, line 17, by inserting after the word
9 "designate" the following: "one member as chairperson.
10 The members shall serve for a term of four years
11 beginning and ending as provided in section 69.19. No
12 more than a simple majority of the members of the
13 council shall belong to the same political party
14 as provided in section 69.16. Vacancies on the council
15 shall be filled for the unexpired terms in the same
16 manner as original appointments. The council members
17 shall not receive per diem but shall be reimbursed for
18 necessary expenses incurred in the performance of duties
19 from funds appropriated to the Iowa development
20 commission. For the initial appointments to the council,
21 the governor shall appoint the thirteen members whose
22 terms shall commence upon appointment and shall
23 expire April 30, 1987."

S-3858 FILED BY PATRICK J. DELUHERY
MAY 9, 1983
RULED OUT OF ORDER (p. 1607)

10, 1983

SENATE FILE 548
FISCAL NOTE

REQUESTED BY SENATOR JUNKINS

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 548 pursuant to Joint Rule 17.

Senate File 548 would establish work relief programs for unemployed Iowans through energy management programs in state owned buildings, encourage capital investment in small businesses, create a small business division within the Iowa development commission, establish an Iowa product development corporation, appropriate funds for a residential mortgage interest reduction program, create an Iowa high technology council and commission, establish a fund from which to make loans for the establishment of soil and water conservation practices, authorize the Iowa department of transportation to issue and become obligated for road use tax revenue bonds, and make various appropriations to carry out the programs.

Division I.

Section 2 appropriates from the General Fund of the State \$3,050,000, and from federal oil overcharge funds \$950,000 to establish and fund a statewide work relief program for unemployed Iowans.

Subsection 1: Of the funds appropriated under this section from the General Fund \$1,500,000 is appropriated to the Office for Planning and Programming to be used to establish a policy-making commission to direct and supervise the establishment and funding of local work relief projects.

The state shall provide general liability coverage as if the individuals were employees of the state. The state shall provide workers' compensation coverage as if the employed individuals were state employees.

Subsection 2: Of the funds appropriated in this section from the General Fund, \$500,000 is appropriated to the Office for Planning and Programming to contract with the federal action agency for the establishment and funding of a Volunteers in Service to Iowa program (VISTI). Liability and workers' compensation coverage will be paid by the state if the federal action agencies do not administer the program.

Fiscal Impact: Subsections 1 and 2. The amount of liability the state will assume if the state provides general liability coverage and workers' compensation for persons employed by Iowa Jobs Now or VISTI cannot be accurately determined. However, assumptions can be made using the experience of state employees. Out of 45,000 state employees approximately 10% have filed claims for workers' compensation. Twenty percent of these claims have resulted in four or more days of lost time and an average of \$8,000 per claim. The remaining claims average \$1,000.

If the people employed by these programs follow the state average, approximately 70 of an estimated 700 employees will file for benefits.

This would result in a cost of \$112,000 for claims averaging \$8,000 and \$56,000 for claims averaging \$1,000. The total liability of the state would be approximately \$168,000.

SENATE FILE 548 - FISCAL NOTE, PAGE 2

Subsection 3: Of the funds appropriated under this section, \$50,000 from the General Fund of the state and \$950,000 from federal oil overcharge funds, are appropriated to the Energy Policy Council to be used for grants to local governments for energy management programs.

Subsection 4: Of the funds appropriated under this section from the General Fund of the state, \$100,000 is appropriated to the Iowa Arts Council. An individual artist may receive a cash grant not to exceed \$3,000 for a project determined to be in the public good.

Subsection 5: Of the funds appropriated in this section from the General Fund of the state, \$900,000 is appropriated to establish a program of grants to cities and community groups for the development of community programs that would provide local jobs for Iowa residents and at the same time promote a city's historical, ethnic, and cultural heritages.

Division II makes an appropriation to the Energy Policy Council of \$500,000 from the state general fund and \$500,000 from a federal oil overcharge settlement. This appropriation is to be used for grants to state agencies for energy management programs in buildings owned or occupied by state agencies. Sixty percent of these funds are to be used in counties with an unemployment rate that is at least 2 percent above the statewide unemployment rate.

It is anticipated that these programs will reduce energy utilization by state agencies resulting in future savings. The level of savings to the state cannot accurately be estimated.

The funds for administration of this program are included in the Natural Resources appropriation bill, H.F. 638. The cost of this section in FY 1984 is \$1,000,000.

Division III provides for state participation in the certified development program of the United States small business administration to make loans to small businesses.

The program is to be administered by the Iowa housing finance authority. Ten percent of the loan capital will be from money appropriated for that purpose, forty percent will be from funds received from finance authority bonding, and forty percent from funds available to the small business administration.

The bill appropriates \$5,000,000 to the Iowa housing finance authority for FY 1984 for the program. It is estimated that under two percent of the appropriation will be used for administrative expenses.

Division IV creates a small business division within the Iowa development commission. The new division will be under the supervision of an administrator appointed by the commission. The governor will appoint a small business advisory council which will meet on a periodic basis to consult with and advise the development commission and the administrator with respect to matters of concern to small businesses.

The new division is authorized to establish programs which will provide information or assistance to small business in general, or to individual small businesses upon request. The bill appropriates \$500,000 to the new division for its administrative

expenses and to provide the state's obligation in administering the small business development centers.

Division V creates an Iowa Product Development Corporation. There is an appropriation of \$1,000,000 from the general fund for this program. It is anticipated that venture agreements entered into by the Iowa Product Development Corporation will result in revenue to the state but the amount of revenue and when it will be received can not be estimated. The cost for FY 1984 will be \$1,000,000.

Division VI appropriates \$3,000,000 to the Iowa Housing Finance Authority for the residential mortgage interest reduction program.

Division VII authorizes the establishment of an Iowa High Technology Council and makes an appropriation to the Council.

There is an appropriation to the Council of \$2,000,000 to award project grants to educational institutions or commercial entities in which the educational institution has an ownership interest. The portion of the profit which is attributable to the public ownership interest in a commercial entity is to be allocated with one half going to the institute doing the research and one half going back into the grant fund.

There is appropriated \$100,000 for the operation of the Council with \$50,000 of that amount to be used for a developing a mechanism for transferring findings of research institutions to industry.

The total appropriation in FY 1984 is \$2,100,000 for this division.

Division VIII establishes an Iowa Community Development Loan Program to assist Iowa communities in the construction and improvement of public works and facilities which enhance local economic developments. There is appropriated from the General Fund of the state \$5,000,000 to establish the revolving loan fund. This is a one time appropriation.

Division IX authorizes the establishment of Conservation Practice Revolving Loan Fund under the State Soil Conservation Committee. The loans are to be made to farmers with a net worth of less than \$250,000 and the loan may not exceed \$10,000 at any one time. The farmers would not be charged interest on the loan if the loan is paid on time. Repayment is to be made in ten equal payments. There is included an appropriation of \$1,000,000 in FY 1984 and \$1,000,000 in FY 1985.

Division X authorizes the Department of Transportation to issue road use tax revenue bonds. The monies derived from the sale of these bonds will be used in funding road construction, reconstruction, improvements, and related costs. This division provides for two types of road bond issues. First, the Department of Transportation may issue and sell bonds in an amount not to exceed \$10 million. If the legality of this section of the bill and the sale of these bonds is questioned, the case is taken to court and found not to be in violation of the constitution of this state, the limit on the total amount of bonds to be outstanding will be \$110 million dollars. Secondly, in the fiscal years proceeding the court decision, the Department of Transportation may issue and sell bonds in an amount not to exceed \$10 million, equal to the difference between what the department has forecasted for

SENATE FILE 548 - FISCAL NOTE - PAGE 4

Primary Road Fund receipts and what those actual receipts will be. The exception to this rule is if the Department of Transportation has a project that exceeds this indicated amount and the issuance of bonds is needed to obtain funding for the project. The General Assembly may pass a concurrent resolution authorizing bonds for a specific amount to complete a proposed project. The funds received by the sale of these bonds may be used for (1) expenses involved with the sale of these bonds and (2) the project itself. The proceeds may not be used to pay other administrative expenses.

The State Transportation Commission will determine the interest rates, denominations and maturities of the bonds to be issued. First lien security on the bonds would be provided by the primary road allocation of the Road Use Tax Fund. The payment of mature bonds and interest payments will be made from the Highway Bond Fund created in the state treasury. The State Treasurer will credit to the highway bond fund a sum at least sufficient to pay interest due on the bonds for each fiscal year and also the principal on the bonds which mature that year from the RUTF allocation to the Primary Road Fund.

Fiscal Impact: A specific fiscal impact cannot be determined at this time because we do not know what interest rates or maturities will be used by the State Transportation Commission.

Division XI appropriates from the General Fund of the state to the Office for Planning and Programming \$1,300,000 to provide state matching funds for the Title III Dislocated Worker Program of the Job Training Partnership Act. This appropriation will generate an additional \$2,120,752 from the federal government.

Summary of Fiscal Impact

The general fund expenditures required by this bill are as follows:

Division 1	\$3,050,000
Division 2	500,000
Division 3	5,000,000
Division 4	500,000
Division 5	1,000,000
Division 6	3,000,000
Division 7	2,100,000
Division 8	5,000,000
Division 9	1,000,000
Division 10	0
Division 11	1,300,000

Total

\$22,450,000

FILED:
MAY 9, 1983

(17385, 83-498, JMN)
BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

1 DIVISION I

2 Section 1. TITLE. Division I of this Act shall be known
3 as the "Iowans Out of Work Act of 1983".

4 Sec. 2. IOWA JOBS NOW. There is appropriated from the
5 general fund of the state for the fiscal year beginning July
6 1, 1983, and ending June 30, 1984, three million fifty thousand
7 (3,050,000) dollars, and from federal oil overcharge funds
8 apportioned to this state under Pub. L. No. 97-377, nine
9 hundred fifty thousand (950,000) dollars, or so much thereof
10 as is necessary, to establish and fund a statewide work relief
11 program for unemployed Iowans, to be known as the Iowa jobs
12 now program, in accordance with the following conditions:

13 1. Of the funds appropriated under this section from the
14 general fund of the state, one million five hundred thousand
15 (1,500,000) dollars, or so much thereof as is necessary, is
16 appropriated to the office for planning and programming to
17 be used as follows:

18 a. A policy-making commission is established to direct
19 and supervise the establishment and funding of local work
20 relief projects. The commission shall consist of five public
21 members, not more than two from the same political party,
22 appointed by the governor subject to confirmation by the
23 senate under section 2.32, and one senator, to serve as an
24 ex officio nonvoting member, appointed by the president of
25 the senate, and one representative, to serve as an ex officio
26 nonvoting member, appointed by the speaker of the house of
27 representatives. Notwithstanding section 69.19, the commission
28 members' terms of office shall begin as soon as all members
29 are appointed and shall expire on June 30, 1985. Members
30 of the commission while engaged in their official duties shall
31 be reimbursed for their actual and necessary expenses. Public
32 members shall be reimbursed from funds appropriated by this
33 division. Members of the general assembly shall be reimbursed
34 pursuant to section 2.12. The appointments under this section
35 shall be made within thirty days after the effective date

1 of this division. The commission shall meet as soon as
2 possible after the effective date of this division to establish
3 policies for the implementation of the Iowa jobs now program
4 on July 1, 1983.

5 b. Funds under the program shall be made available to
6 a county or city which establishes and administers a work
7 relief project, but shall not be made available to a hospital
8 or a school district. The jobs commission shall prescribe
9 standards for the priority selection of work relief projects
10 to be funded under the program. The standards shall include,
11 but are not limited to, priority selection based on the
12 commitment of local matching funds at a ratio of two dollars
13 of local funds to each dollar of state funds; the project's
14 rate of economic return to the community; the number of
15 individuals who will work on the project; the number of
16 individuals who would benefit from the project; the benefit
17 to the community as a whole and the need for the project.
18 Sixty percent of the state funds shall be targeted to those
19 counties of the state with unemployment rates at least two
20 percent above the statewide unemployment rate, as determined
21 by the jobs commission from statistics provided by the
22 department of job service. The remaining funds shall be
23 distributed to other counties of the state. The office for
24 planning and programming may prohibit or limit the use of
25 the funds for county or city administrative or supervisory
26 expenses. The county or city shall pay for all necessary
27 project supplies and materials. The office for planning and
28 programming shall not administer or supervise local projects
29 but shall provide technical support and financial accounting
30 services only to the program. The office for planning and
31 programming shall not use more than one and one-half percent
32 of the funds appropriated under this subsection for
33 administrative expenses.

34 c. The county or city which establishes a local work
35 relief project shall administer the project and shall hire

1 and supervise individuals to work on the project. The state
2 shall provide general liability coverage for the individuals
3 employed, under chapter 25A, as if the individuals were
4 employees of the state. The state shall provide workers'
5 compensation coverage for the individuals employed under
6 sections 85.57 and 85.58 as if the individuals were state
7 employees. Individuals employed on a project are exempt from
8 the provisions of chapter 96, under section 96.19, subsection
9 6, paragraph a, subparagraph (6), subpart (e), and are hereby
10 exempted from the provisions of chapters 19A, 97B, and 400.

11 d. The county or city shall employ only those unemployed
12 individuals, who receive little or no unearned income and
13 who have exhausted all available unemployment compensation
14 benefits or are not eligible for unemployment compensation
15 benefits, to work on a local work relief project. The jobs
16 commission may prescribe a uniform procedure to disregard
17 all or a portion of an unemployed individual's unearned income.
18 The individuals shall be paid the federal statutory minimum
19 hourly wage, and shall not be employed for more than thirty-
20 two hours per week in order to allow the individuals to seek
21 private employment. The individuals shall apply for any job
22 training or counseling services available within their
23 respective service delivery areas under the federal Job
24 Training Partnership Act, Pub. L. No. 97-300.

25 This subsection shall not be construed to disqualify
26 individuals employed by a local work relief project from
27 receiving services for which the individuals are otherwise
28 eligible under the federal Job Training Partnership Act, Pub.
29 L. No. 97-300.

30 e. The county or city shall not employ the individuals
31 to replace regular county or city employees, but shall employ
32 the individuals in labor-intensive jobs for no longer than
33 six months. However, if federal law or regulation prohibits
34 an individual's exemption from chapter 96, the individual
35 shall be employed for no longer than three months. Hiring

1 practices shall follow an affirmative action plan based upon
2 guidelines provided by the Iowa state civil rights commission.
3 The plan shall provide for the hiring of women in traditional
4 and nontraditional employment.

5 f. Notwithstanding section 8.33, unencumbered or
6 unobligated funds appropriated by this subsection for the
7 fiscal year beginning July 1, 1983 and ending June 30, 1984
8 shall not revert to the general fund of the state until June
9 30, 1985.

10 2. Of the funds appropriated under this section from the
11 general fund of the state, five hundred thousand (500,000)
12 dollars, or so much thereof as is necessary, is appropriated
13 to the office for planning and programming to contract with
14 the federal action agency for the establishment and funding
15 of a volunteers in service to Iowa program for unemployed
16 Iowans in accordance with the following conditions:

17 a. The policy-making commission established in subsection
18 1 shall direct and supervise the establishment and funding
19 of the volunteers in service to Iowa program. The office
20 for planning and programming shall contract with the federal
21 action agency to administer the volunteers in service to Iowa
22 program on a cost-sharing basis with the federal action agency.
23 The federal action agency shall not use more than one and
24 one-half percent of the funds appropriated under this
25 subsection for administrative expenses. If the office for
26 planning and programming is unable to contract with the federal
27 action agency, the office shall monitor the use of funds under
28 the program, and shall not use more than one and one-half
29 percent of the funds appropriated under this subsection for
30 administrative expenses.

31 b. Funds under the program shall be used to pay a stipend
32 of three hundred thirty-five dollars per one-month period
33 to unemployed volunteers who receive little or no unearned
34 income and who have exhausted all available unemployment
35 compensation benefits or are not eligible for unemployment

1 compensation benefits. In addition, the volunteers shall
2 receive at the end of their period of work assignment, seventy-
3 five dollars for each month of work completed. The commission
4 may prescribe a uniform procedure to disregard all or a portion
5 of an unemployed individual's unearned income. The volunteers
6 may be assigned to work for any public or nonprofit entity
7 for a minimum of six months and a maximum of one year.
8 However, if a contract with the federal action agency is not
9 entered into for administration of the program, a volunteer
10 under the program shall be assigned to work for no longer
11 than three months. The volunteers shall agree to make a full-
12 time commitment to a work assignment which is beneficial to
13 the community or assists unemployed or elderly, low-income
14 Iowans or other needy Iowans to become more self-sufficient
15 or to improve their quality of life. The volunteers shall
16 be available for work at least forty hours per week without
17 regard to regular working hours and at all times during their
18 periods of work, except for authorized periods of leave.
19 The work assignments may include, but are not limited to,
20 assignments to projects providing chore services for the
21 elderly, remedial reading or writing instruction, community
22 or individual gardening instruction and organization, food
23 cooperative instruction and organization, home energy
24 conservation assistance, skill-sharing instruction and
25 organization, distribution services for public or private
26 commodities, and child day care. The work assignments shall
27 not be made to replace regular employees or for participation
28 in religious activities. The work assignments shall, if
29 possible and where needed, be approached in a manner which
30 would assist in the continuation of volunteers' assignments
31 beyond their terms of assignment, by encouraging local
32 involvement.

33 c. The public or nonprofit entity to which an individual
34 is assigned shall supervise and direct the individual and
35 shall pay for all necessary work materials, supplies, and

1 transportation costs. Work assignment practices shall follow
2 an affirmative action plan based upon guidelines provided
3 by the Iowa state civil rights commission. The plan shall
4 provide for the assignment of women to traditional and
5 nontraditional employment. If the federal action agency
6 administers the program, volunteers are provided general
7 liability, health and accident, and workers' compensation
8 coverage pursuant to federal regulations. If a contract with
9 the federal action agency is not entered into for the
10 administration of the program, the state shall provide general
11 liability coverage for the volunteers, under chapter 25A,
12 as if the volunteers were employees of the state, and the
13 state shall provide workers' compensation coverage for the
14 volunteers under sections 85.57 and 85.58 as if the volunteers
15 were state employees. The volunteers are exempt from the
16 provisions of chapter 96, under section 96.19, subsection
17 6, paragraph a, subparagraph (6), subpart (e), and are hereby
18 exempted from the provisions of chapters 19A, 97B, and 400.

19 d. Notwithstanding section 8.33, unencumbered or
20 unobligated funds appropriated by this subsection for the
21 fiscal year beginning July 1, 1983 and ending June 30, 1984
22 shall not revert to the general fund of the state until June
23 30, 1985. Funds appropriated by this subsection may be
24 transferred under section 8.39 to the local work relief
25 projects funded under subsection 1 if the funds are not needed
26 for the volunteers to service in Iowa program.

27 3. Of the funds appropriated under this section, fifty
28 thousand (50,000) dollars from the general fund of the state,
29 and nine hundred fifty thousand (950,000) dollars from federal
30 oil overcharge funds, or so much thereof as is necessary,
31 are appropriated to the energy policy council to be used for
32 grants to local governments for energy management programs,
33 to be used as follows:

34 a. Funds appropriated in this subsection are allocated
35 for grants to cities and counties for the following programs

1 according to the following percentages:
2 (1) For grants to area education
3 agencies to consult in the area of
4 technical energy management with
5 school districts 15 percent
6 (2) For grants to local governments
7 to train maintenance personnel in
8 energy management 4 percent
9 (3) For grants to local governments
10 to pay for the installation of utility
11 meters to monitor energy use in build-
12 ings occupied by government agencies 6 percent
13 (4) For grants to local governments
14 for energy audits of buildings occupied
15 by government agencies 28 percent
16 (5) For grants to local governments,
17 except hospitals and school districts,
18 for energy conservation improvements in
19 government-owned buildings 47 percent
20 b. Cities, counties, and area education agencies are
21 eligible for grants under paragraph a. The governing body
22 of the unit of local government may apply for and is designated
23 to receive the grant. The amount of the grant shall not
24 exceed fifty percent of the cost of the project and the
25 application must demonstrate that the local government will
26 provide the required matching money.
27 c. In approving grants under this subsection, the energy
28 policy council shall give priority to projects which provide
29 significant new employment opportunities, and each grant
30 request shall contain information regarding the number of
31 persons expected to be employed as a result of the grant and
32 the number of permanent jobs which might result from the
33 approval of the grant.
34 4. Of the funds appropriated under this section from the
35 general fund of the state, one hundred thousand (100,000)

1 dollars, or so much thereof as is necessary, is appropriated
2 to the Iowa arts council, to be used as follows:

3 a. An individual artist may receive a cash grant not to
4 exceed three thousand dollars for a project determined to
5 be in the public good including but not limited to touring
6 performances and exhibitions, concerts for hospitals or nursing
7 home residents, school concerts, participation in art
8 festivals, fairs, and conventions, paintings, drawings, or
9 sculpture for state buildings, photographic documentation
10 of life in Iowa, public murals, training seminars for students,
11 poetry readings, publications, school residencies, or other
12 projects which are open to the public. A grantee may request
13 an additional stipend not to exceed ten percent of the grant
14 to be used for materials and transportation costs. A grant
15 may be made to an individual artist for a project involving
16 a group of artists. Only the individual artist submitting
17 the application must qualify under paragraph d.

18 b. An eligible organization under paragraph d may apply
19 for a grant not to exceed three thousand dollars to match
20 an equal amount to be used to hire, for up to one year, an
21 artist-in-residence or arts administrator. Artists hired
22 must meet the eligibility requirements of paragraph d.

23 c. Applications for a grant may be submitted to the Iowa
24 arts council or to any job service office in the state.
25 Applications shall be reviewed monthly by an advisory committee
26 appointed under section 304A.6, subsection 4. The advisory
27 committee shall submit recommendations to the council regarding
28 possible recipients and the grant amount.

29 d. An individual must be an Iowa resident and must have
30 been unemployed or had a combined adjusted gross income for
31 federal income tax purposes for the individual and the
32 individual's spouse of less than ten thousand dollars during
33 the twelve months prior to making application. An organization
34 must be incorporated under chapter 504A.

35 e. The Iowa arts council shall require all grantees to

1 sign a contract and to report to the council within forty-
2 five days following completion of the project. Works produced
3 by a person receiving an individual grant are the property
4 of the state in care of the Iowa arts council. Works produced
5 by a person hired by an organization receiving a grant are
6 the property of the organization.

7 5. Of the funds appropriated under this section from the
8 general fund of the state, nine hundred thousand (900,000)
9 dollars, or so much thereof as is necessary, is appropriated
10 to the office for planning and programming to be used for
11 community grants, to be used as follows:

12 a. The jobs commission established in subsection 1 shall
13 establish a program of grants to cities and community groups
14 for the development of community programs that would provide
15 local jobs for Iowa residents and at the same time promote
16 a city's historical, ethnic, and cultural heritages through
17 the development of festivals, music, drama, or cultural
18 programs, or tourist attractions.

19 b. A city or community group may submit applications to
20 the jobs commission or to any job service office in the state.
21 Applications shall be reviewed by the Iowa arts council, the
22 state historical board, and the Iowa development commission,
23 acting as an advisory committee to the jobs commission. The
24 advisory committee shall submit recommendations to the jobs
25 commission regarding possible recipients and grant amounts.
26 The amount of a grant shall not exceed fifty percent of the
27 cost of the community program and the application must demon-
28 strate that the city or community group will provide the re-
29 quired matching money. In lieu of providing the entire match
30 in money, a city or community group may substitute in-kind
31 services for up to fifty percent of the matching requirement.

32 c. If a portion of the funds appropriated by this subsec-
33 tion is not committed to a city or community group by March
34 1, 1984, the uncommitted funds may be transferred under section
35 8.39 to local work relief projects funded under subsection

1 1.
2 6. The policy-making commission established in subsection
3 1 shall cooperate with the state job training coordinating
4 council established pursuant to the federal Job Training
5 Partnership Act, Pub. L. No. 97-300, in the implementation
6 of the Iowa jobs now program. State agencies shall cooperate
7 with the federal action agency in the implementation of the
8 volunteers in service to Iowa program and with the office
9 for planning and programming in the implementation of the
10 Iowa jobs now program, and shall provide necessary job training
11 and technical assistance, for short periods of time, in
12 assisting in the implementation of the Iowa jobs now program.
13 Chapter 17A does not apply to the office for planning and
14 programming or to the cooperating state agencies in the
15 implementation of the Iowa jobs now program.

16 DIVISION II

17 Sec. 3. There is appropriated from the general fund of
18 the state to the energy policy council for the fiscal year
19 beginning July 1, 1983 and ending June 30, 1984, the sum of
20 five hundred thousand (500,000) dollars, and from federal
21 oil overcharge funds apportioned to Iowa under Pub. L. No.
22 97-377, the sum of five hundred thousand (500,000) dollars,
23 or so much thereof as is necessary to be used for grants to
24 state agencies for energy management programs in buildings
25 owned or occupied by state agencies.

26 Sec. 4. The energy policy council shall allocate the funds
27 appropriated in section 3 of this division to state agencies
28 according to the following guidelines:

29 1. Preference shall be given to projects for energy
30 conservation improvements in buildings owned by the state
31 or by another unit of government that are occupied by a state
32 agency.

33 2. The funds may also be used for grants for training
34 maintenance personnel in energy management, the installation
35 of utility meters to monitor energy use in buildings occupied

1 by state agencies, energy audits of buildings occupied by
2 state agencies, and consultation with state agencies in the
3 area of technical energy management.

4 3. At least sixty percent of the funds appropriated in
5 section 3 of this division shall be used for energy management
6 programs in state owned buildings and buildings owned by
7 another unit of government that are occupied by a state agency
8 and which are located in a county with an unemployment rate
9 that is above the statewide unemployment rate, as determined
10 by statistics provided by the department of job service.

11

DIVISION III

12 Sec. 5. NEW SECTION. 220.70 PURPOSE. It is the purpose
13 of this division to provide capital investment in the state
14 to encourage the establishment or expansion of small business
15 and industry, to provide additional jobs within the state,
16 and to assist communities to diversify and stabilize the
17 economies

18 Sec. 6. NEW SECTION. 220.71 CERTIFIED DEVELOPMENT
19 PROGRAM. The authority shall implement a program to assist
20 small businesses in obtaining funds to establish and expand
21 small businesses and create new jobs. The authority shall
22 use the funds to cooperate with and implement the certified
23 development program of the United States small business ad-
24 ministration. The funds provided by the authority shall be
25 in the form of loans. The loans shall be made available in
26 cooperation with local and statewide certified development
27 companies and shall be available to small businesses qualified
28 under guidelines of the United States small business
29 administration. Section 220.62, subsection 2, applies to
30 the administration of this section.

31 For purposes of this division, "small business" means small
32 business as defined in section 220.1, subsection 28 and
33 "capital infusion loan" means a loan under this division by
34 the authority to a small business.

35 Sec. 7. NEW SECTION. 220.72 CAPITAL INFUSION LOANS.

1 Capital infusion loans authorized under this division shall
2 be made from funds appropriated to the authority for that
3 purpose. A capital infusion loan shall be made only in
4 conjunction with a loan made through or in conjunction with
5 a United States small business administration loan for a
6 project. The capital infusion loan shall not constitute more
7 than ten percent of the entire amounts loaned to the small
8 business with respect to the project. The authority may fund
9 other portions of the project with loans of the authority
10 made pursuant to other sections of this chapter. Capital
11 infusion loans shall be repaid under terms determined by the
12 authority. However, the small business shall not be required
13 to pay interest on that part of the loan received from funds
14 appropriated to the authority for that purpose from the general
15 fund of the state.

16 Sec. 8. Sections 5 through 7 are enacted as a new division
17 of chapter 220.

18 Sec. 9. There is appropriated from the general fund of
19 the state to the Iowa housing finance authority for the fiscal
20 year beginning July 1, 1983 and ending June 30, 1984, the
21 sum of five million (5,000,000) dollars, or so much thereof
22 as is necessary, to implement this division.

23 DIVISION IV

24 Sec. 10. NEW SECTION. 28.35 PURPOSES. It is the purpose
25 of the general assembly in enacting this division to accomplish
26 the following goals:

27 1. To provide that the small business division shall be
28 the focal point within the Iowa development commission of
29 activities which address the needs of small businesses in
30 this state.

31 2. To encourage the creation of nongovernmental, nonsubsidi-
32 zed and permanent jobs in this state, and to increase real
33 income levels in this state by promoting the stability of
34 existing small businesses and the creation of new small
35 businesses.

1 3. To provide a forum for the coordination of efforts
2 to address the needs and opportunities of small business in
3 this state.

4 Sec. 11. NEW SECTION. 28.36 DEFINITIONS. As used in
5 this division, unless the context otherwise requires:

6 1. "Small business division" means the small business
7 development division established within the Iowa develop-
8 ment commission.

9 2. "Administrator" means the administrator of the small
10 business division.

11 3. "Small business" means a nonprofessional enterprise
12 which is located in this state, and which is operated for
13 profit and under a single management, and which has either
14 fewer than twenty employees or an annual gross income of less
15 than three million dollars.

16 4. "Advisory council" means the small business advisory
17 council.

18 Sec. 12. NEW SECTION. 28.37 SMALL BUSINESS DIVISION.

19 1. The commission shall establish and maintain a small
20 business division.

21 2. The director shall appoint an administrator who shall
22 serve at the pleasure of the director. The administrator
23 shall supervise the small business division, shall be
24 responsible for the operation of the regulatory information
25 service established pursuant to section 28.17, and shall
26 attend meetings of the commission and the advisory council.

27 3. The commission shall assign to the small business
28 division personnel employed under section 28.4 as may be
29 required to enable the administrator and the small business
30 division to perform the functions of the small business
31 division.

32 4. The commission may adopt rules pursuant to chapter
33 17A for the administration of this division.

34 5. The commission shall provide that at least twice each
35 year a meeting of the commission authorized by section 28.6

1 shall be devoted to consultation with the advisory council.

2 Sec. 13. NEW SECTION. 28.38 SMALL BUSINESS ADVISORY
3 COUNCIL.

4 1. The governor shall appoint a small business advisory
* 5 council to consist of eleven members. No more than a simple
6 majority of the members of the advisory council shall be
7 affiliated with the same political party as provided in section
8 69.16. The advisory council shall elect one of its members
9 to serve as its chairperson. Members of the advisory council
10 shall serve four-year terms at the pleasure of the governor
11 subject to confirmation of the senate. The terms shall begin
12 and end as provided in section 69.19. The governor shall
13 fill a vacancy in the same manner as the original appointment
14 for the unexpired portion of the member's term. For the
15 initial appointments to the advisory council, the governor
16 shall appoint five members whose terms shall commence upon
17 appointment and shall expire April 30, 1985 and shall appoint
18 six members whose terms shall commence upon appointment and
19 shall expire April 30, 1987.

20 2. More than half of the membership of the advisory council
21 shall be persons who own and operate a small business or
22 persons employed in the management of a small business.

23 3. The advisory council shall meet at least quarterly
24 each year at the seat of government in facilities provided
25 by the commission. In addition, the advisory council shall
26 meet with the commission as provided in section 28.37,
27 subsection 5. The commission shall provide a secretary for
28 meetings of the advisory council.

29 4. The members of the advisory council shall be paid a
30 forty dollar per diem and shall be reimbursed for actual and
31 necessary expenses incurred in performance of duties. All
32 per diem and expense moneys shall be paid from funds
33 appropriated for the use of the small business division.

34 5. The advisory council shall advise and consult with
35 the commission and the small business division with respect

1 to matters which are of concern to small businesses. The
2 advisory council may submit recommendations to the commission
3 relating to actual or proposed activities of the small business
4 division, and may submit recommendations for legislative or
5 administrative actions.

6 Sec. 14. NEW SECTION. 28.39 GENERAL DUTIES OF DIVISION.

7 The small business division shall adopt appropriate service
8 programs to:

- * 9 1. Receive and review complaints from individual small
10 businesses that relate to rules or decisions of state agencies,
11 and refer questions and complaints to a governmental agency
12 when appropriate.
- 13 2. Administer funding for the small business development
14 centers, contracting with the center for industrial research
15 and service for the administration of the program.
- 16 3. Channel requests for technical and managerial assistance
17 from small businesses to the small business development centers
18 and the extension system, and other available resources.
- 19 4. Provide information to small businesses seeking to
20 establish or expand in Iowa through the regulatory information
21 service created in section 28.17.
- 22 5. Study the feasibility of reducing the total number
23 of state licenses, permits, and certificates required to
24 conduct small businesses.
- 25 6. Disseminate public information with respect to the
26 legislation, regulation, policies and practices of government
27 which affect the creation and operation of small businesses
28 in this state.
- 29 7. Research, propose and promote methods of utilizing
30 small businesses to develop economically depressed areas or
31 to provide jobs for unemployed persons.
- 32 8. Encourage and assist small businesses to obtain state
33 contracts and subcontracts by cooperating with the directors
34 of purchasing in the department of general services, the state
35 board of regents, and the department of transportation in

- 1 performing the following functions:
- 2 a. Compiling and maintaining a comprehensive source list
3 of small businesses.
- 4 b. Assuring that responsible small businesses are solicited
5 on each suitable purchase.
- 6 c. Assisting small businesses in complying with the pro-
7 cedures for bidding and negotiating for contracts.
- 8 d. Simplifying procurement specifications and terms in
9 order to increase the opportunities for small business par-
10 ticipation.
- 11 e. When economically feasible, dividing total purchases
12 into tasks or quantities to permit maximum small business
13 participation.
- 14 f. Preparing timely forecasts of repetitive contracting
15 requirements by dollar volume and types of contracts to en-
16 hance the participation of responsible small businesses in
17 the public purchasing process.
- 18 g. Developing a mechanism to measure and monitor the
19 amount of participation by small businesses in state procure-
20 ment.
- 21 Sec. 15. NEW SECTION. 28.40 ANNUAL REPORT. The small
22 business division shall prepare and submit to the general
23 assembly in January of each year a report of the activities
24 of the small business division during the previous fiscal
25 year. The report shall contain a statement of the expenditures
26 of the small business division for the previous fiscal year
27 and the recommendations of the advisory council, if any, for
28 future action.
- 29 Sec. 16. There is appropriated from the general fund of
30 the state for the fiscal year beginning July 1, 1983 and
31 ending June 30, 1984, the sum of five hundred thousand
32 (500,000) dollars, or so much thereof as is necessary, to
33 the small business division of the Iowa development commission
34 for the purpose of funding the division's administrative costs
35 and to provide the state's obligation in administering the

1 small business development centers. However, not more than
2 one hundred fifty thousand (150,000) dollars of the amount
3 appropriated in this section shall be used for the purpose
4 of funding the division's administrative costs.

5 DIVISION V

6 Sec. 17. NEW SECTION. TITLE. Division V of this Act
7 may be cited as the "Iowa Product Development Corporation
8 Act".

9 Sec. 18. NEW SECTION. DEFINITIONS. As used in this
10 division unless the context otherwise requires:

11 1. "Corporation" means the Iowa product development
12 corporation.

13 2. "Financial aid" means the infusion of risk capital
14 to persons for use in the development and exploitation of
15 specific inventions and products.

16 3. "Invention" means a new process or new technique without
17 regard to whether a patent has or could be granted.

18 4. "Product" means a product, device, technique, or process
19 which is exploitable commercially. The term does not mean
20 a product in a pure research stage of development but applies
21 to a product, device, technique, or process which has advanced
22 beyond the theoretic stage and is readily capable of being
23 reduced to practice.

24 5. "Venture" means a contractual arrangement between a
25 person and the corporation from which the corporation obtains
26 rights, from or in an invention, product, or the proceeds
27 from the product or invention in exchange for granting
28 financial aid to the person.

29 6. "Board" means the board of directors of the Iowa product
30 development corporation.

31 7. "President" means the president of the Iowa product
32 development corporation.

33 Sec. 19. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION.

34 1. There is created a corporate body called the "Iowa
35 product development corporation". The corporation is a quasi-

1 public instrumentality and the exercise of the powers granted
2 to the corporation in this division is an essential
3 governmental function.

4 2. The corporation shall be governed by a board of seven
5 directors who shall serve a term of four years. Each term
6 shall begin and end as provided in section 69.19. No more
7 than a simple majority of the members of the board shall
8 belong to the same political party as provided in section
9 69.16. Each director shall serve at the pleasure of the
10 governor and shall be appointed by the governor, subject to
11 confirmation by the senate. A director is eligible for
12 reappointment. A vacancy on the board of directors shall
13 be filled in the same manner as an original appointment.
14 For the initial appointments to the board of directors, the
15 governor shall appoint three members whose terms shall commence
16 upon appointment and shall expire April 30, 1985, and four
17 members whose terms shall commence upon appointment and shall
18 expire April 30, 1987.

19 3. The board of directors shall annually elect one member
20 as chairperson and one member as secretary. The board may
21 elect other officers of the corporation as necessary. Members
22 shall not receive compensation but shall be reimbursed for
23 necessary expenses incurred in the performance of duties from
24 funds appropriated to the Iowa development commission.

25 4. Each director of the corporation shall take an oath
26 of office and the record of each oath shall be filed in the
27 office of the secretary of state.

28 5. The corporation shall receive information and cooperate
29 with other agencies of the state and the political subdivisions
30 of the state.

31 6. The corporation shall be a part of the Iowa development
32 commission for administrative purposes only.

33 Sec. 20. NEW SECTION. PERPETUAL SUCCESSION. The
34 corporation has perpetual succession. The succession shall
35 continue until the existence of the corporation is terminated

1 by law. The termination of the corporation shall not affect
2 an outstanding contractual obligation of the corporation to
3 assist a person. In the event of the termination of the
4 corporation, the contractual obligation to assist the person
5 succeeds to the state and the rights and properties of the
6 corporation shall pass to the state. However, debts or other
7 financial obligations of the corporation do not succeed to
8 the state upon termination of the corporation.

9 Sec. 21. NEW SECTION. BOARD OF DIRECTORS. The powers
10 of the corporation are vested in and shall be exercised by
11 the board of directors. Four members of the board constitute
12 a quorum and an affirmative vote of the majority of the members
13 present at a meeting is necessary before an action may be
14 taken by the board. An action taken by the board shall be
15 authorized by resolution at a regular or special meeting and
16 takes effect immediately unless the resolution specifies
17 otherwise. Notice of a meeting shall be given orally or in
18 writing not less than forty-eight hours prior to the meeting.

19 Sec. 22. NEW SECTION. PRESIDENT. The board of directors
20 shall appoint a president of the corporation who shall serve
21 at the pleasure of the board and shall receive the compensation
22 determined by the board. The president shall not be a member
23 of the board. The president shall be the chief administrative
24 and operational officer of the corporation and shall direct
25 and supervise the administrative affairs and the general
26 management of the corporation. The president may employ other
27 employees as designated by the board. The president shall
28 provide copies of all minutes, documents, and other records
29 of the corporation and shall provide a certificate which
30 attests to truthfulness of the copies, if requested. Persons
31 dealing with the corporation may rely upon the certificates.
32 The president shall keep a record of all proceedings,
33 documents, and papers filed with the corporation.

34 Sec. 23. NEW SECTION. CORPORATE PURPOSE--POWERS. The
35 purpose of the corporation is to stimulate and encourage the

1 development of new products within Iowa by the infusion of
2 financial aid for invention and innovation in situations in
3 which financial aid would not otherwise be reasonably available
4 from commercial sources. For this purpose the corporation
5 has the following powers:

6 1. To have perpetual succession as a corporate body and
7 to adopt bylaws, policies, and procedures for the regulation
8 of its affairs and conduct of its business.

9 2. To enter into venture agreements with persons doing
10 business in Iowa upon conditions and terms which are consistent
11 with the purposes of this division for the advancement of
12 financial aid to the persons. The financial aid advanced
13 shall be for the development of specific products, procedures,
14 and techniques which are to be developed and produced in this
15 state. The corporation shall condition the agreements upon
16 contractual assurances that the benefits of increasing or
17 maintaining employment and tax revenues shall remain in Iowa.

18 3. To receive and accept aid or contributions from a
19 source of money, property, labor, or other things of value
20 to be used to carry out the purposes of this division including
21 gifts or grants from a department or agency of the United
22 States or any state.

23 4. With approval of the director of the department of
24 general services to acquire, lease, purchase, manage, hold,
25 and dispose of real and personal property and to lease, convey,
26 or enter into contracts with respect to such property provided
27 that all acquisitions of real property shall be as required
28 by law.

29 5. To issue notes and bonds as provided under this
30 division.

31 6. To hold patents, copyrights, trademarks, or other
32 evidences of protection or exclusivity issued under the laws
33 of this state or the United States to any products.

34 7. To employ assistants, agents, and other employees who
35 shall be state employees and to engage consultants, attorneys,

1 and appraisers as necessary or desirable to carry out the
2 purposes of the corporation.

3 8. To make and enter into contracts and agreements
4 necessary or incidental to its performance of the duties and
5 the powers granted to the corporation.

6 9. To sue and be sued, plead, and adopt a seal.

7 10. With the approval of the treasurer of state, to invest
8 funds which are not needed for immediate use or disbursement,
9 including funds held in reserve, in obligations issued or
10 guaranteed by the state or the United States.

11 11. To procure insurance against a loss in connection
12 with its property and other assets.

13 12. To the extent permitted under a corporation contract
14 with other persons, to consent to a termination, modification,
15 forgiveness, or other change in the terms of a contractual
16 right, payment, royalty, contract, or agreement.

17 13. To take necessary action to render bonds issued under
18 this division more marketable.

19 Sec. 24. NEW SECTION. APPLICATIONS FOR FINANCIAL AID.

20 1. Applications for financial aid shall be forwarded,
21 together with an application fee prescribed by the corporation,
22 to the president of the corporation. The president, after
23 preparing the necessary records for the corporation, shall
24 forward each application to the staff of the corporation,
25 for an investigation and report concerning the advisability
26 of approving the financial aid for the company and concerning
27 any other factors found relevant by the corporation. The
28 investigation and report shall include but are not limited
29 to the following:

30 a. The history of the applicant, its wage standards, job
31 opportunities, and stability of employment.

32 b. The extent of the applicant's dependence on agriculture.

33 c. The applicant's past, present, and future financial
34 condition and structure.

35 d. The applicant's pro-forma income statements.

- 1 e. The present and future market prospects for the product.
2 f. The feasibility of the proposed project or invention
3 to be given financial aid and the integrity of management.
4 g. The state of the project's development.

5 2. After receipt and consideration of the report and any
6 other action the corporation finds necessary, the corporation
7 shall approve or deny the application. The president shall
8 promptly notify an applicant by certified mail of the
9 disposition of its application. The corporation shall give
10 priority to those applicants whose business is agriculture
11 related or whose business is located in an area which the
12 corporation determines has been severely adversely affected
13 by depressed agricultural prices and whose proposed product
14 or invention is to be used to convert all or a portion of
15 the business to nonagriculture-related industrial or commercial
16 activity or to create a new nonagriculture-related industrial
17 or commercial business.

18 Sec. 25. NEW SECTION. IOWA PRODUCT DEVELOPMENT CORPORATION
19 FUND. There is created an "Iowa product development
20 corporation fund". All funds of the corporation including
21 the proceeds from the issuance of notes or sale of bonds under
22 this division, any funds appropriated from the general fund
23 to the corporation, and other income derived from the exercise
24 of authority granted to the corporation under this division
25 shall be paid to the treasurer of state as an agent of the
26 corporation and the treasurer shall deposit the amounts in
27 the Iowa product development corporation fund. The money
28 in the Iowa product development corporation fund shall be
29 paid out by warrants signed by the treasurer of state on
30 requisition of the president of the corporation. The money
31 in the Iowa product development corporation fund shall be
32 used for repayment of notes and bonds issued under this
33 division, the extension of financial aid granted by the
34 corporation under this division, and the amount remaining
35 may be used for the payment of the administrative and overhead

1 costs of the corporation to the extent required.
2 Sec. 26. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION
3 NOTES. The corporation may issue Iowa product development
4 corporation fund notes, the principal and interest of which
5 shall be payable solely from the Iowa product development
6 corporation fund established by this division. The fund notes
7 of each issue shall be dated, shall mature at times not
8 exceeding ten years from their dates of issue, and may be
9 made redeemable before maturity, at the option of the
10 corporation, at prices and under terms and conditions as
11 determined by the corporation. The corporation shall determine
12 the form and manner of execution of the fund notes, including
13 any interest coupons to be attached, and shall fix the
14 denominations and the places of payment of principal and
15 interest, which may be any financial institution within or
16 without the state or any agent, including the lender. If
17 an officer whose signature or a facsimile of whose signature
18 appears on fund notes or coupons ceases to be that officer
19 before the delivery of the notes or coupons, the signature
20 or facsimile is valid and sufficient for all purposes the
21 same as if the officer had remained in office until delivery.
22 The fund notes may be issued in coupon or in registered form,
23 or both, as the corporation determines, and provision may
24 be made for the registration of coupon fund notes as to
25 principal alone and also as to both principal and interest,
26 and for the conversion into coupon fund notes of any fund
27 notes registered as to both principal and interest, and for
28 the interchange of registered and coupon fund notes. Fund
29 notes shall bear interest at rates as determined by the
30 corporation and may be sold in a manner, either at public
31 or private sale, and for a price as the corporation determines
32 to be best to effectuate the purposes of the housing assistance
33 fund. The proceeds of fund notes shall be used solely for
34 the purposes for which issued and shall be disbursed in a
35 manner and under restrictions as provided in this division

1 and in the resolution of the corporation providing for their
2 issuance. The corporation may provide for the replacement
3 of fund notes which become mutilated or are destroyed or lost.

4 Sec. 27. NEW SECTION. BONDS AND NOTES.

5 1. The corporation may issue its negotiable bonds and
6 notes in principal amounts as, in the opinion of the
7 corporation, are necessary to provide sufficient funds for
8 achievement of its corporate purposes, the payment of interest
9 on its bonds and notes, the establishment of reserves to
10 secure its bonds and notes, and all other expenditures of
11 the corporation incident to and necessary or convenient to
12 carry out its purposes and powers. However, the corporation
13 shall not have a total principal amount of bonds and notes
14 outstanding at any time in excess of one million dollars,
15 or the value of the aggregate assets of the corporation, as
16 certified by an independent certified public accountant.
17 The bonds and notes shall be deemed to be investment securities
18 and negotiable instruments within the meaning of and for all
19 purposes of the uniform commercial code.

20 2. Bonds and notes issued by the corporation are payable
21 solely and only out of the moneys, assets, or revenues of
22 the corporation, and as provided in the agreement with
23 bondholders or noteholders pledging any particular moneys,
24 assets or revenues. Bonds or notes are not an obligation
25 of this state or any political subdivision of this state other
26 than the corporation within the meaning of any constitutional
27 or statutory debt limitations, but are special obligations
28 of the corporation payable solely and only from the sources
29 provided in this chapter, and the corporation shall not pledge
30 the credit or taxing power of this state or any political
31 subdivision of this state other than the corporation, or make
32 its debts payable out of any moneys except those of the
33 corporation.

34 3. Bonds and notes must be authorized by a resolution
35 of the corporation. However, a resolution authorizing the

1 issuance of bonds or notes may delegate to an officer of the
2 corporation the power to negotiate and fix the details of
3 an issue of bonds or notes by an appropriate certificate of
4 the authorized officer.

5 4. Bonds shall:

6 a. State the date and series of the issue, be consecutively
7 numbered, and state on their face that they are payable both
8 as to principal and interest solely out of the assets of the
9 corporation and do not constitute an indebtedness of this
10 state or any political subdivision of this state other than
11 the corporation within the meaning of any constitutional or
12 statutory debt limit.

13 b. Be either registered, registered as to principal only,
14 or in coupon form, issued in denominations as the corporation
15 prescribes, fully negotiable instruments under the laws of
16 this state, signed on behalf of the corporation with the
17 manual or facsimile signature of the chairperson or president,
18 attested by the manual or facsimile signature of the secretary,
19 have impressed or imprinted thereon the seal of the corporation
20 or a facsimile of it, and the coupons attached shall be signed
21 with the facsimile signature of the chairperson or president,
22 be payable as to interest at rates and at times as the
23 corporation determines, be payable as to principal at times
24 over a period not to exceed fifty years from the date of
25 issuance, at places, and with reserved rights of prior
26 redemption, as the corporation prescribes, be sold at prices,
27 at public or private sale, and in a manner as the corporation
28 prescribes, and the corporation may pay the expenses, premiums,
29 and commissions which it deems necessary or advantageous in
30 connection with the issuance and sale, and be issued under
31 and subject to the terms, conditions, and covenants providing
32 for the payment of the principal, redemption premiums, if
33 any, interest, and other terms, conditions, covenants, and
34 protective provisions safeguarding payment, not inconsistent
35 with this division, as are found to be necessary by the

1 corporation for the most advantageous sale, which may include,
2 but are not limited to, covenants with the holders of the
3 bonds as to:

4 (1) Pledging or creating a lien, to the extent provided
5 by the resolution, on moneys or property of the corporation
6 or moneys held in trust or otherwise by others to secure the
7 payment of the bonds.

8 (2) Providing for the custody, collection, securing,
9 investment, and payment of any moneys of or due to the
10 corporation.

11 (3) Limitations on the purpose to which the proceeds of
12 sale of an issue of bonds then or thereafter to be issued
13 may be applied.

14 (4) Limitations on the issuance of additional bonds and
15 on the refunding of outstanding or other bonds.

16 (5) The procedure by which the terms of a contract with
17 the holders of bonds may be amended or abrogated, the amount
18 of bonds the holders of which must consent to an amendment
19 or abrogation, and the manner in which consent may be given.

20 (6) Vesting in a trustee properties, rights, powers, and
21 duties in trust as the corporation determines, which may
22 include the rights, powers, and duties of the trustee appointed
23 for the holders of any issue of bonds pursuant to this
24 division, in which event the provisions of that section
25 authorizing appointment of a trustee by the holders of bonds
26 do not apply, or limiting or abrogating the right of the
27 holders of bonds to appoint a trustee under that section,
28 or limiting the rights, duties, and powers of the trustee.

29 (7) Defining the acts or omissions which constitute a
30 default in the obligations and duties of the corporation and
31 providing for the rights and remedies of the holders of bonds
32 in the event of a default. However, rights and remedies shall
33 be consistent with the laws of this state and this division.

34 (8) Any other matters which affect the security and
35 protection of the bonds and the rights of the holders.

1 5. The corporation may issue its bonds for the purpose
2 of refunding any bonds or notes of the corporation then
3 outstanding, including the payment of any redemption premiums
4 on the bonds or notes and any interest accrued or to accrue
5 to the date of redemption of the outstanding bonds or notes.
6 Until the proceeds of bonds issued for the purpose of refunding
7 outstanding bonds or notes are applied to the purchase or
8 retirement of outstanding bonds or notes or the redemption
9 of outstanding bonds or notes, the proceeds may be placed
10 in escrow and be invested and reinvested in accordance with
11 this division. The interest, income, and profits earned or
12 realized on an investment may also be applied to the payment
13 of the outstanding bonds or notes to be refunded by purchase,
14 retirement, or redemption. After the terms of the escrow
15 have been fully satisfied and carried out, any balance of
16 proceeds and interest earned or realized on the investments
17 may be returned to the corporation for use by it in any lawful
18 manner. Refunding bonds shall be issued and secured and
19 subject to this division in the same manner and to the same
20 extent as other bonds issued pursuant to this division.

21 6. The corporation may issue negotiable bond anticipation
22 notes and may renew them from time to time but the maximum
23 maturity of the notes, including renewals, shall not exceed
24 ten years from the date of issue of the original notes. Notes
25 are payable from any available moneys of the corporation not
26 otherwise pledged, or from the proceeds of the sale of bonds
27 of the corporation in anticipation of which the notes were
28 issued. Notes may be issued for any corporate purpose of
29 the corporation. Notes shall be issued in the same manner
30 as bonds, and notes and the resolution authorizing them may
31 contain any provisions, conditions, or limitations, not
32 inconsistent with this subsection, which the bonds or a bond
33 resolution of the corporation may contain. Notes may be sold
34 at public or private sale. In case of default on its notes
35 or violation of any obligations of the corporation to the

1 noteholders, the noteholders have all the remedies provided
2 in this division for bondholders. Notes are as fully
3 negotiable as bonds of the corporation.

4 7. A copy of each pledge agreement by or to the
5 corporation, including without limitation each bond resolution,
6 indenture of trust, or similar agreement, or any revisions
7 or supplements to it shall be filed with the secretary of
8 state and no further filing or other action under sections
9 554.9101 to 554.9507, article 9 of the uniform commercial
10 code, or any other law of the state is required to perfect
11 the security interest in the collateral or any additions to
12 it or substitutions for it, and the lien and trust created
13 are binding from and after the time made against all parties
14 having claims of any kind in tort, contract, or otherwise
15 against the pledgor.

16 8. Neither the officers of the corporation nor any person
17 executing its bonds, notes, or other obligations is liable
18 personally on the bonds, notes, or other obligations or subject
19 to any personal liability or accountability by reason of the
20 issuance of the corporation's bonds or notes.

21 Sec. 28. NEW SECTION. REPORTING AND FUND SOLVENCY. The
22 chairperson of the corporation on or before July 30 of each
23 fiscal year shall make and deliver a report to the governor
24 and the legislative fiscal committee. The report shall include
25 all transactions conducted by the corporation in the preceding
26 fiscal year. The report shall also include a balance sheet
27 outlining the financial solvency of the Iowa product
28 development corporation fund, a certified copy of any audits
29 of the corporation conducted in the preceding fiscal year,
30 and other information requested by the governor or the
31 legislative fiscal committee.

32 Sec. 29. NEW SECTION. AUDITS. The auditor of state shall
33 audit the books and accounts of the corporation at least semi-
34 annually. One audit shall be conducted for the preceding
35 fiscal year on or after July 1 of each fiscal year. The

1 results of the yearly audit shall be certified and turned
2 over to the governor no later than July 30 of each fiscal
3 year.

4 Sec. 30. NEW SECTION. REMEDIES OF BONDHOLDERS AND
5 NOTEHOLDERS.

6 1. If the corporation defaults in the payment of principal
7 or interest on an issue of bonds or notes after they become
8 due, whether at maturity or upon call for redemption, and
9 the default continues for a period of thirty days, or if the
10 corporation fails or refuses to comply with this division,
11 or defaults in an agreement made with the holders of an issue
12 of bonds or notes, the holders of twenty-five percent in
13 aggregate principal amount of bonds or notes of the issue
14 then outstanding, by instrument filed in the office of the
15 clerk of the county in which the principal office of the
16 corporation is located, and proved or acknowledged in the
17 same manner as a deed to be recorded, may appoint a trustee
18 to represent the holders of the bonds or notes for the purposes
19 of this section.

20 2. The corporation or a trustee appointed under the
21 indenture under which the bonds are issued may, and upon
22 written request of the holders of twenty-five percent in
23 aggregate principal amount of the issue of bonds or notes
24 then outstanding shall:

25 a. Enforce all rights of the bondholders or noteholders,
26 including the right to require the corporation to carry out
27 its agreements with the holders and to perform its duties
28 under this division.

29 b. Bring suit upon the bonds or notes.

30 c. By action require the corporation to account as if
31 it were the trustee of an express trust for the holders.

32 d. By action enjoin any acts or things which are unlawful
33 or in violation of the rights of the holders.

34 e. Declare all the bonds or notes due and payable and
35 if all defaults are made good then with the consent of the

1 holders of twenty-five percent of the aggregate principal
2 amount of the issue of bonds or notes then outstanding, annul
3 the declaration and its consequences.

4 The bondholders or noteholders, to the extent provided
5 in the resolution by which the bonds or notes were issued
6 or in their agreement with the corporation, may enforce any
7 of the remedies in paragraphs a to e or the remedies provided
8 in those agreements for and on their own behalf.

9 3. The trustee has all powers necessary or appropriate
10 for the exercise of functions specifically set forth or
11 incident to the general representation of bondholders or
12 noteholders in the enforcement and protection of their rights.

13 4. Before declaring the principal of bonds or notes due
14 and payable, the trustee shall first give thirty days' notice
15 in writing to the governor, the corporation, and the attorney
16 general of the state.

17 5. The district court has jurisdiction of an action by
18 the trustee on behalf of bondholders or noteholders. The
19 venue of the action is in the county in which the principal
20 office of the corporation is located.

21 Sec. 31. There is appropriated from the general fund of
22 the state to the Iowa product development corporation for
23 the fiscal year beginning July 1, 1983 and ending June 30,
24 1984, the sum of one million (1,000,000) dollars to fund this
25 division.

26

DIVISION VI

27 Sec. 32. There is appropriated from the general fund of
28 the state for the fiscal year beginning July 1, 1983, and
29 ending June 30, 1984, to the Iowa housing finance authority
30 the amount of three million (3,000,000) dollars to be used
31 to fund the program to reduce interest costs to be paid on
32 loans established in section 220.81 of Senate File 223 as
33 enacted by the 1983 Session of the Iowa general assembly.

34

DIVISION VII

35 Sec. 33. NEW SECTION. 28.35 ESTABLISHMENT OF IOWA HIGH

1 TECHNOLOGY COUNCIL. The Iowa high technology council,
2 hereafter referred to as the "council" is created. The council
3 shall be administratively integrated into the Iowa development
4 commission for staff support and assistance.

5 The council shall be composed of seventeen members appointed
6 by the governor, subject to confirmation by the senate. After
7 April 30, 1985, the membership shall include:

8 1. Two members from the working force of the state, at
9 least one of which shall be a member of a labor union.

10 2. Two members from the state's community college system.

11 3. Two members from the board of regents' institutions.

12 4. Two members from the agricultural community of the
13 state, at least one of whom shall represent a family farm
14 operation.

15 5. Two members from management of industrial firms located
16 in the state, at least one of whom is from a firm engaged
17 in high technology.

18 After April 30, 1985, no more than a simple majority of
19 the members of the council shall belong to the same political
20 party as provided in section 69.16. Vacancies on the council
21 shall be filled for the unexpired terms in the same manner
22 as original appointments. The council members shall not
23 receive per diem but shall be reimbursed for necessary expenses
24 incurred in the performance of duties from funds appropriated
25 to the Iowa development commission. Membership on the council
26 until May 1, 1985 shall be those members on the high technology
27 council created by executive order. Pursuant to section
28 69.19, the governor shall appoint members to terms of four
29 years, with an initial appointment of nine members to serve
30 two year terms commencing May 1, 1985 and ending April 30,
31 1987 and eight members to serve four year terms commencing
32 May 1, 1985 and ending April 30, 1989. The governor shall
33 designate one member as chairperson. The members shall serve
34 for a term of four years until their successors are appointed
35 and qualified. Vacancies on the council shall be filled for

1 the unexpired term in the same manner as original appointments.
2 The council members shall not receive per diem nor
3 reimbursement for expenses.

4 The council shall meet once each quarter and shall hold
5 special meetings on call of the chairperson. Eight members
6 shall constitute a quorum. The council shall adopt rules
7 pursuant to chapter 17A to govern its procedures.

8 Sec. 34. NEW SECTION. 28.36 POWERS AND DUTIES. The
9 purpose of the council shall be to encourage the development
10 of high technology industries and research in Iowa which will
11 establish net new employment opportunities for Iowa workers
12 or assist in improving the efficiency, productivity, and
13 viability of family farm operations and which will improve
14 the quality of life in an environmentally-sound manner. For
15 high technologies consistent with this purpose, the council
16 shall:

17 1. Promote, encourage, and support education and research
18 development programs in the fields of high technology.

19 2. Seek to improve the quality and quantity of the research
20 capabilities of the institutions of higher education, provide
21 incentives to attract and retain superior faculty members
22 at the institutions of higher education, and enhance the
23 economic health of the state through encouraging investment
24 by both governmental and private sources in educational
25 programs which promote high technology and research and
26 development.

27 3. Establish priorities to encourage development in
28 agriculture and industrial technology most closely related
29 to the state's current economy and review the priorities to
30 facilitate possible future changes in the economy.

31 4. Consider and award grants on a project basis to an
32 educational institution or commercial entity in which an
33 educational institution has an ownership interest, for any
34 of the following:

35 a. Further research on an idea, process, or product to

1 determine potential for commercially feasible application.

2 b. Product development and testing.

3 c. Market analysis.

4 d. Public investment in commercial development in
5 conjunction with private investment.

6 The council shall report annually to the governor and the
7 general assembly on the grants awarded, including an analysis
8 of how the grants serve to meet the general purpose of this
9 section. The council shall provide post-grant audits of all
10 grants awarded.

11 5. Promote the planning, coordination, and evaluation
12 of Iowa's efforts to develop high technology capabilities
13 and employment.

14 6. Provide leadership in the establishment of research
15 and development centers for high technology.

16 7. Encourage the private development of properties for
17 the development of high technology companies.

18 8. Coordinate and stimulate promotional efforts to attract
19 and expand high technology enterprises with the Iowa
20 development commission.

21 9. Ensure the proper development of an effective mechanism
22 to transfer information on technology and research to Iowa's
23 existing industry.

24 10. Promote legislation that will stimulate the development
25 and growth of high technology in Iowa.

26 11. Aid in identifying the research needs of industry,
27 universities, and government.

28 12. Encourage the funding of technology and research from
29 business and government sources.

30 13. Work to increase the public awareness of technology
31 and the attractiveness of Iowa as a location for industry.

32 14. Work to form a broad-based, long-term commitment to
33 build up Iowa's research base through promotion, human resource
34 development, and capital investment.

35 15. Receive and disburse funds available from public or

1 private sources to be used to further the overall development
2 of high technology in Iowa.

3 Sec. 35. NEW SECTION. 28.37 GRANTS, GIFTS, AND BEQUESTS.
4 The council may receive and expend grants, gifts, and bequests,
5 including but not limited to appropriations, federal funding,
6 and other funding available for the purposes pursuant to
7 section 28.36.

8 Sec. 36. NEW SECTION. 28.38 CONTRIBUTIONS FROM PRIVATE
9 INDUSTRY.

10 1. The council may accept contributions of advanced
11 technology equipment, grants, gifts, and bequests from advanced
12 technology companies. A company may designate the institution
13 of higher education the contribution is awarded to or may
14 provide a nondesignated contribution.

15 2. Equipment, grants, gifts, or bequests which are not
16 designated pursuant to subsection 1 shall be utilized for
17 agricultural research or advanced technology industry-generated
18 research conducted in equipped laboratories at the institutions
19 of higher education and for maintaining state of the art
20 laboratory equipment at the institutions.

21 Sec. 37. NEW SECTION. 28.39 OPERATIONS OF COUNCIL.
22 A public investment in commercial development by the council
23 may be made only in Iowa and in conjunction with private
24 investment and shall be reflected in a public ownership
25 interest in the commercial entity which is established. The
26 public ownership interest shall be negotiated with the other
27 investing parties, including but not limited to, educational
28 institutions, inventors, and private investors. A provision
29 relating to the terms of ownership and the circumstances of
30 disposal of the public ownership interest shall be made at
31 the time of investment.

32 Upon the disposition of a public investment, one half of
33 the proceeds beyond the original investment shall be available
34 for research support at the educational institutions making
35 application for support under this chapter. The remainder

1 of the proceeds attributable to an educational institution
2 ownership interest shall be available for support and
3 investment pursuant to this chapter.

4 All support and investment authorized by this chapter shall
5 be made consistent with the rules and policies concerning
6 property rights, patents, copyrights, and intellectual property
7 of the educational institutions involved in each project.

8 Sec. 38. NEW SECTION. 28.40 COUNCIL AND COMMISSION
9 FUNDING. There is appropriated from the general fund of the
10 state to the Iowa high technology council for the fiscal year
11 beginning July 1, 1983 and ending June 30, 1984 the sum of
12 two million (2,000,000) dollars to fund the projects. In
13 addition, there is appropriated from the general fund of the
14 state an amount for operations of the council but not to
15 exceed one hundred thousand (100,000) dollars for the fiscal
16 year beginning July 1, 1983 and ending June 30, 1984. From
17 the funds appropriated for operations, fifty thousand (50,000)
18 dollars shall be used for developing or to contract for
19 developing a mechanism for transferring jobs, related to
20 research findings, and innovations from the research
21 institutions to industry.

22 The appropriations from the state general fund in this
23 section shall be in addition to and separate from the
24 appropriations from the state general fund which may be made
25 to an institution of higher education in the state.

26 Notwithstanding section 8.33, unencumbered or unobligated
27 funds appropriated by this section for the fiscal year
28 beginning July 1, 1983 and ending June 30, 1984 shall not
29 revert to the general fund of the state.

*

30 DIVISION VIII

31 Sec. 39. NEW SECTION. SHORT TITLE. Division VIII of
32 this Act may be cited as the "Iowa community development loan
33 program".

34 Sec. 40. NEW SECTION. INTENT. The purpose of this
35 division is to assist Iowa communities in the construction

1 and improvement of public works and facilities which support
2 and enhance local economic development by the creation of
3 the Iowa community development loan program.

4 Sec. 41. NEW SECTION. ESTABLISHMENT OF PROGRAM.

5 1. The Iowa community development loan program is es-
6 tablished to aid communities in improving and developing
7 adequate public works and facilities needed to support local
8 economic development projects by providing a revolving loan
9 fund.

10 2. The program is administered by the office for planning
11 and programming.

12 3. The program provides loans to cities for projects which
13 address the following objectives:

14 a. The construction and improvement of public works and
15 facilities needed for economic development.

16 b. The creation or retention of jobs especially in cities
17 or cities located in counties with an unemployment rate higher
18 than the statewide average.

19 c. The promotion of the expansion of existing business
20 and industry.

21 d. The leveraging of local resources.

22 e. The creation of job opportunities for women and
23 minorities.

24 4. The program shall provide that the moneys appropriated
25 to the revolving loan fund shall be available as follows:

26 a. Twenty-five percent of the moneys shall be designated
27 for cities with a population of less than five thousand.

28 b. Fifty percent of the moneys shall be designated for
29 cities with a population of five thousand or more.

30 c. Twenty-five percent of the moneys shall be designated
31 for any city.

32 d. Loans repaid which were from moneys designated for
33 cities as provided in paragraph a or b shall be redesignated
34 for those cities.

35 5. Job service of Iowa is required to supply information

1 regarding unemployment rates to any city or county requesting
2 it.

3 Sec. 42. NEW SECTION. QUALIFICATIONS FOR LOAN PROGRAM.

4 1. Any Iowa city is eligible to apply for and receive
5 loans through the program. However, preference shall be given
6 to cities or cities located in counties with unemployment
7 rates higher than the statewide average.

8 2. Loans provided through the program shall be used to
9 pay the cost of public works and facilities. "Public works
10 and facilities" means "essential corporate purpose" and
11 "general corporate purpose" as defined in section 384.24,
12 subsections 3 and 4 and also means the acquisition of real
13 property which is to be developed into an industrial park.

14 "Cost" means all the costs of the project, including the cost
15 of acquisition, construction, reconstruction and improvement,
16 and all the items listed in section 384.24, subsection 5.

17 3. Funds provided through the loan program shall be matched
18 with local cash resources equal to not less than fifty percent
19 of the amount loaned. All matching local cash resources shall
20 be specifically committed to the accomplishment of the project
21 for which the loan is made.

* 22 Sec. 43. NEW SECTION. APPROVAL OF LOANS.

23 1. Loans provided through the program are interest free.

24 2. The maximum amount of a loan made through the program
25 is two hundred fifty thousand dollars.

26 3. Initial loans provided through the program shall be
27 awarded, subject to the amounts designated as provided in
28 section 41, subsection 4 of this division, on a competitive
29 basis to those community projects which meet the minimum
30 qualifications of this division and which best meet the
31 objectives of section 41, subsection 3 of this division.
32 Consideration shall be given to the payback methods proposed
33 by each city, with preference shown to projects which offer
34 shorter loan maturities and greater security of repayment
35 to the state.

1 4. Prior to the receipt of the loan funds, each loan
2 recipient shall pay to the state a loan origination fee in
3 an amount equal to six-tenths of one percent of the loan
4 amount. The fees shall be paid from private or local funds
5 and shall be placed into a special account used to defray
6 the state's expense in operating the loan program. Funds
7 in this special account shall not revert to the state's general
8 fund.

9 5. Loan proceeds shall not be disbursed to a city until
10 a loan agreement has been executed between the state office
11 for planning and programming and that city.

12 Sec. 44. NEW SECTION. LOAN REPAYMENTS.

13 1. A city shall repay funds borrowed in accordance with
14 a loan agreement to be executed prior to the disbursement
15 of a loan by the state.

16 2. In accordance with this division, additional loans
17 shall be periodically awarded by the office for planning and
18 programming. The additional loans shall be provided from
19 funds not previously awarded and from repayments received
20 from prior recipients of loans.

21 3. Loan repayments shall be returned to the program and
22 shall not revert to the state's general fund.

23 Sec. 45. NEW SECTION. RULES. The office for planning
24 and programming shall adopt rules pursuant to chapter 17A
25 to implement this division.

26 Sec. 46. NEW SECTION. ANNUAL REPORT. The office for
27 planning and programming shall submit to the governor, once
28 each year, a report setting forth details of the operation
29 of the program and shall make that report available to members
30 of the general assembly upon their request.

31 Sec. 47. There is appropriated from the general fund of
32 the state on July 1, 1983 to the office for planning and
33 programming five million (5,000,000) dollars to establish
34 the revolving loan fund provided in this division. This
35 appropriation is in addition to any other moneys appropriated

1 to the office for planning and programming. Notwithstanding
2 section 8.33, no part of this fund shall revert at or after
3 the close of a fiscal period, but shall remain in the fund
4 and appropriated for the purposes of this division.

5 Sec. 48. NEW SECTION. LOANS NOT DEPENDENT ON BONDS.

6 Notwithstanding any law to the contrary cities shall not be
7 required to issue bonds to secure loans received by the city
8 through the Iowa community development loan program.

9 Sec. 49. Section 384.4, subsection 2, Code 1983, is amended
10 to read as follows:

11 2. Interest as it becomes due and the amount necessary
12 to pay, or to create a sinking fund to pay, the principal
13 at maturity of all general obligation bonds issued by the
14 city or to pay, or to create a sinking fund to pay, amounts
15 as due on loans received through the Iowa community development
16 loan program.

17 DIVISION IX

18 Sec. 50. Chapter 467A, Code 1983, is amended by adding
19 the following new section:

20 NEW SECTION. CONSERVATION PRACTICES REVOLVING LOAN FUND.

21 1. The state soil conservation committee may establish
22 a conservation practice revolving loan fund composed of any
23 money appropriated by the general assembly for that purpose,
24 and of any other moneys available to and obtained or accepted
25 by the committee from the federal government or private sources
26 for placement in that fund. Except as otherwise provided
27 by subsection 3, the assets of the conservation practices
28 revolving loan fund shall be used only to make loans directly
29 to owners of land in this state with a net worth not to exceed
30 two hundred fifty thousand dollars for the purpose of
31 establishing on that land any new permanent soil and water
32 conservation practice which the commissioners of the soil
33 conservation district in which the land is located have found
34 is necessary or advisable to meet the soil loss limits
35 established for that land. Revolving loan funds and public

1 cost-sharing funds shall not be used in combination for fund-
2 ing a particular soil and water conservation practice. The
3 net worth of the applicant shall be provided by a financial
4 institution of the state of Iowa. Each loan made under this
5 section shall be for a period not to exceed ten years, shall
6 bear no interest, and shall be repayable to the conservation
7 practice revolving loan fund in equal yearly installments
8 due March 1 of each year the loan is in effect. The interest
9 rate upon loans for which payment is delinquent shall ac-
10 celerate immediately to the current legal usury limit. Appli-
11 cants shall be eligible for no more than ten thousand dollars
12 in loans outstanding at any time under this program.

13 "Permanent soil and water conservation practices" has the
14 same meaning as defined in section 467A.42 and those
15 established under this program are subject to the requirements
16 of section 467A.7, subsection 16. Loans made under this
17 program shall come due for payment upon sale of the land on
18 which those practices are established.

19 2. The general assembly finds and declares the following:

20 a. The erosion of topsoil on agricultural land by wind
21 and water is a serious problem within the state and one which
22 threatens to destroy the natural resource most responsible
23 for Iowa's prosperity.

24 b. It is necessary to the preservation of the economy
25 and well-being of the state to encourage soil conservation
26 practices by providing loans for permanent soil and water
27 conservation practices on agricultural land within the state.

28 c. The use of state funds for the conservation practices
29 revolving loan fund established under subsection 1 is in the
30 public interest, and the purposes of this division are public
31 purposes and uses for which public moneys may be borrowed,
32 expended, advanced, loaned, or granted.

33 3. The state soil conservation committee may:

34 a. Contract, sue and be sued, and promulgate administrative
35 rules necessary to carry out the provisions of this section,

1 but the committee shall not in any manner directly or
2 indirectly pledge the credit of the state of Iowa.

3 b. Authorize payment from the conservation practices
4 revolving loan fund, from fees and from any income received
5 by investments of money in the fund for costs, commissions,
6 attorney fees and other reasonable expenses related to and
7 necessary for making and protecting direct loans under this
8 section, and for the recovery of moneys loaned or the
9 management of property acquired in connection with such loans.

10 4. This section does not negate the provisions of section
11 467A.48 that an owner or occupant of land in this state shall
12 not be required to establish any new soil and water
13 conservation practice unless public cost-sharing funds have
14 been approved and are available for the land affected.
15 However, the owner of land with respect to which an
16 administrative order to establish soil and water conservation
17 practices has been issued under section 467A.47 but not
18 complied with for lack of public cost-sharing funds, may waive
19 the right to await availability of such funds and instead
20 apply for a loan under this section to establish any permanent
21 soil and water conservation practices necessary to comply
22 with the order. If a landowner does so, that loan application
23 shall be given reasonable preference by the state soil
24 conservation committee if there are applications for more
25 loans under this section than can be made from the money
26 available in the conservation practices loan reserve fund.
27 If it is found necessary to deny an application for a soil
28 and water conservation practices loan to a landowner who has
29 waived the right to availability of public cost-sharing funds
30 before complying with an administrative order issued under
31 section 467A.47, the landowner's waiver is void.

32 Sec. 51. There is appropriated from the general fund of
33 the state to the state soil conservation commission for each
34 fiscal year of the fiscal biennium beginning July 1, 1983
35 and ending June 30, 1985, one million (1,000,000) dollars

1 to be used for the establishment of the revolving loan fund
2 as provided in this division.

3 DIVISION X

4 Sec. 52. NEW SECTION. 307.41 SHORT TITLE. Sections
5 307.41 through 307.62 are created as a separate division of
6 chapter 307, known as the "Iowa Economic Development Highway
7 Bond Act".

8 Sec. 53. NEW SECTION. 307.42 DECLARATION OF NECESSITY
9 AND PURPOSE. The purpose of this division is to benefit the
10 citizens of Iowa by assuring that adequate funds are available
11 to meet road transportation needs of the state, to construct,
12 reconstruct, and improve the highways and bridges of this
13 state, including acquiring rights-of-way for them, and to
14 assure that there are adequate highways for the health, safety,
15 economic development, prosperity, and well-being of the
16 citizens of Iowa. It is the further purpose of this division
17 to authorize the department to issue bonds to finance the
18 improvement of existing highways and bridges and to
19 reconstruct, construct, and improve these highways as necessary
20 for the health, safety, economic development, prosperity,
21 and well-being of the citizens of Iowa. All of the purposes
22 stated in this section are public purposes for which public
23 moneys may be borrowed, expended, advanced, loaned, and
24 appropriated.

25 Sec. 54. NEW SECTION. 307.43 LEGISLATIVE FINDINGS.

26 The general assembly finds and declares:

27 1. The construction, reconstruction, and improvement of
28 an adequate highway system within this state is vital for
29 the well-being, health, safety, economic development, and
30 prosperity of the state, its citizens, and its economy.

31 2. It is essential to the continued well-being, health,
32 safety, economic development, and prosperity of the state,
33 its citizens, and its economy that the state proceed promptly
34 to improve existing roadways, acquire real property necessary
35 to constitute right-of-way for future highway construction,

1 construct, reconstruct, and improve highways and bridges,
2 and have adequate financial resources to meet these needs.

3 3. Current revenues available are insufficient to
4 construct, reconstruct, and improve the highways and bridges
5 necessary for the continued well-being, health, safety,
6 economic development, and prosperity of the state, its
7 citizens, and its economy.

8 4. The issuance by the department of road use tax revenue
9 bonds, the appropriation of the net proceeds of the bonds
10 to the primary road fund, and the appropriation of funds of
11 the road use tax fund to the payment of principal of and
12 interest on the road use tax revenue bonds are in all respects
13 for the benefit of the people of the state of Iowa, for the
14 improvement of their health and welfare, and for the promotion
15 of economic development and the economy, all of which are
16 public purposes.

17 Sec. 55. NEW SECTION. 307.44 DEFINITIONS. When used
18 in this division, unless the context otherwise requires:

19 1. "Construction projects" or "road construction projects"
20 means the surfacing and resurfacing of primary roads and the
21 grading, draining, paving, bridging, and the incidental work
22 in connection therewith, the reconstruction and improvement
23 of primary roads and bridges, and the acquisition of real
24 property for future highway needs.

25 2. "Bonds" means negotiable road use tax revenue bonds
26 of the department issued pursuant to this division, and all
27 bonds, notes, and other obligations issued in anticipation
28 of these bonds or as refunding bonds pursuant to this division.

29 3. "Primary roads" means as defined in section 306.3,
30 subsection 2.

31 4. "Primary road fund" means the fund created by section
32 313.3.

33 5. "Highway bond fund" means the fund created in section
34 307.51.

35 6. "Road use tax fund" means the fund created by section

1 312.1.

2 7. "Treasurer" means the treasurer of the state of Iowa.

3 Sec. 56. NEW SECTION. 307.45 BONDS AUTHORIZED. The
4 department may issue and sell bonds in an amount not to exceed
5 ten million dollars, and may become obligated to pay the
6 bonds, as provided in this division. Bonds are limited
7 obligations of the department payable solely from the highway
8 bond fund. The total amount of bonds outstanding at any time
9 shall not exceed ten million dollars. If the supreme court
10 of this state determines that this division and any bonds
11 issued and sold pursuant to this division are not in violation
12 of the constitution of this state, the limit on the total
13 amount of bonds that may be outstanding at any one time shall
14 be increased by one hundred million dollars. Beginning with
15 the fiscal year after such determination by the supreme court
16 and for each fiscal year thereafter the department may issue
17 and sell bonds in an amount, not in excess of ten million
18 dollars, equal to the difference between the estimated amount
19 of road use tax funds to be credited to the primary road fund
20 in that fiscal year and the actual amount of road use tax
21 funds so credited. If the department has a project which
22 will cost more than ten million dollars and the issuance and
23 sale of bonds are needed the department may issue and sell
24 an amount of bonds sufficient to pay the cost for this project
25 if the general assembly passes a concurrent resolution
26 authorizing the department to issue and sell bonds in a
27 specific amount and for that specific project. The proceeds
28 of the sale of bonds shall be paid into the primary road fund
29 to be expended for road construction projects and for expenses
30 incurred in issuing the bonds, as approved, directed, or
31 incurred by the department. The proceeds of the bonds shall
32 not be used by the department to pay other administrative
33 expenses.

34 Sec. 57. NEW SECTION. 307.46 TERMS OF BONDS. Bonds
35 shall bear interest at the rate or rates and be in the

1 denominations determined by the commission. The commission
 2 shall determine the maturity or maturities of the bonds and
 3 the dates of interest payment on the bonds. Each bond is
 4 due and payable on the date stipulated on the face of the
 5 bond, which date shall not be more than ten years after the
 6 date of issuance. The principal and interest are payable
 7 at the office of the treasurer or at any other place or places
 8 designated by the commission. Each bond shall be executed
 9 on behalf of the department with the manual signature of the
 10 chairperson or vice chairperson of the commission and attested
 11 with a manual or facsimile signature of the director and shall
 12 have impressed or printed on it the seal of the department.
 13 Coupons attached to the bonds, if any, shall be executed by
 14 the facsimile signature of the director. Each facsimile
 15 signature has the same force and effect as if the officer
 16 had manually signed or attested to each of the bonds and
 17 coupons.

18 The bonds are limited obligations of the department payable
 19 solely from those road use tax funds credited to the highway
 20 bond fund and are not general obligations of the state and
 21 are not debts or obligations of the state within the meaning
 22 of any statutory or constitutional debt limitation.

23 Sec. 58. NEW SECTION. 307.47 SALE OF BONDS. The
 24 commission shall sell the bonds to obtain funds to carry out
 25 the purpose of this division and authorize the payments as
 26 provided in this division. The proceeds from the sale shall
 27 be deposited with the treasurer. The bonds may be sold by
 28 the commission at public sale. If the commission so
 29 determines, the bonds may be sold by the commission at private
 30 sale without published notice and without the regular
 31 requirements of a public sale and the sale of the bonds shall
 32 be in the manner and upon the terms prescribed by the
 33 resolution of the commission authorizing the private sale.
 34 If the bonds are sold at public sale, they shall be sold upon
 35 terms of not less than par plus accrued interest.

1 The director with the advice and assistance of counsel
2 shall cause to be prepared the form of advertisements,
3 resolutions, agreements, and other necessary forms for use
4 in the offering for sale and issuance of the bonds and to
5 prepare and cause to be printed the proper form of bond and
6 to deliver the bonds to the proper officials for signature.

7 If the bonds are offered for public sale the commission
8 shall, by advertisement published for two or more successive
9 weeks in at least one newspaper of general circulation in
10 the state, give notice of the time and place of sale of the
11 bonds, the amounts to be offered for sale, and other
12 information which is deemed pertinent. The last day of
13 publication shall not be less than seven days prior to the
14 date of sale of the bonds. Sealed bids may be received at
15 any time prior to the calling for open bids. At the time
16 and place designated for the sale of bonds, the commission
17 shall first call for open bids. After all of the open bids
18 have been received the substance of the best open bid shall
19 be noted in the minutes. The commission shall then open the
20 sealed bids that have been received and shall note in the
21 minutes the substance of the best sealed bid.

22 In the discretion of the commission, any or all bids may
23 be rejected, and the sale may be advertised anew in the same
24 manner, or the bonds or any portion of the bonds may be sold
25 at private sale to one or more of the bidders, or other
26 persons.

27 Sec. 59. NEW SECTION. 307.48 BOND PROCEEDINGS. The
28 bonds shall be authorized by resolution of the commission
29 and bond proceedings shall provide for the purpose of the
30 bonds, principal amount and principal maturity or maturities,
31 not exceeding ten years from the date of issuance, the interest
32 rate or rates or the maximum interest rate, the date of the
33 bonds and the dates of payment of interest on the bonds, their
34 denomination, the terms and conditions upon which parity bonds
35 may be issued, and the establishment within or without the

1 state of a place or places of payment of principal of and
2 interest on the bonds. The purpose of the bonds may be stated
3 in the bond proceedings in terms describing the general purpose
4 or purposes to be served. The commission may cause to be
5 issued a prospectus or official statement in connection with
6 the offering of the bonds. Bonds may be issued in coupon
7 or in registered form, or both. Provision may be made for
8 the registration of bonds with coupons attached as to principal
9 alone, or as to both principal and interest, their exchange
10 for bonds so registered, and for the conversion or reconversion
11 into bonds with coupons attached of any bonds registered as
12 to both principal and interest, and for reasonable charges
13 for registration, exchange, conversion, and reconversion.
14 Bonds shall be sold in the manner and at the time determined
15 by the commission. Chapter 75 and sections 23.12 through
16 23.16 do not apply to these bonds. The bonds are negotiable
17 instruments. The bond proceedings may contain additional
18 provisions as to:

19 1. The redemption of bonds prior to maturity at the option
20 of the commission at the price and on the terms and conditions
21 provided in the bond proceedings.

22 2. Other terms of the bonds and concerning execution and
23 delivery of the bonds.

24 3. The delegation of responsibility for any act relating
25 to the issuance, execution, sale, redemption, or other matter
26 pertaining to the bonds to any other officer, agency of the
27 state, or other person or body.

28 4. Additional agreements with the bondholders relating
29 to the bonds.

30 5. Payment from the proceeds of the sale of the bonds
31 of all legal and financial expenses incurred by the department
32 or the commission in the issuance, sale, delivery, and payment
33 of the bonds.

34 6. Other matters, alike or different, which may in any
35 way affect the security of the bonds and the protection of

1 the bondholders.

2 Sec. 60. NEW SECTION. 307.49 ADDITIONAL POWERS OF
3 COMMISSION. In connection with the issuance of the bonds
4 or in order to secure the payment of the bonds and interest
5 on the bonds, the commission may by resolution:

6 1. Provide that the bonds be secured by first lien on
7 all or any part of the moneys paid into the road use tax fund
8 from the sources specifically prescribed in article VII,
9 section 8 of the Iowa constitution and that the moneys when
10 paid into the road use tax fund will be credited to the highway
11 bond fund with the moneys credited to the highway bond fund
12 each fiscal year being deemed from the road use tax fund
13 allocation to the primary road fund for that fiscal year.

14 2. Pledge and assign to or entrust for the benefit of
15 the bondholders any part of the road use tax fund revenues
16 collected as prescribed in article VII, section 8 of the Iowa
17 constitution, as will be necessary to pay the principal of
18 and interest on the bonds as they mature or become due by
19 providing that the revenues collected shall be credited to
20 the highway bond fund with the moneys credited to the highway
21 bond fund each fiscal year being deemed from the road use
22 tax fund allocation to the primary road fund for that fiscal
23 year.

24 3. Establish, authorize, set aside, regulate, and dispose
25 of reserves and sinking funds.

26 4. Provide that sufficient amounts of the proceeds of
27 the sale of the bonds may be used to fully or partially fund
28 any and all reserves or sinking funds set out by the bond
29 resolution.

30 5. Prescribe the procedure, if any, by which the terms
31 of any contract with bondholders may be amended or abrogated,
32 the amount of the bonds whose holders must consent thereto,
33 and the manner in which the consent may be given.

34 6. Purchase bonds, out of funds available for that purpose,
35 which shall be canceled, at a price not exceeding either of

1 the following:

2 a. If the bonds are then redeemable, the redemption price
3 then applicable plus accrued interest to the next interest
4 payment date.

5 b. If the bonds are not then redeemable, the redemption
6 price applicable on the first date after the purchase upon
7 which the bonds become subject to redemption plus accrued
8 interest to that date.

9 Sec. 61. NEW SECTION. 307.50 FUNDS APPROPRIATED. The
10 proceeds from the issuance of the bonds shall be paid into
11 a separate account which shall be established within the
12 primary road fund and are appropriated to and shall be expended
13 by the department for road construction projects.

14 In expending the proceeds from the issuance of the bonds,
15 the department shall implement a women's business enterprise
16 program to involve independent businesses owned and controlled
17 by women in road construction projects funded under this
18 division. The program shall establish an overall goal for
19 the participation of women's business enterprises of five
20 percent of the proceeds from the issuance of the bonds, and
21 shall establish specific project goals, including dollar
22 goals, for the participation of women's business enterprises
23 capable of meeting general contracting requirements and
24 particular project solicitations. General contractors shall
25 make a good faith effort to meet the specific goals established
26 for a project funded under this division. The department
27 shall maintain a current directory of women's business
28 enterprises which have been certified as owned and controlled
29 by women and which are capable of meeting general contracting
30 requirements and particular project solicitations. A women's
31 business enterprise shall be certified as owned and controlled
32 by women if the business is independent, at least fifty-one
33 percent owned by women, and managed and operated by women,
34 with women making both the day-to-day decisions as well as
35 the major decisions for the business. The women's ownership

1 shall be real, substantial, and continuing.

2 In advertising for bids and letting contracts for road
3 construction projects funded under this division, the
4 department shall establish an overall goal for the
5 participation of women construction workers and shall establish
6 specific project participation goals, including percentages
7 of women workers on the project, after considering the number
8 of women workers available and trainable, by the department,
9 for the project. Contractors shall make a good faith effort
10 to meet the specific goals established for a project funded
11 under this division.

12 Sec. 62. NEW SECTION. 307.51 PAYMENT OF BONDS. A highway
13 bond fund is created in the state treasury. At the direction
14 of the commission as provided in the bond proceedings or
15 pursuant to section 307.49, subsection 1 or 2, and as certified
16 by the director, the treasurer of state shall credit to the
17 highway bond fund from the road use tax fund a sum at least
18 sufficient to pay interest on the bonds in each fiscal year
19 and principal on the bonds that mature during each fiscal
20 year with the moneys credited each fiscal year to the highway
21 bond fund coming from the road use tax fund allocation to
22 the primary road fund for that fiscal year. In each fiscal
23 year after the effective date of this division and after bonds
24 are issued, and until all the bonds issued have been retired,
25 in order to provide for the payment of principal of the bonds
26 issued and sold and the interest on them as the same become
27 due and mature, there is pledged and annually appropriated
28 out of the road use tax fund to be credited to the highway
29 bond fund an amount sufficient to pay principal and interest
30 on the bonds issued for each of the years the bonds are
31 outstanding with the moneys credited each fiscal year to the
32 highway bond fund coming from the road use tax fund allocation
33 to the primary road fund for that fiscal year. The director
34 shall annually certify to the treasurer the amount of funds
35 required to pay interest on the bonds in the ensuing fiscal

1 year and the principal on the bonds that mature during the
2 ensuing fiscal year.

3 Sec. 63. NEW SECTION. 307.52 PLEDGE AS SECURITY FOR
4 BONDS. A pledge made pursuant to this division is valid and
5 binding from the time the pledge is made.

6 The moneys pledged and received by the treasurer to be
7 placed in the road use tax fund and subsequently credited
8 to the highway bond fund are immediately subject to the lien
9 of the pledge without any future physical delivery or further
10 act and the lien of a pledge is valid and binding against
11 all parties having claims of any kind in tort, contract, or
12 otherwise against the commission or the department irrespective
13 of whether the parties have notice of the lien of the pledge.
14 The resolution or trust indenture or other instrument by which
15 a pledge is created, when placed in the records of the
16 department, is notice to all concerned of the creation of
17 the pledge, and the instruments need not be recorded in any
18 other place.

19 Sec. 64. NEW SECTION. 307.53 NONLIABILITY OF THE STATE
20 AND ITS OFFICIALS. Bonds issued are special limited
21 obligations of the department and are not a debt or liability
22 of the state or any other political subdivision within the
23 meaning of any constitutional or statutory debt limitation
24 and are not a pledge of the state's credit or taxing power
25 within the meaning of any constitutional or statutory
26 limitation or provision and except as provided in this
27 division, an appropriation shall not be made, directly or
28 indirectly, by the state or any political subdivision of the
29 state for the payment of bonds. The bonds are special
30 obligations of the department payable solely from the highway
31 bond fund. Funds from the general fund of the state shall
32 not be used to pay interest or principal on the bonds if
33 revenues deposited in the road use tax fund are insufficient.

34 The members of the commission, the department, or other
35 person executing the bonds is not personally liable for the

1 payment of the bonds. The bonds are valid and binding
2 obligations of the department notwithstanding the fact that
3 before the delivery of the bonds any of the officers whose
4 signatures appear on the bonds cease to be officers of the
5 state. From and after the sale and delivery of the bonds,
6 they shall be incontestable by the department or the
7 commission.

8 Sec. 65. NEW SECTION. 307.54 BOND ANTICIPATION NOTES.

9 The power to issue bonds includes the power to issue
10 obligations in the form of bond anticipation notes or other
11 forms of short-term indebtedness and to renew these notes
12 by the issuance of new notes. The holders of notes or interest
13 coupons of notes have a right to be paid solely from those
14 road use tax funds credited to the highway bond fund which
15 were pledged to the payment of the bonds anticipated, or from
16 the proceeds of those bonds or renewal notes, or both, as
17 the commission provides in the bond proceedings authorizing
18 the notes. The notes may be additionally secured by covenants
19 of the commission to the effect that the commission will do
20 those acts authorized by this division and necessary for the
21 issuance of the bonds or renewal notes in appropriate amount,
22 and either exchange the bonds or renewal notes for the notes,
23 or apply the proceeds of the notes, to the extent necessary,
24 to make full payment of the principal of and interest on the
25 notes at the time contemplated, as provided in the bond
26 proceedings. For this purpose, the commission may issue bonds
27 or renewal notes in a principal amount and upon terms as
28 authorized by this division and as necessary to provide funds
29 to pay when required the principal of and interest on the
30 outstanding notes, notwithstanding any limitations prescribed
31 by this division, other than the limitation contained in
32 section 307.45. All provisions for and references to bonds
33 in this division are applicable to notes authorized under
34 this section to the extent not inconsistent with this section.

35 Sec. 66. NEW SECTION. 307.55 REFUNDING OF OBLIGATIONS.

1 The commission may authorize and issue bonds for the refunding,
2 including funding and retirement, and advance refunding with
3 or without payment or redemption prior to maturity, of bonds
4 previously issued by the department. These bonds may be
5 issued in amounts sufficient for payment of the principal
6 amount of the prior bonds, any redemption premiums on the
7 prior bonds, principal maturities of bonds maturing prior
8 to the redemption of the remaining bonds on a parity with
9 them, interest accrued or to accrue to the maturity date or
10 dates of redemption of the bonds, and project costs including
11 expenses incurred or to be incurred in connection with this
12 issuance, refunding, funding, and retirement. Subject to
13 the bond proceedings, the portion of proceeds of the sale
14 of bonds issued under this section to be applied to principal
15 of and interest on the prior bonds shall be credited to the
16 appropriate account for the prior bonds. Bonds authorized
17 under this section shall be deemed to be issued for those
18 purposes for which the prior bonds were issued and are subject
19 to the provisions of this division pertaining to other bonds.
20 Bonds refunded shall not be considered to be outstanding for
21 purposes of section 307.45.

22 Refunding bonds may be issued without regard to whether
23 or not the bonds to be refunded are payable on the same date
24 or different dates or due serially or otherwise.

25 Sec. 67. NEW SECTION. 307.56 BONDS AND INTEREST ON THE
26 BONDS NOT SUBJECT TO TAXATION. Bonds, their transfer, and
27 the income from the bonds are not subject to taxation by this
28 state.

29 Sec. 68. NEW SECTION. 307.57 BONDS AS LEGAL INVESTMENTS.
30 Bonds are securities in which all public officers and bodies
31 of the state and all municipalities and political subdivisions
32 of this state, all insurance companies and associations and
33 other persons carrying on an insurance business, all banks,
34 bankers, trust companies, savings banks, and savings
35 associations, including savings and loan associations, building

1 loan associations, investment companies, and other persons
2 carrying on a banking business, all administrators, guardians,
3 executors, trustees, and other fiduciaries and all other
4 persons who are now or may be authorized to invest in bonds
5 or other obligations of this state may properly and legally
6 invest funds including capital in their control or belonging
7 to them. The bonds are also securities which may be deposited
8 with and may be received by all public officers and bodies
9 of the state and all municipalities and legal subdivisions
10 of this state for any purpose for which the deposit of bonds
11 or other obligations of the state is now or may be authorized.

12 Sec. 69. NEW SECTION. 307.58 RIGHTS OF BONDHOLDERS.

13 The bond proceedings may provide that a holder of bonds or
14 a trustee under the bond proceedings, except to the extent
15 that the holder's rights are restricted by the bond
16 proceedings, may by legal proceedings, protect and enforce
17 any rights under the laws of this state or granted by the
18 bond proceedings. These rights include the right to compel
19 the performance of all duties of the department required by
20 this division or the bond proceedings; to enjoin unlawful
21 activities; and in the event of default with respect to the
22 payment of any principal of or interest on bonds or in the
23 performance of a covenant or agreement on the part of the
24 department in bond proceedings, to apply to a court to appoint
25 a receiver to receive and administer the funds which are
26 pledged to the payment of bonds or which are the subject of
27 the covenant or agreement, with full power to pay and to pro-
28 vide for payment of any principal of or interest on bonds
29 and with powers accorded receivers in general equity cases,
30 excluding power to pledge additional funds or other income
31 or moneys of the department, the state, or governmental
32 agencies of the state to the payment of the bonds.

33 Sec. 70. NEW SECTION. 307.59 NOTICE. Within ten days
34 after the commission adopts a resolution declaring its
35 intention to issue bonds, it shall publish a notice of its

1 intention to issue bonds in a newspaper published in and with
2 general circulation in the state. The notice shall include
3 a statement of the maximum amount of bonds proposed to be
4 issued and, in general terms, what funds will be pledged to
5 pay principal of and interest on the bonds. An action which
6 questions the legality or validity of bonds or the power of
7 the department to issue bonds or the effectiveness or validity
8 of proceedings adopted for the authorization or issuance of
9 bonds shall not be brought after sixty days from the date
10 of publication of the notice.

11 Sec. 71. NEW SECTION. 307.60 COURTS TO HAVE JURISDICTION.
12 Courts of record in this state have jurisdiction to issue
13 all original and remedial writs necessary for the determination
14 of the validity or constitutionality of this division.

15 Sec. 72. NEW SECTION. 307.61 SEVERANCE CLAUSE. If any
16 clause, sentence, paragraph, or part of this division is for
17 any reason judged by a court of competent jurisdiction to
18 be invalid, the judgment shall not affect, impair, or
19 invalidate the remainder of this division, but is confined
20 in its operation to the clause, sentence, paragraph, or part
21 directly involved in the controversy in which the judgment
22 has been rendered.

23 Sec. 73. NEW SECTION. 307.62 LIBERAL INTERPRETATION.
24 This division, being necessary for the welfare of this state
25 and its inhabitants, shall be liberally construed to effect
26 its purposes.

27
28
29
30
31
32
33
34
35

DIVISION XI

1
2 Sec. 74. There is appropriated from the general fund of
3 the state for the fiscal year beginning July 1, 1983, and
4 ending June 30, 1984, to the office for planning and
5 programming the amount of one million three hundred thousand
6 (1,300,000) dollars for the purpose of providing state matching
7 funds for Title III dislocated workers program of the Jobs
8 Training Partnership Act (Pub. L. No. 97-300).

9 Sec. 75. This Act, being deemed of immediate importance,
10 takes effect from and after its publication in the Telegraph
11 Herald, a newspaper published in Dubuque, Iowa, and in The
12 Cedar Valley Times, a newspaper published in Vinton, Iowa.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 548

4138

1 Amend Senate File 548, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 55, by inserting after line 26 the
4 following new division:

5 "DIVISION

6 Sec. 80. NEW SECTION. 28.40 INTENT. The purposes
7 of this division are to encourage capital investment
8 in the state of Iowa, to encourage the establishment
9 or expansion of business and industry, to provide
10 additional jobs within the state, and to encourage
11 research and development activities within this state.

12 Sec. 81. NEW SECTION. 28.41 TITLE. This division
13 shall be known and may be cited as the "Iowa Venture
14 Capital Fund Act."

15 Sec. 82. NEW SECTION. 28.42 AUTHORIZED
16 CORPORATION. There may be incorporated under chapter
17 496A a corporation which shall be known as the Iowa
18 venture capital fund. The corporation shall be
19 established by the Iowa development commission, and
20 the initial board of directors shall be appointed
21 by the governor. The initial board of directors shall
22 consist of five members, not more than three of whom
23 shall be from the same political party. The purpose
24 of the corporation shall be to organize and manage
25 an investment fund which shall be capitalized through
26 the sale of common stock to the public. The Iowa
27 development commission may expend an amount not to
28 exceed one hundred thousand dollars of the funds
29 necessary to establish the corporation which funds
30 shall be repaid to the Iowa development commission
31 upon completion of its public offering of stock.
32 The corporation shall be subject to and have the
33 powers and privileges conferred by this division,
34 and those provisions of chapter 496A which are not
35 inconsistent with and to the extent not restricted
36 or limited by this division.

37 Sec. 83. NEW SECTION. 28.43 INVESTMENT POLICY.
38 It is the policy of the Iowa venture capital fund
39 to invest primarily in corporations with a principal
40 place of business in the state and which are
41 principally engaged in the development or exploitation
42 of inventions, technological improvements, new
43 processes, or products not previously generally
44 available in this state or other investments which
45 provide an economic benefit to the state. Fund
46 investments shall be in accordance with the general
47 objective of encouraging the development of addi-
48 tional business operations and employment in this
49 state through venture capital financing to selected
50 business ventures. The principal financial objective

H-4138
Page Two

1 of the fund is to generate long-term capital
2 appreciation by participating in the growth in equity
3 value of Iowa-based companies in which the fund in-
4 vests.

5 Sec. 84. NEW SECTION. 28.44 REPORTS TO
6 DEVELOPMENT COMMISSION. The Iowa venture capital
7 fund is subject to the examination of the Iowa
8 development commission and shall make reports of its
9 condition not less than annually and shall also furnish
10 other information as may from time to time be required
11 by the Iowa development commission.

12 Sec. 85. NEW SECTION. 28.45 STOCK SALES LIMIT.
13 The aggregate value of all stock sold in the Iowa
14 venture capital fund for which a credit is allowed
15 under section 422.10 or 422.33 shall not exceed five
16 million dollars.

17 Sec. 86. NEW SECTION. 422.10 IOWA VENTURE CAPITAL
18 FUND INVESTMENT CREDIT. The taxes imposed under this
19 division, less credits permitted under section 422.12,
20 shall be reduced by a state tax credit equal to five
21 percent of the taxpayer's investment in the initial
22 offering of securities by the Iowa venture capital
23 fund established by the Iowa development commission
24 and governed by a chapter 496A corporation and the
25 Iowa venture capital fund Act. Any credit in excess
26 of the tax liability for the taxable year may be
27 credited to the tax liability for the following three
28 taxable years or until depleted in less than three
29 years.

30 In the case of an estate or trust, the credit shall
31 be allocated between each beneficiary and the estate
32 or trust based on the ratio that the income distributed
33 to a beneficiary bears to the total distributable
34 net income of the estate or trust for the taxable
35 year.

36 Sec. 87. Section 422.33, Code 1983, is amended
37 by adding the following new subsection:

38 NEW SUBSECTION. 5. The taxes imposed under this
39 division shall be reduced by a state tax credit equal
40 to five percent of the taxpayer's investment in the
41 initial offering of securities by the Iowa venture
42 capital fund established by the Iowa development
43 commission and governed by a chapter 496A corpora-
44 tion and the Iowa venture capital fund Act. Any
45 credit in excess of the tax liability for the taxable
46 year may be credited to the tax liability for the
47 following three taxable years or until depleted in
48 less than three years.

49 Sec. 88. Sections 80 through 85 of this Act are
50 created as a new division of chapter 28."

H-4138
Page Three

- 1 2. Amend the title, line 16, by inserting after
- 2 the words "bonds," the words "providing for the
- 3 establishment of a corporation by the Iowa development
- 4 commission which will organize and manage an investment
- 5 fund which will invest in Iowa enterprises and allowing
- 6 a state income tax credit on the net investment in
- 7 the fund,".
- 8 3. Renumber sections and correct internal
- 9 references as necessary in accordance with this
- 10 amendment.

BY PARKER of Jasper
CHIODO of Polk
SCHROEDER of Pottawattamie

H-4138 FILED MAY 10, 1983
ADOPTED (p. 1998)

SENATE FILE 548

H-4139

- 1 Amend Senate File 548 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 42, line 11, by striking the word
- 4 "construct,".
- 5 2. Page 42, line 13, by striking the words ",
- 6 including acquiring rights-of-way for them,".
- 7 3. Page 42, line 19, by striking the word ",
- 8 construct,".
- 9 4. Page 42, line 27, by striking the word
- 10 "construction,".
- 11 5. Page 42, by striking lines 34 and 35 and
- 12 inserting in lieu thereof the words "to improve
- 13 existing roadways,".
- 14 6. Page 43, line 1, by striking the word
- 15 "construct,".
- 16 7. Page 43, line 4, by striking the word
- 17 "construct,".
- 18 8. Page 43, line 20, by striking the words
- 19 "surfacing and".
- 20 9. Page 43, by striking lines 23 and 24 and
- 21 inserting in lieu thereof the words "of primary roads
- 22 and bridges."
- 23 10. Page 44, line 31, by inserting after the word
- 24 "department." the words "The proceeds from the sale
- 25 of bonds shall be expended for those projects which
- 26 involve the reconstruction or improvement of existing
- 27 primary roads and bridges."

BY MC KEAN of Jones
OSTERBERG of Linn
MULLINS of Kossuth
CLARK of Cerro Cordo
MAULSBY of Calhoun
DE GROOT of Lyon
HAMMOND of Story

H-4139 FILED MAY 10, 1983
LOST (p. 1993)

SENATE FILE 548

H-4132

- 1 Amend Senate File 548 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. By striking page 42, line 3 through page 55,
- 4 line 26.
- 5 2. Renumber as necessary.

BY MC KEAN of Jones
KREWSON of Polk
ANDERSON of Audubon
MULLINS of Kossuth
RENKEN of Grundy

H-4132 FILED MAY 10, 1983

LOST (p. 1996)

SENATE FILE 548

H-4133

- 1 Amend Senate File 548 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. By striking page 44, lines 9 through 27, and
- 4 inserting in lieu thereof the words "shall not exceed
- 5 ten million dollars. The proceeds".

BY MC KEAN of Jones
ANDERSON of Audubon
HANSON of Delaware
RENKEN of Grundy

H-4133 FILED MAY 10, 1983

LOST (p. 1994)

SENATE FILE 548

H-4141

- 1 Amend Senate File 548 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 44, by inserting after line 33 the
- 4 following:
- 5 "Notwithstanding any other provision in this section
- 6 or other sections of this division, the department
- 7 shall not issue bonds or, if bonds have already been
- 8 issued, pay the principal of or interest on bonds
- 9 if revenues which under the laws of this state in
- 10 effect on May 1, 1983 would be credited to the road
- 11 use tax fund are instead credited to the state general
- 12 fund and the amount of those revenues have not been
- 13 recredited to the road use tax fund."

BY SCHNEKLOTH of Scott
VAN MAANEN of Mahaska
ANDERSON of Audubon
BENNETT of Ida

H-4141 FILED MAY 10, 1983

LOST (p. 1994)

SENATE FILE 548

H-4122

- 1 Amend Senate File 548 as amended, passed and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, lines 6 and 7, by striking the words
 4 and figure "three million fifty thousand (3,050,000)"
 5 and inserting in lieu thereof the words and figure
 6 "five million five hundred fifty thousand (5,550,000)".
 7 2. Page 1, lines 14 and 15, by striking the words
 8 and figure "one million five hundred thousand
 9 (1,500,000)" and inserting in lieu thereof the words
 10 and figure "four million (4,000,000)".
 11 3. Page 2, lines 12 and 13, by striking the words
 12 "two dollars of local funds to each dollar" and
 13 inserting in lieu thereof the words "one dollar of
 14 local funds to two dollars".
 15 4. Page 6, line 29, by striking the words and
 16 figure "nine hundred fifty thousand (950,000)" and
 17 inserting in lieu thereof the words and figure "one
 18 million three hundred eighty-seven thousand two hundred
 19 (1,387,200)".
 20 5. Page 6, line 32, by inserting after the word
 21 "programs" the words and figures "to be used for the
 22 fiscal year beginning July 1, 1983 and ending June
 23 30, 1984, and one million (1,000,000) dollars from
 24 the general fund of the state, or so much thereof
 25 as is necessary, are appropriated to the energy policy
 26 council to be used for grants to local governments
 27 for energy management programs to be used for the
 28 fiscal year beginning July 1, 1984 and ending June
 29 30, 1985".
 30 6. Page 12, line 21, by striking the words and
 31 figure "five million (5,000,000)" and inserting in
 32 lieu thereof the words and figure "two million five
 33 hundred thousand (2,500,000)".
 34 7. Page 56, by striking lines 1 through 8.
 35 8. Title page, by striking lines 16 through 19
 36 and inserting in lieu thereof the words "for road
 37 use tax revenue bonds, and making various
 38 appropriations".

H-4122 FILED MAY 10, 1983 BY COMMITTEE ON FINANCE
 ALL DIVISIONS ADOPTED *as amended by 4/30*
5/10 (p. 1992)

SENATE FILE 548

H-4130

- 1 Amend the Committee on Finance amendment H-4122 to
 2 Senate File 548 as amended, passed, and reprinted by
 3 the Senate as follows:
 4 1. Page 1, by inserting after line 6 the following:
 5 "____. Page 1, lines 8 and 9, by striking the
 6 words and figure "nine hundred fifty thousand
 7 (950,000)" and inserting in lieu thereof the words
 8 and figure "one million three hundred eighty-seven
 9 thousand two hundred (1,387,200)".
 10 2. By numbering and renumbering as necessary.

H-4130 FILED MAY 10, 1983 BY CONNOLLY of Dubuque
 ADOPTED *(p. 1991)*

MAY 12, 1983

HOUSE AMENDMENT TO SENATE FILE 548

S-3899

1 Amend Senate File 548 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, lines 6 and 7, by striking the words
4 and figure "three million fifty thousand (3,050,000)"
5 and inserting in lieu thereof the words and figure
6 "five million five hundred fifty thousand (5,550,000)".

7 2. Page 1, lines 8 and 9, by striking the words
8 and figure "nine hundred fifty thousand (950,000)"
9 and inserting in lieu thereof the words and figure
10 "one million three hundred eighty-seven thousand two
11 hundred (1,387,200)".

12 3. Page 1, lines 14 and 15, by striking the words
13 and figure "one million five hundred thousand
14 (1,500,000)" and inserting in lieu thereof the words
15 and figure "four million (4,000,000)".

16 4. Page 2, lines 12 and 13, by striking the words
17 "two dollars of local funds to each dollar" and
18 inserting in lieu thereof the words "one dollar of
19 local funds to two dollars".

20 5. Page 6, line 29, by striking the words and
21 figure "nine hundred fifty thousand (950,000)" and
22 inserting in lieu thereof the words and figure "one
23 million three hundred eighty-seven thousand two hundred
24 (1,387,200)".

25 6. Page 6, line 32, by inserting after the word
26 "programs" the words and figures "to be used for the
27 fiscal year beginning July 1, 1983 and ending June
28 30, 1984, and one million (1,000,000) dollars from
29 the general fund of the state, or so much thereof
30 as is necessary, are appropriated to the energy policy
31 council to be used for grants to local governments
32 for energy management programs to be used for the
33 fiscal year beginning July 1, 1984 and ending June
34 30, 1985".

35 7. Page 12, line 21, by striking the words and
36 figure "five million (5,000,000)" and inserting in
37 lieu thereof the words and figure "two million five
38 hundred thousand (2,500,000)".

39 8. Page 55, by inserting after line 26 the
40 following new division:

41 "DIVISION

42 Sec. 80. NEW SECTION. 28.40 INTENT. The purposes
43 of this division are to encourage capital investment
44 in the state of Iowa, to encourage the establishment
45 or expansion of business and industry, to provide
46 additional jobs within the state, and to encourage
47 research and development activities within this state.

48 Sec. 81. NEW SECTION. 28.41 TITLE. This division
49 shall be known and may be cited as the "Iowa Venture
50 Capital Fund Act."

1 Sec. 82. NEW SECTION. 28.42 AUTHORIZED
2 CORPORATION. There may be incorporated under chapter
3 496A a corporation which shall be known as the Iowa
4 venture capital fund. The corporation shall be
5 established by the Iowa development commission, and
6 the initial board of directors shall be appointed
7 by the governor. The initial board of directors shall
8 consist of five members, not more than three of whom
9 shall be from the same political party. The purpose
10 of the corporation shall be to organize and manage
11 an investment fund which shall be capitalized through
12 the sale of common stock to the public. The Iowa
13 development commission may expend an amount not to
14 exceed one hundred thousand dollars of the funds
15 necessary to establish the corporation which funds
16 shall be repaid to the Iowa development commission
17 upon completion of its public offering of stock.
18 The corporation shall be subject to and have the
19 powers and privileges conferred by this division,
20 and those provisions of chapter 496A which are not
21 inconsistent with and to the extent not restricted
22 or limited by this division.

23 Sec. 83. NEW SECTION. 28.43 INVESTMENT POLICY.
24 It is the policy of the Iowa venture capital fund
25 to invest primarily in corporations with a principal
26 place of business in the state and which are
27 principally engaged in the development or exploitation
28 of inventions, technological improvements, new
29 processes, or products not previously generally
30 available in this state or other investments which
31 provide an economic benefit to the state. Fund
32 investments shall be in accordance with the general
33 objective of encouraging the development of addi-
34 tional business operations and employment in this
35 state through venture capital financing to selected
36 business ventures. The principal financial objective
37 of the fund is to generate long-term capital
38 appreciation by participating in the growth in equity
39 value of Iowa-based companies in which the fund in-
40 vests.

41 Sec. 84. NEW SECTION. 28.44 REPORTS TO
42 DEVELOPMENT COMMISSION. The Iowa venture capital
43 fund is subject to the examination of the Iowa
44 development commission and shall make reports of its
45 condition not less than annually and shall also furnish
46 other information as may from time to time be required
47 by the Iowa development commission.

48 Sec. 85. NEW SECTION. 28.45 STOCK SALES LIMIT.
49 The aggregate value of all stock sold in the Iowa
50 venture capital fund for which a credit is allowed

S-3899 - PAGE 3

1 under section 422.10 or 422.33 shall not exceed five
2 million dollars.

3 Sec. 86. NEW SECTION. 422.10 IOWA VENTURE CAPITAL
4 FUND INVESTMENT CREDIT. The taxes imposed under this
5 division, less credits permitted under section 422.12,
6 shall be reduced by a state tax credit equal to five
7 percent of the taxpayer's investment in the initial
8 offering of securities by the Iowa venture capital
9 fund established by the Iowa development commission
10 and governed by a chapter 496A corporation and the
11 Iowa venture capital fund Act. Any credit in excess
12 of the tax liability for the taxable year may be
13 credited to the tax liability for the following three
14 taxable years or until depleted in less than three
15 years.

16 In the case of an estate or trust, the credit shall
17 be allocated between each beneficiary and the estate
18 or trust based on the ratio that the income distributed
19 to a beneficiary bears to the total distributable
20 net income of the estate or trust for the taxable
21 year.

22 Sec. 87. Section 422.33, Code 1983, is amended
23 by adding the following new subsection:

24 NEW SUBSECTION. 5. The taxes imposed under this
25 division shall be reduced by a state tax credit equal
26 to five percent of the taxpayer's investment in the
27 initial offering of securities by the Iowa venture
28 capital fund established by the Iowa development
29 commission and governed by a chapter 496A corpora-
30 tion and the Iowa venture capital fund Act. Any
31 credit in excess of the tax liability for the taxable
32 year may be credited to the tax liability for the
33 following three taxable years or until depleted in
34 less than three years.

35 Sec. 88. Sections 80 through 85 of this Act are
36 created as a new division of chapter 28."

37 9. Page 56, by striking lines 1 through 8.

38 10. Title page, by striking lines 16 through 19
39 and inserting in lieu thereof the words "for road
40 use tax revenue bonds, providing for the establishment
41 of a corporation by the Iowa development commission
42 which will organize and manage an investment fund
43 which will invest in Iowa enterprises and allowing
44 a state income tax credit on the net investment in
45 the fund, and making various appropriations".

46 11. Renumber sections and correct internal
47 references as necessary in accordance with this
48 amendment.

S-3899 FILED
MAY 11, 1983

RECEIVED FROM THE HOUSE

SENATE REFUSED TO CONCUR (p. 1656)

House insisted 5/11/83 (p. 2628)

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 548

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 548, a bill for an Act for the purpose of improving the Iowa economy and providing improved employment conditions by establishing work relief programs for unemployed Iowans, establishing energy management programs in buildings owned or occupied by state agencies, encouraging capital investment to stimulate the establishment or expansion of small business and industry, establishing a small business division within the Iowa development commission, creating an Iowa product development corporation, appropriating funds for a residential mortgage interest reduction program, creating an Iowa high technology council, establishing a community development loan program, establishing a fund from which to make loans for the establishment of soil and water conservation practices, authorizing the Iowa department of transportation to issue and become obligated for road use tax revenue bonds, appropriating funds for the purpose of providing state matching funds for the Title III dislocated workers program of the Jobs Training Partnership Act, and making various

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 2

appropriations to carry out the programs, respectfully make the following report:

1. That the House recede from its amendment, S-3899, to Senate File 548, as amended passed, and reprinted by the Senate.

2. That Senate File 548, as amended, passed, and reprinted by the Senate, be amended as follows:

1. Page 1, by striking lines 6 through 9 and inserting in lieu thereof the words and figures "1, 1983, and ending June 30, 1984, three million six hundred thousand (3,600,000) dollars, or so much thereof".

2. Page 1, lines 14 and 15, by striking the words and figure "one million five hundred thousand (1,500,000)" and inserting in lieu thereof the words and figure "three million (3,000,000)".

3. Page 2, line 5, by inserting after the word "to" the words "the state, a state agency, or".

4. Page 2, line 12, by striking the words "two dollars" and inserting in lieu thereof the words "one dollar".

5. Page 2, line 25, by inserting after the word "for" the word "state,".

6. Page 2, line 26, by inserting after the word "The" the words "state, state agency,".

7. Page 2, line 34, by inserting after the word "The" the words "state, state agency,".

8. Page 3, line 11, by inserting after the word "The" the words "state, state agency,".

9. Page 3, line 30, by inserting after the word "The" the words "state, state agency,".

10. Page 3, line 31, by inserting after the word "regular" the word "state,".

11. By striking page 6, line 27 through page 7, line 33.

12. By striking page 9, line 7 through page 10, line 1.

13. Page 11, by inserting after line 10 the following:

"Sec. 5. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and

ending June 30, 1984, fifty thousand (50,000) dollars and from federal oil overcharge funds apportioned to Iowa under Pub. L. No. 97-377, one million three hundred eighty-seven thousand two hundred (1,387,200) dollars, or so much thereof as is necessary, to the energy policy council to be used for grants to local governments for energy management programs, to be used as follows:

1. Funds appropriated in this section are allocated for grants to cities, counties, and area education agencies for the following programs according to the following percentages:

a. For grants to area education agencies to consult in the area of technical energy management with school districts 15 percent

b. For grants to local governments to train maintenance personnel in energy management 4 percent

c. For grants to local governments to pay for the installation of utility meters to monitor energy use in buildings occupied by government agencies 6 percent

d. For grants to local governments for energy audits of buildings occupied by government agencies 28 percent

e. For grants to local governments, except hospitals and school districts, for energy conservation improvements in government-owned buildings 47 percent

2. Cities, counties, and area education agencies are eligible for grants under subsection 1. The governing body of the unit of local government may apply for and is designated to receive the grant. The amount of the grant shall not exceed fifty percent of the cost of the project and the application must demonstrate that the local government will provide the required matching money.

3. In approving grants under this section, the energy

policy council shall give priority to projects which are the most labor intensive and which produce the greatest energy conservation benefits. Each grant request shall contain information regarding the number of persons expected to be employed as a result of the grant, the number of permanent jobs which might result from the approval of the grant, and the projected energy savings.

Sec. ____ . There is appropriated from the interest and earnings on investments from the federal oil overcharge funds described in sections 3 and 5 of this division which have been deposited in the general fund of the state not more than sixty-six thousand (66,000) dollars, or so much thereof as may be necessary, for attorney fees incurred by the state in obtaining the state's share of the federal oil overcharge funds under Pub. L. No. 97-377. Payment of these attorney fees is subject to the approval of the attorney general and the executive council."

14. Page 30, line 24, by striking the words and figure "one million (1,000,000)" and inserting in lieu thereof the words and figure "seven hundred fifty thousand (750,000)".

15. By striking page 31, line 5 through page 32, line 7 and inserting in lieu thereof the following:

"The council shall be composed of thirteen members appointed by the governor, subject to confirmation by the senate. This membership shall include:

1. Two members from the working force of the state, at least one of whom shall be a member of a labor union.
2. Two members from the state's community college system.
3. Two members from the board of regents' institutions.
4. Two members from the agricultural community of the state, at least one of whom shall represent a family farm operation.
5. Two members from management of industrial firms located in the state, at least one of whom is from a firm engaged in high technology.

Each term shall begin and end as provided in section 69.19.

MAY 14, 1983

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 5

No more than a simple majority of the members of the board shall belong to the same political party as provided in section 69.16. Vacancies on the council shall be filled for the unexpired terms in the same manner as original appointments. The council members shall not receive per diem but shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the Iowa development commission. For the initial appointments to the council, the governor shall appoint six members whose terms shall commence upon appointment and shall expire April 30, 1985, and seven members whose terms shall commence upon appointment and shall expire April 30, 1987. Thereafter, all appointments shall be for a term of four years unless the appointment is to fill a vacancy.

The council shall meet at least once each quarter and shall hold special meetings on call of the chairperson. Seven members shall constitute a quorum. The council shall adopt rules pursuant to chapter 17A to govern its procedures. *The governor shall designate one member as chairperson."

16. Page 35, by inserting after line 29 the following:

"Sec. ____ . If the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1983 and ending June 30, 1984 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council, the governor shall not make any reductions in allotment as allowed under section 8.31 until the unexpended funds appropriated by this division are included in the estimated budget resources. Upon inclusion of the unexpended funds appropriated in this division in the estimated budget resources, any funds appropriated by this division and not encumbered shall remain in the general fund of the state.

If upon inclusion of the funds appropriated by this division in the estimated budget resources for the fiscal year beginning July 1, 1983 and ending June 30, 1984 as authorized by this section, the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all

appropriations in full and the executive council concurs in the governor's findings, the governor may make the reductions of allotments allowed under section 8.31."

17. Page 38, by striking lines 5 through 8 and inserting in lieu thereof the words "and shall be placed into the general fund of the state but shall only be used to defray the state's expense in operating the loan program."

18. Page 39, line 30, by striking the words "two hundred fifty" and inserting in lieu thereof the words "three hundred".

19. Page 44, by striking lines 16 through 21 and inserting in lieu thereof the words "and for each fiscal year thereafter if the actual amount of road use tax revenues credited to the primary road fund in a fiscal year is less than the amount of such revenues which the department had estimated would be credited to the primary road fund in that fiscal year, the department may issue and sell bonds for that fiscal year in an amount equal to the difference, but not in excess of ten million dollars. If the department has a project which".

20. Page 56, by striking lines 1 through 8 and inserting in lieu thereof the following new divisions:

"DIVISION XI

Sec. 90. NEW SECTION. PURPOSE. There is created a job training partnership program in the state for the purpose of supplementing and implementing the legislative requirements provided under the federal Job Training Partnership Act of 1982, Pub. L. 97-300. The general assembly shall provide the funds necessary to obtain federal funds to provide employment and training assistance to dislocated workers and shall authorize the appropriation of state funds to provide training to the economically disadvantaged. The program shall also establish policies and restrictions for job training and related services provided to certain unemployed individuals under the federal Act. The purpose of this division is also to establish eligibility guidelines for individuals receiving

assistance under the state program and federal Act and to establish guidelines for administering the federal Act and state program through the use of service delivery areas designated by the office of the governor in accordance with the federal Act. The office of the governor and the state job training coordinating council shall consult with the legislative council or the appropriate appropriations subcommittees regarding the award to local service delivery areas of funds allocated to the state under Title III of the federal Act and funds mandated to be expended under this division.

Sec. 91. NEW SECTION. DEFINITIONS. As used in sections 90 through 94 unless the context otherwise requires:

1. "Federal Act" means the Job Training Partnership Act of 1982, Pub. L. 97-300.

2. "State program" means the job training partnership program.

3. "Dislocated worker" includes but is not limited to an individual who:

a. Has been terminated or laid off, or who has received notice of termination or layoff, and is eligible for or has exhausted unemployment compensation benefits.

b. Is unlikely to return to the industry or occupation in which the individual was employed. Industry or occupation includes farming or the ownership and operation of a small business.

c. Has been terminated or received notice of termination as a result of the permanent closure or relocation of a plant, facility, or plant operation in which the individual was employed.

d. Is chronically unemployed, as determined by the Iowa department of job service and:

(1) Has limited opportunities for employment in the geographic area in which the individual resides; or

(2) Is an older individual who may face substantial barriers to employment because of age.

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 8

4. "Economically disadvantaged" includes the following:

a. A person who receives or is a member of a family which receives cash welfare payments under a federal, state, or local welfare program.

b. A person who is receiving food stamps under the federal Food Stamp Act of 1977.

c. A person who has or is a member of a family which has for six months prior to application for the program, exclusive of unemployment compensation, child support payments, and welfare payments, a total family income in relation to family size less than the higher of the following:

(1) The federal poverty level established by the federal office of management and budget; or

(2) Seventy percent of the income level adjusted for regional, metropolitan, urban, and rural differences and family size as determined annually by the secretary of the federal department of labor and known as the "lower living standard income level" under the federal Act.

5. "Displaced homemaker" means a person as defined in chapter 241.

6. "Service delivery area" means the geographic area designated by the office of the governor in accordance with section 101 of the federal Act to implement the federal Act within the state.

7. "Unemployed individual" means an individual who is without a job, who wants work, and who is available for work.

Sec. 92. NEW SECTION. ESTABLISHMENT AND ADMINISTRATION. The office of the governor in consultation with the general assembly shall establish a state program to complement, supplement, and implement the federal Act to provide training and related services for unemployed persons who are economically disadvantaged or who are dislocated workers. In administering this program the office of the governor shall do the following:

1. Execute the state responsibilities under Title I of part B of the federal Act.

2. Award grants to applicants who shall provide employment and training services to program participants directly and through contractual arrangements.

3. Distribute funds allocated to the state under Title II of the federal Act in accordance with section 202 of the federal Act.

4. Consult with the legislative council or the appropriate appropriations subcommittees and the state job training coordinating council.

5. Award state funds authorized to be expended under this division and funds allocated to the state under Title III of the federal Act in accordance with section 94 of this Act.

6. Provide eligibility criteria, performance standards, reporting standards, and management standards for the state program which conform to the requirements of the federal Act.

7. Provide technical assistance to service delivery areas for program development and proposal preparation.

8. Take steps to ensure that the programs which are established and the services which are provided under this division and the federal Act are coordinated to the extent feasible with existing state agencies, programs, and services.

9. Order audits which either shall be conducted by the auditor of state or the auditor's designee or shall be independently contracted as required by the federal Act and determined by the governor.

10. By January 15 of each year, the governor shall submit an annual report on the effectiveness of the state job training partnership program. The report shall include an estimate of funds to be allocated at the state level for administrative purposes.

11. Provide the secretary of the senate, chief clerk of the house, and members of the legislative council with copies of quarterly performance reports submitted by the office of the governor in accordance with the federal Act and copies of annual financial reports submitted to the office of the governor by the local private industry councils. The office

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 10

of the governor and the private industry councils shall provide copies of reports and other information upon the request of a member of the general assembly.

Sec. 93. NEW SECTION. SERVICES PROVIDED.

1. Services to the economically disadvantaged under the state program may include activities permitted under section 204 of the federal Act and any supportive services which are not inconsistent with the federal Act.

2. Services to dislocated workers under the state program may include those activities permitted under section 303 of the federal Act.

3. Funds allocated to the state and appropriated by the state under the federal Act shall not be used in a workfare program except as provided in subsection 4, paragraphs a, b, and d.

4. Priority under this section is accorded any training services which include:

- a. On-the-job training.
- b. Classroom training.
- c. A combination of work experience and remedial education.
- d. Job search assistance, including jobs clubs.
- e. Tuition assistance for appropriate state approved classroom and vocational-technical programs.

5. Services provided under this section shall be provided in a nondiscriminatory manner and shall promote training in traditional and nontraditional employment opportunities for all persons.

6. After consultation with the appropriate state agencies, the office of the governor shall provide, using state funds if necessary where federal funds are limited by the federal Act, training allowances, expenses, stipends, and supportive services which enable eligible persons to participate in state training services.

7. Permissible supportive services provided for Title III program participants include, but are not limited to, the provision of financial counseling, transportation

assistance, or child care to eligible persons.

Sec. 94. NEW SECTION. TITLE III GRANT AWARDS.

1. Except for funds reserved for administration and for state administered statewide programs under Title III, the office of the governor shall distribute by grant awards to local service delivery areas, the remainder of federal funds allocated to the state under Title III of the federal Act and the state funds which are appropriated for Title III programs.

2. An applicant for grants shall submit a grant application to the office of the governor for each grant sought. The application shall indicate the concurrence of the private industry council and the appropriate elected officials within the service delivery areas. Separate applications shall be submitted for training the economically disadvantaged and retraining for dislocated workers.

3. The office of the governor shall consider all of the following factors in determining grant awards:

- a. The need for the proposed training and retraining.
- b. Evidence of local effort to support the proposed activities through public or private funds or in-kind contributions.
- c. The demonstrated effectiveness of the grant applicant in providing training or retraining.
- d. Documentation that the proposed program will prepare participants for specific employment opportunities or occupations projected to be in demand in the local economy.
- e. Documentation that the proposed program is nondiscriminatory and will prepare persons for traditional and nontraditional occupations.

4. Service delivery areas proposing to conduct retraining shall coordinate with the local office of the Iowa department of job service to identify individuals who will be eligible for the program.

Sec. 95. There is appropriated from the general fund of the state to the office of the governor or an agency designated

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 12

by the governor for the fiscal year beginning July 1, 1983 and ending June 30, 1984 the sum of one million three hundred thousand (1,300,000) dollars or so much thereof as is necessary, to carry out sections 90 through 94 of this Act. Additional funds may be appropriated to provide training for the economically disadvantaged.

DIVISION XII

Sec. 80. NEW SECTION. 28.40 INTENT. The purposes of this division are to encourage capital investment in the state of Iowa, to encourage the establishment or expansion of business and industry, to provide additional jobs within the state, and to encourage research and development activities within this state.

Sec. 81. NEW SECTION. 28.41 TITLE. This division shall be known and may be cited as the "Iowa Venture Capital Fund Act."

Sec. 82. NEW SECTION. 28.42 AUTHORIZED CORPORATION. There may be incorporated under chapter 496A a corporation which shall be known as the Iowa venture capital fund. The corporation shall be established by the Iowa development commission, and the initial board of directors shall be appointed by the governor. The initial board of directors shall consist of five members, not more than three of whom shall be from the same political party. The purpose of the corporation shall be to organize and manage an investment fund which shall be capitalized through the sale of common stock to the public. The Iowa development commission may expend an amount not to exceed one hundred thousand dollars of the funds necessary to establish the corporation which funds shall be repaid to the Iowa development commission upon completion of its public offering of stock. The corporation shall be subject to and have the powers and privileges conferred by this division, and those provisions of chapter 496A which are not inconsistent with and to the extent not restricted or limited by this division. In providing for the sale of its common stock to the public, the corporation shall

offer to every licensed brokerage firm located in the state the opportunity to market the sale of the common stock and shall provide for the taking of bids for purposes of determining which brokerage firm or firms will market the sale of the common stock.

Sec. 83. NEW SECTION. 28.43 INVESTMENT POLICY. It is the policy of the Iowa venture capital fund to invest primarily in companies with a principal place of business in the state, which meet the appropriate small business administration definition of small business and which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available in this state, or which provides support to such companies, or other investments which provide an economic benefit to the state. Fund investments shall be in accordance with the general objective of encouraging the development of additional business operations and employment in this state through venture capital financing to selected business ventures. The principal financial objective of the fund is to generate long-term capital appreciation by participating in the growth in equity value of Iowa-based companies in which the fund invests.

Sec. 84. NEW SECTION. 28.44 REPORTS TO DEVELOPMENT COMMISSION. The Iowa venture capital fund is subject to the examination of the Iowa development commission and shall make reports of its condition not less than annually and shall also furnish other information as may from time to time be required by the Iowa development commission.

Sec. 85. NEW SECTION. 28.45 STOCK SALES LIMIT. The aggregate value of all stock sold in the Iowa venture capital fund for which a credit is allowed under section 422.10 or 422.33 shall not exceed five million dollars.

Sec. 86. NEW SECTION. 422.10 IOWA VENTURE CAPITAL FUND INVESTMENT CREDIT. The taxes imposed under this division, less credits permitted under section 422.12, shall be reduced by a state tax credit equal to five percent of the taxpayer's

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 14
investment in the initial offering of securities by the Iowa venture capital fund established by the Iowa development commission and governed by a chapter 496A corporation and the Iowa venture capital fund Act. Any credit in excess of the tax liability for the taxable year may be credited to the tax liability for the following three taxable years or until depleted in less than three years.

In the case of an estate or trust, the credit shall be allocated between each beneficiary and the estate or trust based on the ratio that the income distributed to a beneficiary bears to the total distributable net income of the estate or trust for the taxable year.

Sec. 87. Section 422.33, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The taxes imposed under this division shall be reduced by a state tax credit equal to five percent of the taxpayer's investment in the initial offering of securities by the Iowa venture capital fund established by the Iowa development commission and governed by a chapter 496A corporation and the Iowa venture capital fund Act. Any credit in excess of the tax liability for the taxable year may be credited to the tax liability for the following three taxable years or until depleted in less than three years.

Sec. 88. Sections 80 through 85 of this Act are created as a new division of chapter 28.

DIVISION XIII

Sec. _____. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, nine hundred thousand (900,000) dollars, or so much thereof as is necessary, to the office for planning and programming to be used for community grants as follows:

1. The jobs commission established in division 1 of this Act shall establish a program of grants to cities and community groups for the development of community programs that would provide local jobs for Iowa residents and at the same time promote a city's historical, ethnic, and cultural heritages

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 15

through the development of festivals, music, drama, or cultural programs, or tourist attractions. At least twenty-five percent of the funds appropriated in this division shall be used for the purpose of developing community programs eligible for grants under this division which were not in existence prior to the effective date of this division.

2. A city or community group may submit applications to the jobs commission or to any job service office in the state. Applications shall be reviewed by the Iowa arts council, the state historical board, and the tourist division of the Iowa development commission, acting as an advisory committee to the jobs commission. The advisory committee shall submit recommendations to the jobs commission regarding possible recipients and grant amounts. The amount of a grant shall not exceed fifty percent of the cost of the community program and the application must demonstrate that the city or community group will provide the required matching money. In lieu of providing the entire match in money, a city or community group may substitute in-kind services for up to fifty percent of the matching requirement.

3. If a portion of the funds appropriated by this subsection is not committed to a city or community group by March 1, 1984, the uncommitted funds may be transferred under section 8.39 to local work relief projects funded under division I of this Act."

22. Renumber sections and correct internal references as necessary in accordance with this amendment.

23. Amend the title, line 4, by inserting after the word "programs" the words "for certain local governments and".

24. Amend the title, by striking lines 16 through 19 and inserting in lieu thereof the words "for road use tax revenue bonds, establishing a job training partnership program, providing for the establishment of a corporation by the Iowa development commission which will organize and manage an investment fund which will invest in Iowa enterprises and allowing a state income tax credit on the net investment in

SENATE 33
MAY 14, 1983

CONFERENCE COMMITTEE REPORT ON SENATE FILE 548 - PAGE 16

the fund, establishing a program to aid communities in developing festivals and other tourist attractions, and making various appropriations".

ON THE PART OF THE SENATE:

NORMAN RODGERS, CHAIR
WILLIAM PALMER
FORREST SCHWENGELS
TOM SLATER
DALE TIEDEN

Senate adopted 5/13 (p 1749)

FILED AND ADOPTED
MAY 13, 1983

ON THE PART OF THE HOUSE:

MICHAEL CONNOLLY, CHAIR
NED CHIDO
EDWARD PARKER
DARRELL HANSON
KYLE HUMMEL

House adopted 5/14/83 (p. 2225)

OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E BRANSTAD
GOVERNOR

June 12, 1983

The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

X I hereby transmit Senate File 548, an act for the purpose of improving the Iowa economy and providing improved employment conditions by establishing work relief programs for unemployed Iowans, establishing energy management programs for certain local governments and in buildings owned or occupied by state agencies, encouraging capital investment to stimulate the establishment or expansion of small business and industry, establishing a small business division within the Iowa Development Commission, creating an Iowa product development corporation, appropriating funds for a residential mortgage interest reduction program, creating an Iowa high technology council, establishing a community development loan program, establishing a fund from which to make loans for the establishment of soil and water conservation practices, authorizing the Iowa Department of Transportation to issue and become obligated for road use tax revenue bonds, establishing a job training partnership program, providing for the establishment of a corporation by the Iowa Development Commission which will organize and manage an investment fund which will invest in Iowa enterprises and allowing a state income tax credit on the net investment in the fund, establishing a program to aid communities in developing festivals and other tourist attractions, and making various appropriations to carry out the programs.

Senate File 548 is approved June 12, 1983, with the following exceptions which I hereby disapprove.

The Honorable Mary Jane Odell
June 12, 1983
Page 2

I am unable to approve the item designated in the Act as Section 1 and that portion of Section 2 which reads as follows:

Section 1. TITLE. Division I of this Act shall be known as the "Iowans Out of Work Act of 1983".

Sec. 2. IOWA JOBS NOW. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983, and ending June 30, 1984, three million six hundred thousand (3,600,000) dollars, or so much thereof as is necessary, to establish and fund a statewide work relief program for unemployed Iowans, to be known as the Iowa jobs now program, in accordance with the following conditions:

1. Of the funds appropriated under this section from the general fund of the state, three million (3,000,000) dollars, or so much thereof as is necessary, is appropriated to the office for planning and programming to be used as follows:

b. Funds under the program shall be made available to the state, a state agency, or a county or city which establishes and administers a work relief project, but shall not be made available to a hospital or a school district. The jobs commission shall prescribe standards for the priority selection of work relief projects to be funded under the program. The standards shall include, but are not limited to, priority selection based on the commitment of local matching funds at a ratio of one dollar of local funds to each dollar of state funds; the project's rate of economic return to the community; the number of individuals who will work on the project; the number of individuals who would benefit from the project; the benefit to the community as a whole and the need for the project. Sixty percent of the state funds shall be targeted to those counties of the state with unemployment rates at least two percent above the statewide unemployment rate, as determined by the jobs commission from statistics provided by the department of job service. The remaining funds shall be distributed to other counties of the state. The office for planning and programming may prohibit or limit the use of the funds for state, county or city administrative or supervisory expenses. The state, state agency, county or city shall pay for all

necessary project supplies and materials. The office for planning and programming shall not administer or supervise local projects but shall provide technical support and financial accounting services only to the program. The office for planning and programming shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses.

c. The state, state agency, county or city which establishes a local work relief project shall administer the project and shall hire and supervise individuals to work on the project. The state shall provide general liability coverage for the individuals employed, under chapter 25A, as if the individuals were employees of the state. The state shall provide workers' compensation coverage for the individuals employed under sections 85.57 and 85.58 as if the individuals were state employees. Individuals employed on a project are exempt from the provisions of chapter 96, under section 96.19, subsection 6, paragraph a, subparagraph (6), subpart (e), and are hereby exempted from the provisions of chapter 19A, 97B, and 400.

d. The state, state agency, county or city shall employ only those unemployed individuals, who receive little or no unearned income and who have exhausted all available unemployment compensation benefits or are not eligible for unemployment compensation benefits, to work on a local work relief project. The jobs commission may prescribe a uniform procedure to disregard all or a portion of an unemployed individual's unearned income. The individuals shall be paid the federal statutory minimum hourly wage, and shall not be employed for more than thirty-two hours per week in order to allow the individuals to seek private employment. The individuals shall apply for any job training or counseling services available within their respective service delivery areas under the federal Job Training Partnership Act, Pub. L. No. 97-300.

This subsection shall not be construed to disqualify individuals employed by a local work relief project from receiving services for which the individuals are otherwise eligible under the federal Job Training Partnership Act, Pub. L. No. 97-300.

The Honorable Mary Jane Odell
June 12, 1983
Page 4

e. The state, state agency, county or city shall not employ the individuals to replace regular state, county or city employees, but shall employ the individuals in labor-intensive jobs for no longer than six months. However, if federal law or regulation prohibits an individual's exemption from chapter 96, the individual shall be employed for no longer than three months. Hiring practices shall follow an affirmative action plan based upon guidelines provided by the Iowa state civil rights commission. The plan shall provide for the hiring of women in traditional and nontraditional employment.

f. Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this subsection for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state until June 30, 1985.

2. Of the funds appropriated under this section from the general fund of the state, five hundred thousand (500,000) dollars, or so much thereof as is necessary, is appropriated to the office for planning and programming to contract with the federal action agency for the establishment and funding of a volunteers in service to Iowa program for unemployed Iowans in accordance with the following conditions:

a. The policy-making commission established in subsection 1 shall direct and supervise the establishment and funding of the volunteers in service to Iowa program. The office for planning and programming shall contract with the federal action agency to administer the volunteers in service to Iowa program on a cost-sharing basis with the federal action agency. The federal action agency shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses. If the office for planning and programming is unable to contract with the federal action agency, the office shall monitor the use of funds under the program, and shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses.

b. Funds under the program shall be used to pay a stipend of three hundred thirty-five dollars per one-month period to unemployed volunteers who receive little or no unearned income and who have exhausted all available

The Honorable Mary Jane Odell
June 12, 1983
Page 5

unemployment compensation benefits or are not eligible for unemployment compensation benefits. In addition, the volunteers shall receive at the end of their period of work assignment, seventy-five dollars for each month of work completed. The commission may prescribe a uniform procedure to disregard all or a portion of an unemployed individual's unearned income. The volunteers may be assigned to work for any public or nonprofit entity for a minimum of six months and a maximum of one year. However, if a contract with the federal action agency is not entered into for administration of the program, a volunteer under the program shall be assigned to work for no longer than three months. The volunteers shall agree to make a full-time commitment to a work assignment which is beneficial to the community or assists unemployed or elderly, low-income Iowans or other needy Iowans to become more self-sufficient or to improve their quality of life. The volunteers shall be available for work at least forty hours per week without regard to regular working hours and at all times during their periods of work, except for authorized periods of leave. The work assignments may include, but are not limited to, assignments to projects providing chore services for the elderly, remedial reading or writing instruction, community or individual gardening instruction and organization, food cooperative instruction and organization, home energy conservation assistance, skill-sharing instruction and organization, distribution services for public or private commodities, and child day care. The work assignments shall not be made to replace regular employees or for participation in religious activities. The work assignments shall, if possible and where needed, be approached in a manner which would assist in the continuation of volunteers' assignments beyond their terms of assignment, by encouraging local involvement.

c. The public or nonprofit entity to which an individual is assigned shall supervise and direct the individual and shall pay for all necessary work materials, supplies, and transportation costs. Work assignment practices shall follow an affirmative action plan based upon guidelines provided by the Iowa state civil rights commission. The plan shall provide for the assignment of women to traditional

The Honorable Mary Jane Odell
June 12, 1983
Page 6

and nontraditional employment. If the federal action agency administers the program, volunteers are provided general liability, health and accident, and workers' compensation coverage pursuant to federal regulations. If a contract with the federal action agency is not entered into for the administration of the program, the state shall provide general liability coverage for the volunteers, under chapter 25A, as if the volunteers were employees of the state, and the state shall provide workers' compensation coverage for the volunteers under sections 85.57 and 85.58 as if the volunteers were state employees. The volunteers are exempt from the provisions of chapter 96, under section 96.19, subsection 6, paragraph a, subparagraph (6), subpart (e), and are hereby exempted from the provisions of chapters 19A, 97B and 400.

d. Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this subsection for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state until June 30, 1985. Funds appropriated by this subsection may be transferred under section 8.39 to the local work relief projects funded under subsection 1 if the funds are not needed for the volunteers to service in Iowa program.

3. Of the funds appropriated under this section from the general fund of the state, one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated to the Iowa arts council, to be used as follows:

a. An individual artist may receive a cash grant not to exceed three thousand dollars for a project determined to be in the public good including but not limited to touring performances and exhibitions, concerts for hospitals or nursing home residents, school concerts, participation in art festivals, fairs, and conventions, paintings, drawings, or sculpture for state buildings, photographic documentation of life in Iowa, public murals, training seminars for students, poetry readings, publications, school residencies, or other projects which are open to the public. A grantee may request an additional stipend not to exceed ten percent of the grant to be used for materials and transportation costs. A grant may be made to an individual artist for a

project involving a group of artists. Only the individual artist submitting the application must qualify under paragraph d.

b. An eligible organization under paragraph d may apply for a grant not to exceed three thousand dollars to match an equal amount to be used to hire, for up to one year, an artist-in-residence or arts administrator. Artists hired must meet the eligibility requirements of paragraph d.

c. Applications for a grant may be submitted to the Iowa arts council or to any job service office in the state. Applications shall be reviewed monthly by an advisory committee appointed under section 304A.6, subsection 4. The advisory committee shall submit recommendations to the council regarding possible recipients and the grant amount.

d. An individual must be an Iowa resident and must have been unemployed or had a combined adjusted gross income for federal income tax purposes for the individual and the individual's spouse of less than ten thousand dollars during the twelve months prior to making application. An organization must be incorporated under chapter 504A.

e. The Iowa arts council shall require all grantees to sign a contract and to report to the council within forty-five days following completion of the project. Works produced by a person receiving an individual grant are the property of the state in care of the Iowa arts council. Works produced by a person hired by an organization receiving a grant are the property of the organization.

4. The policy-making commission established in subsection 1 shall cooperate with the state job training coordinating council established pursuant to the federal Job Training Partnership Act, Pub. L. No. 97-300, in the implementation of the Iowa jobs now program. State agencies shall cooperate with the federal action agency in the implementation of the volunteers in service to Iowa program and with the office for planning and programming in the implementation of the Iowa jobs now program, and shall provide necessary job training and technical assistance, for short periods of time, in assisting in the implementation of the Iowa jobs now program. Chapter 17A does not apply to the office for planning and programming or to the cooperating state agencies in the implementation of the Iowa jobs now program.

The Honorable Mary Jane Odell
June 12, 1983
Page 8

I am unable to approve the item designated in the Act as Division III which reads as follows:

Sec. 7. NEW SECTION. 220.70 PURPOSE. It is the purpose of this division to provide capital investment in the state to encourage the establishment or expansion of small business and industry, to provide additional jobs within the state, and to assist communities to diversify and stabilize the economies

Sec. 8. NEW SECTION 220.71 CERTIFIED DEVELOPMENT PROGRAM. The authority shall implement a program to assist small businesses in obtaining funds to establish and expand small businesses and create new jobs. The authority shall use the funds to cooperate with and implement the certified development program of the United States small business administration. The funds provided by the authority shall be in the form of loans. The loans shall be made available in cooperation with local and statewide certified development companies and shall be available to small businesses qualified under guidelines of the United States small business administration. Section 220.62, subsection 2, applies to the administration of this section.

For purposes of this division, "small business" means small business as defined in section 220.1, subsection 28 and "capital infusion loan" means a loan under this division by the authority to a small business.

Sec. 9. NEW SECTION. 220.72 CAPITAL INFUSION LOANS. Capital infusion loans authorized under this division shall be made from funds appropriated to the authority for that purpose. A capital infusion loan shall be made only in conjunction with a loan made through or in conjunction with a United States small business administration loan for a project. The capital infusion loan shall not constitute more than ten percent of the entire amounts loaned to the small business with respect to the project. The authority may fund other portions of the project with loans of the authority made pursuant to other sections of this chapter. Capital infusion loans shall be repaid under terms determined by the authority. However, the small business shall not be required to pay interest on that part of the loan received from funds appropriated to the authority for that purpose from the general fund of the state.

The Honorable Mary Jane Odell
June 12, 1983
Page 9

Sec. 10. Sections 7 through 9 are enacted as a new division of chapter 220.

Sec. 11. There is appropriated from the general fund of the state to the Iowa housing finance authority for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of five million (5,000,000) dollars, or so much thereof as is necessary, to implement this division.

I am unable to approve the item designated in the Act as Division VI which reads as follows:

Sec. 34. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983, and ending June 30, 1984, to the Iowa housing finance authority the amount of three million (3,000,000) dollars to be used to fund the program to reduce interest costs to be paid on loans established in section 220.81 of Senate File 223 as enacted by the 1983 Session of the Iowa general assembly.

I am unable to approve the item designated in the Act as Section 41 which reads as follows:

Sec. 41. If the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1983 and ending June 30, 1984 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council, the governor shall not make any reductions in allotment as allowed under section 8.31 until the expended funds appropriated by this division are included in the estimated budget resources. Upon inclusion of the unexpended funds appropriated in this division in the estimated budget resources, any funds appropriated by this division and not encumbered shall remain in the general fund of the state.

If upon inclusion of the funds appropriated by this division in the estimated budget resources for the fiscal year beginning July 1, 1983 and ending June 30, 1984 as authorized by this section, the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full and the executive council concurs in the governor's findings, the governor may make the reductions of allotments allowed under section 8.31.

The Honorable Mary Jane Odell
June 12, 1983
Page 10

I am unable to approve the item designated in the Act as Division X which reads as follows:

Sec. 55. NEW SECTION. 307.41 SHORT TITLE. Sections 307.41 through 307.62 are created as a separate division of chapter 307, known as the "Iowa Economic Development Highway Bond Act".

Sec. 56. NEW SECTION. 307.42 DECLARATION OF NECESSITY AND PURPOSE. The purpose of this division is to benefit the citizens of Iowa by assuring that adequate funds are available to meet road transportation needs of the state, to construct, reconstruct, and improve the highways and bridges of this state, including acquiring rights-of-way for them, and to assure that there are adequate highways for the health, safety, economic development, prosperity, and well-being of the citizens of Iowa. It is the further purpose of this division to authorize the department to issue bonds to finance the improvement of existing highways and bridges and to reconstruct, construct, and improve these highways as necessary for the health, safety, economic development, prosperity, and well-being of the citizens of Iowa. All of the purposes stated in this section are public purposes for which public moneys may be borrowed, expended, advanced, loaned, and appropriated.

Sec. 57. NEW SECTION. 307.43 LEGISLATIVE FINDINGS. The general assembly finds and declares:

1. The construction, reconstruction, and improvement of an adequate highway system within this state is vital for the well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy.

2. It is essential to the continued well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy that the state proceed promptly to improve existing roadways, acquire real property necessary to constitute right-of-way for future highway construction, construct, reconstruct, and improve highways and bridges, and have adequate financial resources to meet these needs.

3. Current revenues available are insufficient to construct, reconstruct, and improve the highways and bridges necessary for the continued well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy.

4. The issuance of the department of road use tax revenue bonds, the appropriation of the net proceeds of the bonds to the primary road fund, and the appropriation of funds of the road use tax fund to the payment of principal of and interest on the road use tax revenue bonds are 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 economic development and the economy, all of which are public purposes.

Sec. 58. NEW SECTION. 307.44 DEFINITIONS. When used in this division, unless the context otherwise requires:

1. "Construction projects" or "road construction projects" means the surfacing and resurfacing of primary roads and the grading, draining, paving, bridging, and the incidental work in connection therewith, the reconstruction and improvement of primary roads and bridges, and the acquisition of real property for future highway needs.

2. "Bonds" means negotiable road use tax revenue bonds of the department issued pursuant to this division, and all bonds, notes, and other obligations issued in anticipation of these bonds or as refunding bonds pursuant to this division.

3. "Primary roads" means as defined in section 306.3, subsection 2.

4. "Primary road fund" means the fund created by section 313.3.

5. "Highway bond fund" means the fund created in section 307.51.

6. "Road use tax fund" means the fund created by section 312.1.

7. "Treasurer" means the treasurer of the state of Iowa.

Sec. 59. NEW SECTION. 307.45 BONDS AUTHORIZED. The department may issue and sell bonds in an amount not to exceed ten million dollars, and may become obligated to pay the bonds, as provided in this division. Bonds are limited obligations of the department payable solely from the highway bond fund. The total amount of bonds outstanding at any time shall not exceed ten million dollars. If the supreme court of this state determines that this division and any bonds issued and sold pursuant to this division are

The Honorable Mary Jane Odell
June 12, 1983
Page 12

not in violation of the constitution of this state the limit on the total amount of bonds that may be outstanding at any one time shall be increased by one hundred million dollars. Beginning with the fiscal year after such determination by the supreme court and for each fiscal year thereafter if the actual amount of road use tax revenues credited to the primary road fund in a fiscal year is less than the amount of such revenues which the department had estimated would be credited to the primary road fund in that fiscal year, the department may issue and sell bonds for that fiscal year in an amount equal to the difference, but not in excess of ten million dollars. If the department has a project which will cost more than ten million dollars and the issuance and sale of bonds are needed the department may issue and sell an amount of bonds sufficient to pay the cost for this project if the general assembly passes a concurrent resolution authorizing the department to issue and sell bonds in a specific amount and for that specific project. The proceeds of the sale of bonds shall be paid into the primary road fund to be expended for road construction projects and for expenses incurred in issuing the bonds, as approved, directed, or incurred by the department. The proceeds of the bonds shall not be used by the department to pay other administrative expenses.

Sec. 60. NEW SECTION. 307.46 TERMS OF BONDS. Bonds shall bear interest at the rate or rates and be in the denominations determined by the commission. The commission shall determine the maturity or maturities of the bonds and the dates of interest payment on the bonds. Each bond is due and payable on the date stipulated on the face of the bond, which date shall not be more than ten years after the date of issuance. The principal and interest are payable at the office of the treasurer or at any other place or places designated by the commission. Each bond shall be executed on behalf of the department with the manual signature of the chairperson or vice chairperson of the commission and attested with a manual or facsimile signature of the director and shall have impressed or printed on it the seal of the department. Coupons attached to the bonds, if any, shall be executed by the facsimile signature of the director. Each facsimile signature has the same force and effect as if the officer had manually signed or attested to each of the bonds and coupons.

The Honorable Mary Jane Odell
June 12, 1983
Page 13

The bonds are limited obligations of the department payable solely from those road use tax funds credited to the highway bond fund and are not general obligations of the state and are not debts or obligations of the state within the meaning of any statutory or constitutional debt limitation.

Sec. 61. NEW SECTION. 307.47 SALE OF BONDS. The commission shall sell the bonds to obtain funds to carry out the purpose of this division and authorize the payments as provided in this division. The proceeds from the sale shall be deposited with the treasurer. The bonds may be sold by the commission at public sale. If the commission so determines, the bonds may be sold by the commission at private sale without published notice and without the regular requirements of a public sale and the sale of the bonds shall be in the manner and upon the terms prescribed by the resolution of the commission authorizing the private sale. If the bonds are sold at public sale, they shall be sold upon terms of not less than par plus accrued interest.

The director with the advice and assistance of counsel shall cause to be prepared the form of advertisements, resolutions, agreements, and other necessary forms for use in the offering for sale and issuance of the bonds and to prepare and cause to be printed the proper form of bond and to deliver the bonds to the proper officials for signature.

If the bonds are offered for public sale the commission shall, by advertisement published for two or more successive weeks in at least one newspaper of general circulation in the state, give notice of the time and place of sale of the bonds, the amounts to be offered for sale, and other information which is deemed pertinent. The last day of publication shall not be less than seven days prior to the date of sale of the bonds. Sealed bids may be received at any time prior to the calling for open bids. At the time and place designated for the sale of bonds, the commission shall first call for open bids. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. The commission shall then open the sealed bids that have been received and shall note in the minutes the substance of the best sealed bid.

In the discretion of the commission, any or all bids may be rejected, and the sale may be advertised anew in the same manner, or the bonds or any portion of the bonds may be sold at private sale to one or more of the bidders, or other persons.

Sec. 62. NEW SECTION. 307.48 BOND PROCEEDINGS. The bonds shall be authorized by resolution of the commission and bond proceedings shall provide for the purpose of the bonds, principal amount and principal maturity or maturities, not exceeding ten years from the date of issuance, the interest rate or rates or the maximum interest rate the date of the bonds and the dates of payment of interest on the bonds, their denomination, the terms and conditions upon which parity bonds may be issued, and the establishment within or without the state of a place or places of payment of principal of and interest on the bonds. The purpose of the bonds may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The commission may cause to be issued a prospectus or official statement in connection with the offering of the bonds. Bonds may be issued in coupon or in registered form, or both. Provision may be made for the registration of bonds with coupons attached as to principal alone, or as to both principal and interest, their exchange for bonds so registered, and for the conversion or reconversion into bonds with coupons attached of any bonds registered as to both principal and interest, and for reasonable charge for registration, exchange, conversion, and reconversion. Bonds shall be sold in the manner and at the time determined by the commission. Chapter 75 and sections 23.12 through 23.16 do not apply to these bonds. The bonds are negotiable instruments. The bond proceedings may contain additional provisions as to:

1. The redemption of bonds prior to maturity at the option of the commission at the price and on the terms and conditions provided in the bond proceedings.
2. Other terms of the bonds and concerning execution and delivery of the bonds.
3. The delegation of responsibility for any act relating to the issuance, execution, sale, redemption, or other matter pertaining to the bonds to any other officer, agency of the state, or other person or body.

4. Additional agreements with the bondholders relating to the bonds.

5. Payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the department or the commission in the issuance sale, delivery and payment of the bonds.

6. Other matters, alike or different, which may in any way affect the security of the bonds and the protection of the bondholders.

Sec. 63. NEW SECTION. 307.49 ADDITIONAL POWERS OF COMMISSION. In connection with the issuance of the bonds or in order to secure the payment of the bonds and interest on the bonds, the commission may by resolution:

1. Provide that the bonds be secured by first lien on all or any part of the moneys paid into the road use tax fund from the sources specifically prescribed in article VII, section 3 of the Iowa constitution and that the moneys when paid into the road use tax fund will be credited to the highway bond fund with the moneys credited to the highway bond fund each fiscal year being deemed from the road use tax fund allocation to the primary road fund for that fiscal year.

2. Pledge and assign to or entrust for the benefit of the bondholders any part of the road use tax fund revenues collected as prescribed in article VII, section 3 of the Iowa constitution, as will be necessary to pay the principal of and interest on the bonds as they mature or become due by providing that the revenues collected shall be credited to the highway bond fund with the moneys credited to the highway bond fund each fiscal year being deemed from the road use tax fund allocation to the primary road fund for that fiscal year.

3. Establish, authorize, set aside, regulate, and dispose of reserves and sinking funds.

4. Provide that sufficient amounts of the proceeds of the sale of the bonds may be used to fully or partially fund any and all reserves or sinking funds set out by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of the bonds whose holders must consent thereto, and the manner in which the consent may be given.

6. Purchase bonds, out of funds available for that purpose, which shall be canceled, at a price not exceeding either of the following:

a. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

b. If the bonds are not then redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 64. NEW SECTION. 307.50 FUNDS APPROPRIATED. The proceeds from the issuance of the bonds shall be paid into a separate account which shall be established within the primary road fund and are appropriated to and shall be expended by the department for road construction projects.

In expending the proceeds from the issuance of the bonds, the department shall implement a women's business enterprise program to involve independent businesses owned and controlled by women in road construction projects funded under this division. The program shall establish an overall goal for the participation of women's business enterprises of five percent of the proceeds from the issuance of the bonds, and shall establish specific project goals, including dollar goals, for the participation of women's business enterprises capable of meeting general contracting requirements and particular project solicitations. General contractors shall make a good faith effort to meet the specific goals established for a project funded under this division. The department shall maintain a current directory of women's business enterprises which have been certified as owned and controlled by women and which are capable of meeting general contracting requirements and particular project solicitations. A women's business enterprise shall be certified as owned and controlled by women if the business is independent, at least fifty-one percent owned by women, and managed and operated by women, with women making both the day-to-day decisions as well as the major decisions for the business. The women's ownership shall be real, substantial, and continuing.

In advertising for bids and letting contracts for road construction projects funded under this division, the department shall establish an overall goal for the participation

of women construction workers and shall establish specific project participation goals, including percentages of women workers on the project, after considering the number of women workers available and trainable, by the department, for the project. Contractors shall make a good faith effort to meet the specific goals established for a project funded under this division.

Sec. 65. NEW SECTION. 307.51 PAYMENT OF BONDS. A highway bond fund is created in the state treasury. At the direction of the commission as provided in the bond proceedings or pursuant to section 307.49, subsection 1 or 2, and as certified by the director, the treasurer of state shall credit to the highway bond fund from the road use tax fund a sum at least sufficient to pay interest on the bonds in each fiscal year and principal on the bonds that mature during each fiscal year with the moneys credited each fiscal year to the highway bond fund coming from the road use tax fund allocation to the primary road fund for that fiscal year. In each fiscal year after the effective date of this division and after bonds are issued, and until all the bonds issued have been retired, in order to provide for the payment of principal of the bonds issued and sold and the interest on them as the same become due and mature, there is pledged and annually appropriated out of the road use tax fund to be credited to the highway bond fund an amount sufficient to pay principal and interest on the bonds issued for each of the years the bonds are outstanding with the moneys credited each fiscal year to the highway bond fund coming from the road use tax fund allocation to the primary road fund for that fiscal year. The director shall annually certify to the treasurer the amount of funds required to pay interest on the bonds in the ensuing fiscal year and the principal on the bonds that mature during the ensuing fiscal year.

Sec. 66. NEW SECTION. 307.52 PLEDGE AS SECURITY FOR BONDS. A pledge made pursuant to this division is valid and binding from the time the pledge is made.

The money pledged and received by the treasurer to be placed in the road use tax fund and subsequently credited to the highway bond fund are immediately subject to the lien of the pledge without any future physical delivery or further act and the lien of a pledge is valid and binding

The Honorable Mary Jane Odell
June 12, 1983
Page 18

against all parties having claims of any kind in tort, contract, or otherwise against the commission or the department irrespective of whether the parties have notice of the lien of the pledge. The resolution or trust indenture or other instrument by which a pledge is created, when placed in the records of the department, is notice to all concerned of the creation of the pledge, and the instruments need not be recorded in any other place.

Sec. 67. NEW SECTION. 307.53 NONLIABILITY OF THE STATE AND ITS OFFICIALS. Bonds issued are special limited obligations of the department and are not a debt or liability of the state or any other political subdivision within the meaning of any constitutional or statutory debt limitation and are not a pledge of the state's credit or taxing power within the meaning of any constitutional or statutory limitation or provision and except as provided in this division, an appropriation shall not be made, directly or indirectly, by the state or any political subdivision of the state for the payment of bonds. The bonds are special obligations of the department payable solely from the highway bond fund. Funds from the general fund of the state shall not be used to pay interest or principal on the bonds if revenues deposited in the road use tax fund are insufficient.

The members of the commission, the department, or other person executing the bonds is not personally liable for the payment of the bonds. The bonds are valid and binding obligations of the department notwithstanding the fact that before the delivery of the bonds any of the officers whose signatures appear on the bonds cease to be officers of the state. From and after the sale and delivery of the bonds, they shall be incontestable by the department or the commission.

Sec. 68. NEW SECTION. 307.54 BOND ANTICIPATION NOTES. The power to issue bonds includes the power to issue obligations in the form of bond anticipation notes or other forms of short-term indebtedness and to renew these notes by the issuance of new notes. The holders of notes or interest coupons of notes have a right to be paid solely from those road use tax funds credited to the highway bond fund which were pledged to the payment of the bonds anticipated, or from the proceeds of those bonds or renewal notes, or

The Honorable Mary Jane Odell
June 12, 1983
Page 19

both, as the commission provides in the bond proceedings authorizing the notes. The notes may be additionally secured by covenants of the commission to the effect that the commission will do those acts authorized by this division and necessary for the issuance of the bonds or renewal notes in appropriate amount, and either exchange the bonds or renewal notes for the notes, or apply the proceeds of the notes, to the extent necessary, to make full payment of the principal of and interest on the notes at the time contemplated, as provided in the bond proceedings. For this purpose, the commission may issue bonds or renewal notes in a principal amount and upon terms as authorized by this division and as necessary to provide funds to pay when required the principal of and interest on the outstanding notes, notwithstanding any limitations prescribed by this division, other than the limitation contained in section 307.45. All provisions for and references to bonds in this division are applicable to notes authorized under this section to the extent not inconsistent with this section.

Sec. 69. NEW SECTION. 307.55 REFUNDING OF OBLIGATIONS. The commission may authorize and issue bonds for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of bonds previously issued by the department. These bonds may be issued in amounts sufficient for payment of the principal amount of the prior bonds, any redemption premiums on the prior bonds, principal maturities of bonds maturing prior to the redemption of the remaining bonds on a parity with them, interest accrued or to accrue to the maturity date or dates of redemption of the bonds, and project costs including expenses incurred or to be incurred in connection with this issuance, refunding, funding, and retirement. Subject to the bond proceedings, the portion of proceeds of the sale of bonds issued under this section to be applied to principal of and interest on the prior bonds shall be credited to the appropriate account for the prior bonds. Bonds authorized under this section shall be deemed to be issued for those purposes for which the prior bonds were issued and are subject to the provisions of this division pertaining to other bonds. Bonds refunded shall not be considered to be outstanding for purposes of section 307.45.

Refunding bonds may be issued without regard to whether or not the bonds to be refunded are payable on the same date or different dates or due serially or otherwise.

Sec. 70. NEW SECTION. 307.56 BONDS AND INTEREST ON THE BONDS NOT SUBJECT TO TAXATION. Bonds, their transfer, and the income from the bonds are not subject to taxation by this state.

Sec. 71. NEW SECTION. 307.57 BONDS AS LEGAL INVESTMENTS. Bonds are securities in which all public officers and bodies of the state and all municipalities and political subdivisions of this state, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, and savings associations, including savings and loan associations, building loan associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries and all other persons who are now or may be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities and legal subdivisions of this state for any purpose for which the deposit of bonds or other obligations of the state is now or may be authorized.

Sec. 72. NEW SECTION. 307.58 RIGHTS OF BONDHOLDERS. The bond proceedings may provide that a holder of bonds or a trustee under the bond proceedings, except to the extent that the holder's rights are restricted by the bond proceedings, may by legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond proceedings. These rights include the right to compel the performance of all duties of the department required by this division or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any principal of or interest on bonds or in the performance of a covenant or agreement on the part of the department in bond proceedings, to apply to a court to appoint a receiver to receive and administer the funds which are pledged to the payment of bonds or which are the subject of the covenant or agreement, with full power to pay and to provide for payment of any principal of or interest on

The Honorable Mary Jane Odell
June 12, 1983
Page 21

bonds and with powers accorded receivers in general equity cases, excluding power to pledge additional funds or other income or moneys of the department, the state, or governmental agencies of the state to the payment of the bonds.

Sec. 73. NEW SECTION. 307.59 NOTICE. Within ten days after the commission adopts a resolution declaring its intention to issue bonds, it shall publish a notice of its intention to issue bonds in a newspaper published in and with general circulation in the state. The notice shall include a statement of the maximum amount of bonds proposed to be issued and, in general terms, what funds will be pledged to pay principal of and interest on the bonds. An action which questions the legality or validity of bonds or the power of the department to issue bonds or the effectiveness or validity of proceedings adopted for the authorization or issuance of bonds shall not be brought after sixty days from the date of publication of the notice.

Sec. 74. NEW SECTION. 307.60 COURTS TO HAVE JURISDICTION. Courts of record in this state have jurisdiction to issue all original and remedial writs necessary for the determination of the validity or constitutionality of this division.

Sec. 75. NEW SECTION. 307.61 SEVERANCE CLAUSE. If any clause, sentence, paragraph, or part of this division is for any reason judged by a court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder of this division, but is confined in its operation to the clause, sentence, paragraph, or part directly involved in the controversy in which the judgment has been rendered.

Sec. 76. NEW SECTION. 307.62 LIBERAL INTERPRETATION. This division, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

Senate File 548 is the omnibus jobs bill. I applaud legislators for sharing my goals of job creation and economic development for the state of Iowa. Indeed, much significant non-budgetary legislation was enacted this year to accomplish those goals - revising security laws, increasing small business loans and removing financial restrictions on the housing industry, to name just a few. In addition, the legislature expressed its commitment to economic growth through the budget process, as well. And, this \$24.9 million bill represents the bulk of that effort.

The Honorable Mary Jane Odell
June 12, 1983
Page 22

While I share the legislature's desire to spur economic growth in Iowa, I also believe that state government's economic development efforts should follow certain guidelines. First, state action should encourage the private sector to create meaningful and lasting jobs for Iowans. Iowans want meaningful jobs they can count on so that they can support themselves and their families with some measure of personal satisfaction and financial security. Moreover, stimulating private sector development is the only way to truly strengthen Iowa's economy. Second, action to encourage economic development must take into consideration the state's available budget resources. The state budget is already stretched tight and this bill results in approximately \$12.8 million of expenditures in excess of recommended levels. While the legislature did raise some additional revenues, the state simply cannot afford all of this extra spending. Thus, each item in this omnibus bill has been reviewed with an eye toward obtaining the greatest economic development benefit for each state dollar spent.

Division I of Senate File 548 would establish a \$3.6 million public works program in Iowa. This division requires that \$3 million of the appropriated funds be made available to state or local government agencies to employ individuals for up to six months for unspecified work relief projects. The individual is to be paid the federal minimum wage and is allowed to work no more than 32 hours per week. This division also appropriates \$500,000 for a paid volunteer program to be administered by the federal action agency. These paid volunteers would work for up to one year for any public or nonprofit entity. Finally, Division I includes a \$100,000 appropriation to pay cash grants of up to \$3,000 to artists for public projects.

I understand and respect the legislative purpose behind these programs - to provide temporary public work for those who have exhausted their unemployment benefits. Indeed, many of these Iowans need our assistance. However, this proposal does not address the long term needs of these Iowans, is inappropriately directed and duplicates some existing programs. Therefore, I must disapprove this plan for additional state spending.

The public works portion of Division I would create only temporary, unspecified work for Iowans who need meaningful and lasting jobs. At the end of a six-month public works stint, an

The Honorable Mary Jane Odell
June 12, 1983
Page 23.

unemployed Iowans would likely be in no better economic shape than he or she was before the job began. Indeed, this program may effectively delay unemployed Iowans from taking the necessary steps to re-enter the private sector workforce.

These necessary re-employment steps include searching for work and obtaining the training skills needed for new employment. Lack of proper job training is one of the greatest impediments to re-employment in the private sector since the industries that are hiring new employees demand skilled workers. I commend legislators for taking action in this bill to provide for these training needs of unemployed Iowans. The \$1.3 million appropriation made in Division XI of Senate File 548 will create a dislocated workers program to provide training and job counseling assistance for those Iowans who have lost their jobs because of plant closings. This program, in combination with the \$40 million in the federal Job Training Partnership Act, will help give unemployed Iowans the skills they need to obtain a new job.

This public works program is designed not to train, but only to provide a temporary work experience and some financial assistance to the unemployed. And those needs have also been addressed elsewhere by the legislature.

Those Iowans who cannot find work and have demonstrated financial need are eligible for other public assistance. The legislature appropriately retained the unemployed parent program which provides for basic needs, including medical care and shelter, for the families of the needy who are unemployed. Indeed, the legislature expanded this program to include eligibility for both spouses and provided a community work program for those able to work. A recent survey of states shows that Iowa is one of the nation's leaders in the unemployed parent workfare program, with over 2,000 workers now employed. In short, the unemployed parent workfare program provides basic assistance to the unemployed needy and gives them an opportunity to have a positive work experience. To some extent, the public works program proposed in this bill would only duplicate that existing state program.

In addition, this proposed state public works program duplicates efforts already being made by the federal government. The federal jobs bill provides over \$42 million in emergency

The Honorable Mary Jane Odell
June 12, 1983
Page 24

assistance for projects ranging from tree planting to school building weatherization. Temporary employment will be provided for over 3,000 Iowans. In light of this massive federal effort, the need for a similar state program is questionable.

In sum, needy, out-of-work Iowans require job training and counseling, basic assistance and some work experience. These essential needs have been addressed by other prudent legislative actions taken this year and by the federal government. Therefore, this \$3 million public works effort would at least partially duplicate state and federal work programs and does not address the important job training and counseling needs of unemployed Iowans. With the present budget constraints, the state can ill-afford to spend funds in such a misdirected and duplicative fashion.

Division I also includes a provision to pay volunteers. Increasing volunteerism is one of my top priorities. However, I cannot approve this proposal because it could, in fact, hurt the volunteerism effort in Iowa.

Presently, there are at least 30,000 volunteers in Iowa who do everything from caring for the elderly to saving Iowa's rich soil. In addition, the state has over 500 groups that perform volunteer services. And, these services are truly volunteer - they are done without charge.

This program would single out 100 volunteers for a special monthly stipend. I fear that such special treatment could be deemed unfair and thus discourage present and future volunteers.

Moreover, this program is to be administered by a federal agency for which funding has been consistently reduced. In fact, the future of the federal VISTA organization, which is to administer this state program, is in doubt. Therefore, it is likely that the federal agency would be unable to pay its share of the administrative costs of the program. And, the funds the bill provides to the Office for Planning and Programming would be woefully inadequate to allow for the proper administration of the program.

The Honorable Mary Jane Odell
June 12, 1983
Page 25

The third portion of Division I provides \$100,000 to the Arts Council for grants to artists. Each artist could obtain a \$3,000 grant for a public art project. I am a strong supporter of the arts and I am pleased that the legislature supported my request for a 28 percent increase in state funding for the Arts Council. However, that appropriation, combined with the \$900,000 grant program for festivals and cultural affairs included in Division XIII of this bill, will significantly increase the state's commitment to the arts and artists. In view of that substantial increase in funding for the arts, additional appropriations would stretch the state's fiscal resources beyond their limits.

Division III of Senate File 548 appropriates \$5 million to the Iowa Housing Finance Authority (IHFA) for "capital infusion loans." The program would apparently work like this: a qualified business would apply to the Small Business Administration (SBA) to obtain a loan to finance a proposed expansion under the SBA's 503 loan program; SBA would use its authority to guarantee 40 percent of the loan; IHFA would issue a bond to back 50 percent of the loan, as authorized under recently enacted Senate File 223; and the state would then provide a no-interest "capital infusion" loan for the ten percent of the loan remaining.

The intent of this provision is apparently to make lower interest loans available to qualified businesses. That is a worthwhile goal. However, this proposal would provide little incentive for additional business expansion while costing the strapped state budget \$5 million in extra spending.

This \$5 million proposal would make very few loans available to businesses that would not already be able to obtain them. The combined SBA/IHFA 90 percent loan guarantee would be quite secure and attractive for prospective lenders. In addition, the guarantee would provide a competitive loan for prospective borrowers. Indeed, it has been estimated that such a loan would carry an interest rate of approximately 10.5 percent - a good commercial rate in today's financial market. Most businesses interested in expansion would find such an interest rate very attractive. Thus, it is likely that these SBA loans would get made without a 10 percent contribution from the state.

The Honorable Mary Jane Odell
June 12, 1983
Page 26

Moreover, it is estimated that the state's 10 percent capital infusion would lower the interest rate on these loans by only approximately one percent. A state expenditure of \$5 million is a high price to pay in order to reduce by only one percent the interest rate on loans that would probably be made anyway.

It is also important to note that much has been done in another bill passed during the session to aid small businesses seeking debt-financed expansion loans. Senate File 223 doubled the volume of tax-exempt bonds that can be issued to finance small business loans. IHFA will now have \$100 million in bonding authority to provide low interest loans to qualified small businesses that are seeking to expand. Loans worth over \$10 million have already been made with interest rates as low as seven percent. Thus, IHFA has up to \$90 million of remaining lending capacity for low interest, small business loans. I must therefore question the wisdom of a \$5 million state appropriation to make similar loans at a potentially higher rate of interest.

Finally, I have concerns about the philosophy behind this and the \$3 million mortgage buy-down proposal included in Senate File 548. Both of these programs would, for the first time, make state funds available to IHFA to buy-down interest rates. Never before has this agency received a direct state appropriation for lending programs. Indeed, save for the first-year start-up, even the operating expenses of the authority have been traditionally paid for by IHFA revenues without any state funds. This arms-length arrangement between state government and IHFA has served Iowans well. The tax-exempt bond market has been used to raise the necessary funds and the state budget has been protected. Moreover, this arrangement has helped make certain that IHFA's lending decisions are based on finances and not politics. I am concerned that these proposed appropriations would put even greater pressures on future state budgets as well as placing IHFA directly into the political arena.

Division VI of Senate File 548 appropriates \$3 million to IHFA for a residential mortgage interest reduction program. This program was authorized in a separate bill and would require IHFA to reduce interest rates on mortgage loans for up to five years. The amount of the reduction would be between three and

The Honorable Mary Jane Odell
June 12, 1983
Page 27

five percent the first year, and a lesser amount in succeeding years. Thus, the apparent intent of the program is to induce more Iowans into entering the housing market by offering reduced mortgage interest rates for a short term.

I am generally supportive of efforts to boost the housing market. The housing construction industry has been in a slump the past few years and a recovery in that industry would provide a boost to the entire Iowa economy. However, I cannot approve this proposed mortgage buy-down program because it represents a false promise to many potential home buyers and more cost-effective ways to stimulate the housing industry are available.

This program could help only one of 1,000 Iowa families. Therefore, the program could unfairly raise the expectations of many potential Iowa homebuyers, with little chance of every realizing those expectations. Moreover, by decreasing the interest rate by a substantial amount the first year and then gradually eliminating that subsidy by the end of five years, this program could tempt some Iowans into entering the home market even though they may not be able to make their home payments once the interest reduction runs out. It would indeed be a cruel hoax for the state to encourage Iowans to buy homes knowing that they may not be able to afford them later.

In addition, it must be noted that the legislature passed other legislation this year which could significantly stimulate the housing market. Senate File 223 eliminates many of the financial restrictions which prevented Iowa home builders from obtaining the financing they needed to offer affordable housing to Iowans. I am hopeful that federal economic policy and Senate File 223 will allow more Iowans to fashion the financial packages they need to purchase a home.

Also, it is my understanding that it is IHFA's intention to re-enter the housing bond market later this year and it is expected that home mortgages at interest rates at approximately two to three percent below the market rate will result. Use of the tax exempt bond market is the traditional and cost-effective way for the state to provide reduced rate home mortgages. In addition, home mortgages obtained through this market provide stable, secure and reasonably priced financing for Iowans

The Honorable Mary Jane Odell
June 12, 1983
Page 28

looking for a home. Therefore, the state should continue to use the tax exempt bond market, and not the state's general fund, to finance homes for Iowans.

Division VII of Senate File 548 establishes a High Technology Council and appropriates \$2.1 million to the council to fund its operations and to begin a research grant program. I commend legislators for wisely recognizing the job-creation potential of high technology industry in Iowa. However, Section 41 of the bill would require the reversion of all unencumbered funds appropriated to the council if the state faces budget problems. I cannot approve that section because it represents a half-hearted commitment to high technology jobs and would cripple the operations of the council.

Much has been said and written about the importance of high technology to our economic future. Indeed, Iowa already has an estimated 35,000 so-called high tech jobs. And, with this state's mix of excellence in education, productive workers and high quality of life, the potential exists to create many more high tech jobs. Such a diversification of the economy is in Iowa's best long term economic interests - it would make Iowa better prepared to weather economic storms in the agricultural and manufacturing sectors.

In order to increase the state's commitment to high tech jobs, a task force appointed by former Governor Ray recommended that a high tech council be established, a grant program be developed to provide financing for research that has potential for commercial application, and a technology transfer effort be undertaken. Fortunately, Division VII of this bill provides for each of those recommendations.

However, the legislature apparently hedged its bet on high tech. This program would be entirely eliminated should the state face a budget problem. Reversion of all the unencumbered funds, which include funds to operate the council, would force Iowa to shut its high tech development doors. If Iowa is serious about high tech jobs, we must maintain a stable, long term commitment to the program. While I, too, regard an across-the-board cut as one of the last resorts in budget-making, I believe that the budget action proposed here would be

The Honorable Mary Jane Odell
June 12, 1983
Page 29

penny wise and pound foolish. It is, however, likely that the \$2 million in research grants will not be expended quickly. Therefore, if state budget troubles mount that portion of the appropriation could be re-examined without crippling the operation of the council.

Division X of Senate File 548 grants the Department of Transportation (DOT) the authority to issue primary road fund revenue bonds. The bill allows DOT to sell \$10 million in bonds per year or the difference between actual primary road funds and those that were estimated to be received, whichever is lower. However, additional bonding can be issued upon approval by the legislature of the individual projects for which the bonds are to be used. Initially, \$10 million in total bonding authority is authorized. Also, if the bonds are determined to be constitutional, the bonding limit is increased to \$110 million.

Apparently, by passing this division, the legislature intended to allow DOT to increase its available road construction finances and to gain a test of the constitutionality of road bonding. However, this division will effectively do neither and, therefore, I must disapprove it.

I support reasonable efforts to provide proper funding for roads in Iowa. I understand the importance of transportation to economic development. However, DOT officials have studied this proposal and have determined that, considering the interest rate on bonds and the level of bonding authorized, this proposal would provide little, if any benefit to the department's road construction plans. The slight increase in available road funding would be offset by the extra interest costs chargeable to the primary road fund. And, considering the additional support needed to manage the bonds, the DOT could come out a net loser with this bonding proposal. Thus, this bonding plan appears to make little road funding sense.

In addition, this division is not likely to obtain even the good court test on the constitutionality of road bonding sought by its proponents. Requiring legislative approval of individual projects could jeopardize the arms length legal relationship required between the bonding authority and those in charge of appropriating from the state's general fund. As a result, a serious question could be raised as to whether the full faith

The Honorable Mary Jane Odell
June 12, 1983
Page 30

and credit of the state has been pledged to secure the bonds. More important, requiring legislative approval of individual road projects would directly introduce politics into road financing decisions. We have traditionally, and I believe wisely, left such decisions to the DOT which is better able to review each project in light of the transportation needs of the entire state.

Finally, I believe the state is generally better served with a pay-as-you go transportation funding system. Today, one of our major transportation problems is road maintenance. I fear that a road bonding program would lead to a boom or bust transportation funding system where roads would be built with no funds available in the future to maintain them. Instead, future road use tax revenues would have to be used to pay the interest on the bonds. Such a system of feast or famine transportation funding would not be good for the state's economy and would only exacerbate our road repair problems.

Moreover, it is important to note that substantially more dollars are available for roads in Iowa than just one year ago. The increase in the use tax will funnel over \$17.5 million into the road use tax fund. Over \$50 million in additional federal dollars are available for road repair and construction this fiscal year. And, the scheduled phase-out in the gasohol road tax subsidy should substantially reduce the dollar drain on the road fund. Indeed, legislators seeking additional road funding would have been wise to consider the adjustment in the gasohol tax that I recommended which would have pumped over \$5 million per year more into the road fund. In the future, it would be wise to seek implementation of the Blue Ribbon Task Force on Transportation report which includes methods to save road funds by streamlining the administration of our road system.

In sum, Division X would not substantially increase available road funds, nor is it likely to obtain a good constitutional test of road bonding. Rather, the state would be better served by efficiently managing the additional funds that have been received under the present pay-as-you-go system.

The Honorable Mary Jane Odell
June 12, 1983
Page 31

For the above reasons, I hereby disapprove these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate file 548 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

MISSION WHICH WILL ORGANIZE AND MANAGE AN INVESTMENT FUND WHICH WILL INVEST IN IOWA ENTERPRISES AND ALLOWING A STATE INCOME TAX CREDIT ON THE NET INVESTMENT IN THE FUND, ESTABLISHING A PROGRAM TO AID COMMUNITIES IN DEVELOPING FESTIVALS AND OTHER TOURIST ATTRACTIONS, AND MAKING VARIOUS APPROPRIATIONS TO CARRY OUT THE PROGRAMS.

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

SENATE FILE 548

AN ACT

FOR THE PURPOSE OF IMPROVING THE IOWA ECONOMY AND PROVIDING IMPROVED EMPLOYMENT CONDITIONS BY ESTABLISHING WORK RELIEF PROGRAMS FOR UNEMPLOYED IOWANS, ESTABLISHING ENERGY MANAGEMENT PROGRAMS FOR CERTAIN LOCAL GOVERNMENTS AND IN BUILDINGS OWNED OR OCCUPIED BY STATE AGENCIES, ENCOURAGING CAPITAL INVESTMENT TO STIMULATE THE ESTABLISHMENT OR EXPANSION OF SMALL BUSINESS AND INDUSTRY, ESTABLISHING A SMALL BUSINESS DIVISION WITHIN THE IOWA DEVELOPMENT COMMISSION, CREATING AN IOWA PRODUCT DEVELOPMENT CORPORATION, APPROPRIATING FUNDS FOR A RESIDENTIAL MORTGAGE INTEREST REDUCTION PROGRAM, CREATING AN IOWA HIGH TECHNOLOGY COUNCIL, ESTABLISHING A COMMUNITY DEVELOPMENT LOAN PROGRAM, ESTABLISHING A FUND FROM WHICH TO MAKE LOANS FOR THE ESTABLISHMENT OF SOIL AND WATER CONSERVATION PRACTICES, AUTHORIZING THE IOWA DEPARTMENT OF TRANSPORTATION TO ISSUE AND BECOME OBLIGATED FOR ROAD USE TAX REVENUE BONDS, ESTABLISHING A JOB TRAINING PARTNERSHIP PROGRAM, PROVIDING FOR THE ESTABLISHMENT OF A CORPORATION BY THE IOWA DEVELOPMENT COM-

DIVISION I

Section 1. TITLE. Division I of this Act shall be known as the "Iowans Out of Work Act of 1983".

Sec. 2. IOWA JOBS NOW. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983, and ending June 30, 1984, three million six hundred thousand (3,600,000) dollars, or so much thereof as is necessary, to establish and fund a statewide work relief program for unemployed Iowans, to be known as the Iowa jobs now program, in accordance with the following conditions:

1. Of the funds appropriated under this section from the general fund of the state, three million (3,000,000) dollars, or so much thereof as is necessary, is appropriated to the office for planning and programming to be used as follows:

a. A policy-making commission is established to direct and supervise the establishment and funding of local work relief projects. The commission shall consist of five public members, not more than two from the same political party, appointed by the governor subject to confirmation by the senate under section 2.32, and one senator, to serve as an ex officio nonvoting member, appointed by the president of the senate, and one representative, to serve as an ex officio nonvoting member, appointed by the speaker of the house of representatives. Notwithstanding section 69.19, the commission members' terms of office shall begin as soon as all members are appointed and shall expire on June 30, 1985. Members

of the commission while engaged in their official duties shall be reimbursed for their actual and necessary expenses. Public members shall be reimbursed from funds appropriated by this division. Members of the general assembly shall be reimbursed pursuant to section 2.12. The appointments under this section shall be made within thirty days after the effective date of this division. The commission shall meet as soon as possible after the effective date of this division to establish policies for the implementation of the Iowa jobs now program on July 1, 1983.

b. Funds under the program shall be made available to the state, a state agency, or a county or city which establishes and administers a work relief project, but shall not be made available to a hospital or a school district. The jobs commission shall prescribe standards for the priority selection of work relief projects to be funded under the program. The standards shall include, but are not limited to, priority selection based on the commitment of local matching funds at a ratio of one dollar of local funds to each dollar of state funds; the project's rate of economic return to the community; the number of individuals who will work on the project; the number of individuals who would benefit from the project; the benefit to the community as a whole and the need for the project. Sixty percent of the state funds shall be targeted to those counties of the state with unemployment rates at least two percent above the statewide unemployment rate, as determined by the jobs commission from statistics provided by the department of job service. The remaining funds shall be distributed to other counties of the state. The office for planning and programming may prohibit or limit the use of the funds for state, county or city administrative or supervisory expenses. The state, state agency, county or city shall pay for all necessary project supplies and materials. The office for planning and programming shall not administer or supervise local projects

but shall provide technical support and financial accounting services only to the program. The office for planning and programming shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses.

c. The state, state agency, county or city which establishes a local work relief project shall administer the project and shall hire and supervise individuals to work on the project. The state shall provide general liability coverage for the individuals employed, under chapter 25A, as if the individuals were employees of the state. The state shall provide workers' compensation coverage for the individuals employed under sections 85.57 and 85.58 as if the individuals were state employees. Individuals employed on a project are exempt from the provisions of chapter 96, under section 96.19, subsection 6, paragraph a, subparagraph (6), subpart (e), and are hereby exempted from the provisions of chapters 19A, 97B, and 400.

d. The state, state agency, county or city shall employ only those unemployed individuals, who receive little or no unearned income and who have exhausted all available unemployment compensation benefits or are not eligible for unemployment compensation benefits, to work on a local work relief project. The jobs commission may prescribe a uniform procedure to disregard all or a portion of an unemployed individual's unearned income. The individuals shall be paid the federal statutory minimum hourly wage, and shall not be employed for more than thirty-two hours per week in order to allow the individuals to seek private employment. The individuals shall apply for any job training or counseling services available within their respective service delivery areas under the federal Job Training Partnership Act, Pub. L. No. 97-300.

This subsection shall not be construed to disqualify individuals employed by a local work relief project from

receiving services for which the individuals are otherwise eligible under the federal Job Training Partnership Act, Pub. L. No. 97-300.

c. The state, state agency, county or city shall not employ the individuals to replace regular state, county or city employees, but shall employ the individuals in labor-intensive jobs for no longer than six months. However, if federal law or regulation prohibits an individual's exemption from chapter 96, the individual shall be employed for no longer than three months. Hiring practices shall follow an affirmative action plan based upon guidelines provided by the Iowa state civil rights commission. The plan shall provide for the hiring of women in traditional and nontraditional employment.

f. Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this subsection for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state until June 30, 1985.

2. Of the funds appropriated under this section from the general fund of the state, five hundred thousand (500,000) dollars, or so much thereof as is necessary, is appropriated to the office for planning and programming to contract with the federal action agency for the establishment and funding of a volunteers in service to Iowa program for unemployed Iowans in accordance with the following conditions:

a. The policy-making commission established in subsection 1 shall direct and supervise the establishment and funding of the volunteers in service to Iowa program. The office for planning and programming shall contract with the federal action agency to administer the volunteers in service to Iowa program on a cost-sharing basis with the federal action agency. The federal action agency shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses. If the office for

planning and programming is unable to contract with the federal action agency, the office shall monitor the use of funds under the program, and shall not use more than one and one-half percent of the funds appropriated under this subsection for administrative expenses.

b. Funds under the program shall be used to pay a stipend of three hundred thirty-five dollars per one-month period to unemployed volunteers who receive little or no unearned income and who have exhausted all available unemployment compensation benefits or are not eligible for unemployment compensation benefits. In addition, the volunteers shall receive at the end of their period of work assignment, seventy-five dollars for each month of work completed. The commission may prescribe a uniform procedure to disregard all or a portion of an unemployed individual's unearned income. The volunteers may be assigned to work for any public or nonprofit entity for a minimum of six months and a maximum of one year. However, if a contract with the federal action agency is not entered into for administration of the program, a volunteer under the program shall be assigned to work for no longer than three months. The volunteers shall agree to make a full-time commitment to a work assignment which is beneficial to the community or assists unemployed or elderly, low-income Iowans or other needy Iowans to become more self-sufficient or to improve their quality of life. The volunteers shall be available for work at least forty hours per week without regard to regular working hours and at all times during their periods of work, except for authorized periods of leave. The work assignments may include, but are not limited to, assignments to projects providing chore services for the elderly, remedial reading or writing instruction, community or individual gardening instruction and organization, food cooperative instruction and organization, home energy conservation assistance, skill-sharing instruction and organization, distribution services for public or private

commodities, and child day care. The work assignments shall not be made to replace regular employees or for participation in religious activities. The work assignments shall, if possible and where needed, be approached in a manner which would assist in the continuation of volunteers' assignments beyond their terms of assignment, by encouraging local involvement.

c. The public or nonprofit entity to which an individual is assigned shall supervise and direct the individual and shall pay for all necessary work materials, supplies, and transportation costs. Work assignment practices shall follow an affirmative action plan based upon guidelines provided by the Iowa state civil rights commission. The plan shall provide for the assignment of women to traditional and nontraditional employment. If the federal action agency administers the program, volunteers are provided general liability, health and accident, and workers' compensation coverage pursuant to federal regulations. If a contract with the federal action agency is not entered into for the administration of the program, the state shall provide general liability coverage for the volunteers, under chapter 25A, as if the volunteers were employees of the state, and the state shall provide workers' compensation coverage for the volunteers under sections 85.57 and 85.58 as if the volunteers were state employees. The volunteers are exempt from the provisions of chapter 96, under section 96.19, subsection 6, paragraph a, subparagraph (6), subpart (e), and are hereby exempted from the provisions of chapters 19A, 97B, and 400.

d. Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this subsection for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state until June 30, 1985. Funds appropriated by this subsection may be transferred under section 8.39 to the local work relief projects funded under subsection 1 if the funds are not needed

for the volunteers to service in Iowa program.

3. Of the funds appropriated under this section from the general fund of the state, one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated to the Iowa arts council, to be used as follows:

a. An individual artist may receive a cash grant not to exceed three thousand dollars for a project determined to be in the public good including but not limited to touring performances and exhibitions, concerts for hospitals or nursing home residents, school concerts, participation in art festivals, fairs, and conventions, paintings, drawings, or sculpture for state buildings, photographic documentation of life in Iowa, public murals, training seminars for students, poetry readings, publications, school residencies, or other projects which are open to the public. A grantee may request an additional stipend not to exceed ten percent of the grant to be used for materials and transportation costs. A grant may be made to an individual artist for a project involving a group of artists. Only the individual artist submitting the application must qualify under paragraph d.

b. An eligible organization under paragraph d may apply for a grant not to exceed three thousand dollars to match an equal amount to be used to hire, for up to one year, an artist-in-residence or arts administrator. Artists hired must meet the eligibility requirements of paragraph d.

c. Applications for a grant may be submitted to the Iowa arts council or to any job service office in the state. Applications shall be reviewed monthly by an advisory committee appointed under section 304A.6, subsection 4. The advisory committee shall submit recommendations to the council regarding possible recipients and the grant amount.

d. An individual must be an Iowa resident and must have been unemployed or had a combined adjusted gross income for federal income tax purposes for the individual and the individual's spouse of less than ten thousand dollars during

the twelve months prior to making application. An organization must be incorporated under chapter 504A.

e. The Iowa arts council shall require all grantees to sign a contract and to report to the council within forty-five days following completion of the project. Works produced by a person receiving an individual grant are the property of the state in care of the Iowa arts council. Works produced by a person hired by an organization receiving a grant are the property of the organization.

4. The policy-making commission established in subsection 1 shall cooperate with the state job training coordinating council established pursuant to the federal Job Training Partnership Act, Pub. L. No. 97-300, in the implementation of the Iowa jobs now program. State agencies shall cooperate with the federal action agency in the implementation of the volunteers in service to Iowa program and with the office for planning and programming in the implementation of the Iowa jobs now program, and shall provide necessary job training and technical assistance, for short periods of time, in assisting in the implementation of the Iowa jobs now program. Chapter 17A does not apply to the office for planning and programming or to the cooperating state agencies in the implementation of the Iowa jobs now program.

DIVISION II

Sec. 3. There is appropriated from the general fund of the state to the energy policy council for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of five hundred thousand (500,000) dollars, and from federal oil overcharge funds apportioned to Iowa under Pub. L. No. 97-377, the sum of five hundred thousand (500,000) dollars, or so much thereof as is necessary to be used for grants to state agencies for energy management programs in buildings owned or occupied by state agencies.

Sec. 4. The energy policy council shall allocate the funds appropriated in section 3 of this division to state agencies according to the following guidelines:

1. Preference shall be given to projects for energy conservation improvements in buildings owned by the state or by another unit of government that are occupied by a state agency.

2. The funds may also be used for grants for training maintenance personnel in energy management, the installation of utility meters to monitor energy use in buildings occupied by state agencies, energy audits of buildings occupied by state agencies, and consultation with state agencies in the area of technical energy management.

3. At least sixty percent of the funds appropriated in section 3 of this division shall be used for energy management programs in state owned buildings and buildings owned by another unit of government that are occupied by a state agency and which are located in a county with an unemployment rate that is above the statewide unemployment rate, as determined by statistics provided by the department of job service.

Sec. 5. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, fifty thousand (50,000) dollars and from federal oil overcharge funds apportioned to Iowa under Pub. L. No. 97-377, one million three hundred eighty-seven thousand two hundred (1,387,200) dollars, or so much thereof as is necessary, to the energy policy council to be used for grants to local governments for energy management programs, to be used as follows:

1. Funds appropriated in this section are allocated for grants to cities, counties, and area education agencies for the following programs according to the following percentages:

- a. For grants to area education agencies to consult in the area of technical energy management with school districts 15 percent
- b. For grants to local governments to train maintenance personnel in

energy management 4 percent.

c. For grants to local governments to pay for the installation of utility meters to monitor energy use in buildings occupied by government agencies 6 percent

d. For grants to local governments for energy audits of buildings occupied by government agencies 28 percent

e. For grants to local governments, except hospitals and school districts, for energy conservation improvements in government-owned buildings 47 percent

2. Cities, counties, and area education agencies are eligible for grants under subsection 1. The governing body of the unit of local government may apply for and is designated to receive the grant. The amount of the grant shall not exceed fifty percent of the cost of the project and the application must demonstrate that the local government will provide the required matching money.

3. In approving grants under this section, the energy policy council shall give priority to projects which are the most labor intensive and which produce the greatest energy conservation benefits. Each grant request shall contain information regarding the number of persons expected to be employed as a result of the grant, the number of permanent jobs which might result from the approval of the grant, and the projected energy savings.

Sec. 6. There is appropriated from the interest and earnings on investments from the federal oil overcharge funds described in sections 3 and 5 of this division which have been deposited in the general fund of the state not more than sixty-six thousand (66,000) dollars, or so much thereof as may be necessary, for attorney fees incurred by the state in obtaining the state's share of the federal oil overcharge funds under Pub. L. No. 97-377. Payment of these attorney

fees is subject to the approval of the attorney general and the executive council.

DIVISION III

Sec. 7. NEW SECTION. 220.70 PURPOSE. It is the purpose of this division to provide capital investment in the state to encourage the establishment or expansion of small business and industry, to provide additional jobs within the state, and to assist communities to diversify and stabilize the economies

Sec. 8. NEW SECTION. 220.71 CERTIFIED DEVELOPMENT PROGRAM. The authority shall implement a program to assist small businesses in obtaining funds to establish and expand small businesses and create new jobs. The authority shall use the funds to cooperate with and implement the certified development program of the United States small business administration. The funds provided by the authority shall be in the form of loans. The loans shall be made available in cooperation with local and statewide certified development companies and shall be available to small businesses qualified under guidelines of the United States small business administration. Section 220.62, subsection 2, applies to the administration of this section.

For purposes of this division, "small business" means small business as defined in section 220.1, subsection 28 and "capital infusion loan" means a loan under this division by the authority to a small business.

Sec. 9. NEW SECTION. 220.72 CAPITAL INFUSION LOANS. Capital infusion loans authorized under this division shall be made from funds appropriated to the authority for that purpose. A capital infusion loan shall be made only in conjunction with a loan made through or in conjunction with a United States small business administration loan for a project. The capital infusion loan shall not constitute more than ten percent of the entire amounts loaned to the small business with respect to the project. The authority may fund

other portions of the project with loans of the authority made pursuant to other sections of this chapter. Capital infusion loans shall be repaid under terms determined by the authority. However, the small business shall not be required to pay interest on that part of the loan received from funds appropriated to the authority for that purpose from the general fund of the state.

Sec. 10. Sections 7 through 9 are enacted as a new division of chapter 220.

Sec. 11. There is appropriated from the general fund of the state to the Iowa housing finance authority for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of five million (5,000,000) dollars, or so much thereof as is necessary, to implement this division.

DIVISION IV

Sec. 12. NEW SECTION. 28.35 PURPOSES. It is the purpose of the general assembly in enacting this division to accomplish the following goals:

1. To provide that the small business division shall be the focal point within the Iowa development commission of activities which address the needs of small businesses in this state.
2. To encourage the creation of nongovernmental, nonsubsidized and permanent jobs in this state, and to increase real income levels in this state by promoting the stability of existing small businesses and the creation of new small businesses.
3. To provide a forum for the coordination of efforts to address the needs and opportunities of small business in this state.

Sec. 13. NEW SECTION. 28.36 DEFINITIONS. As used in this division, unless the context otherwise requires:

1. "Small business division" means the small business development division established within the Iowa development commission.

2. "Administrator" means the administrator of the small business division.

3. "Small business" means a nonprofessional enterprise which is located in this state, and which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than three million dollars.

4. "Advisory council" means the small business advisory council.

Sec. 14. NEW SECTION. 28.37 SMALL BUSINESS DIVISION.

1. The commission shall establish and maintain a small business division.
2. The director shall appoint an administrator who shall serve at the pleasure of the director. The administrator shall supervise the small business division, shall be responsible for the operation of the regulatory information service established pursuant to section 28.17, and shall attend meetings of the commission and the advisory council.
3. The commission shall assign to the small business division personnel employed under section 28.4 as may be required to enable the administrator and the small business division to perform the functions of the small business division.
4. The commission may adopt rules pursuant to chapter 17A for the administration of this division.
5. The commission shall provide that at least twice each year a meeting of the commission authorized by section 28.6 shall be devoted to consultation with the advisory council.

Sec. 15. NEW SECTION. 28.38 SMALL BUSINESS ADVISORY COUNCIL.

1. The governor shall appoint a small business advisory council to consist of eleven members. No more than a simple majority of the members of the advisory council shall be affiliated with the same political party as provided in section 69.16. The advisory council shall elect one of its members

to serve as its chairperson. Members of the advisory council shall serve four-year terms at the pleasure of the governor subject to confirmation of the senate. The terms shall begin and end as provided in section 69.19. The governor shall fill a vacancy in the same manner as the original appointment for the unexpired portion of the member's term. For the initial appointments to the advisory council, the governor shall appoint five members whose terms shall commence upon appointment and shall expire April 30, 1985 and shall appoint six members whose terms shall commence upon appointment and shall expire April 30, 1987.

2. More than half of the membership of the advisory council shall be persons who own and operate a small business or persons employed in the management of a small business.

3. The advisory council shall meet at least quarterly each year at the seat of government in facilities provided by the commission. In addition, the advisory council shall meet with the commission as provided in section 28.37, subsection 5. The commission shall provide a secretary for meetings of the advisory council.

4. The members of the advisory council shall be paid a forty dollar per diem and shall be reimbursed for actual and necessary expenses incurred in performance of duties. All per diem and expense moneys shall be paid from funds appropriated for the use of the small business division.

5. The advisory council shall advise and consult with the commission and the small business division with respect to matters which are of concern to small businesses. The advisory council may submit recommendations to the commission relating to actual or proposed activities of the small business division, and may submit recommendations for legislative or administrative actions.

Sec. 16. NEW SECTION. 28.39 GENERAL DUTIES OF DIVISION. The small business division shall adopt appropriate service programs to:

1. Receive and review complaints from individual small businesses that relate to rules or decisions of state agencies, and refer questions and complaints to a governmental agency when appropriate.

2. Administer funding for the small business development centers, contracting with the center for industrial research and service for the administration of the program.

3. Channel requests for technical and managerial assistance from small businesses to the small business development centers and the extension system, and other available resources.

4. Provide information to small businesses seeking to establish or expand in Iowa through the regulatory information service created in section 28.17.

5. Study the feasibility of reducing the total number of state licenses, permits, and certificates required to conduct small businesses.

6. Disseminate public information with respect to the legislation, regulation, policies and practices of government which affect the creation and operation of small businesses in this state.

7. Research, propose and promote methods of utilizing small businesses to develop economically depressed areas or to provide jobs for unemployed persons.

8. Encourage and assist small businesses to obtain state contracts and subcontracts by cooperating with the directors of purchasing in the department of general services, the state board of regents, and the department of transportation in performing the following functions:

- a. Compiling and maintaining a comprehensive source list of small businesses.
- b. Assuring that responsible small businesses are solicited on each suitable purchase.
- c. Assisting small businesses in complying with the procedures for bidding and negotiating for contracts.

d. Simplifying procurement specifications and terms in order to increase the opportunities for small business participation.

e. When economically feasible, dividing total purchases into tasks or quantities to permit maximum small business participation.

f. Preparing timely forecasts of repetitive contracting requirements by dollar volume and types of contracts to enhance the participation of responsible small businesses in the public purchasing process.

g. Developing a mechanism to measure and monitor the amount of participation by small businesses in state procurement.

Sec. 17. NEW SECTION. 28.40 ANNUAL REPORT. The small business division shall prepare and submit to the general assembly in January of each year a report of the activities of the small business division during the previous fiscal year. The report shall contain a statement of the expenditures of the small business division for the previous fiscal year and the recommendations of the advisory council, if any, for future action.

Sec. 18. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of five hundred thousand (500,000) dollars, or so much thereof as is necessary, to the small business division of the Iowa development commission for the purpose of funding the division's administrative costs and to provide the state's obligation in administering the small business development centers. However, not more than one hundred fifty thousand (150,000) dollars of the amount appropriated in this section shall be used for the purpose of funding the division's administrative costs.

DIVISION V

Sec. 19. NEW SECTION. TITLE. Division V of this Act may be cited as the "Iowa Product Development Corporation Act".

Sec. 20. NEW SECTION. DEFINITIONS. As used in this division unless the context otherwise requires:

1. "Corporation" means the Iowa product development corporation.

2. "Financial aid" means the infusion of risk capital to persons for use in the development and exploitation of specific inventions and products.

3. "Invention" means a new process or new technique without regard to whether a patent has or could be granted.

4. "Product" means a product, device, technique, or process which is exploitable commercially. The term does not mean a product in a pure research stage of development but applies to a product, device, technique, or process which has advanced beyond the theoretic stage and is readily capable of being reduced to practice.

5. "Venture" means a contractual arrangement between a person and the corporation from which the corporation obtains rights, from or in an invention, product, or the proceeds from the product or invention in exchange for granting financial aid to the person.

6. "Board" means the board of directors of the Iowa product development corporation.

7. "President" means the president of the Iowa product development corporation.

Sec. 21. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION.

1. There is created a corporate body called the "Iowa product development corporation". The corporation is a quasi-public instrumentality and the exercise of the powers granted to the corporation in this division is an essential governmental function.

2. The corporation shall be governed by a board of seven directors who shall serve a term of four years. Each term shall begin and end as provided in section 69.19. No more than a simple majority of the members of the board shall belong to the same political party as provided in section

69.16. Each director shall serve at the pleasure of the governor and shall be appointed by the governor, subject to confirmation by the senate. A director is eligible for reappointment. A vacancy on the board of directors shall be filled in the same manner as an original appointment. For the initial appointments to the board of directors, the governor shall appoint three members whose terms shall commence upon appointment and shall expire April 30, 1985, and four members whose terms shall commence upon appointment and shall expire April 30, 1987.

3. The board of directors shall annually elect one member as chairperson and one member as secretary. The board may elect other officers of the corporation as necessary. Members shall not receive compensation but shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the Iowa development commission.

4. Each director of the corporation shall take an oath of office and the record of each oath shall be filed in the office of the secretary of state.

5. The corporation shall receive information and cooperate with other agencies of the state and the political subdivisions of the state.

6. The corporation shall be a part of the Iowa development commission for administrative purposes only.

Sec. 22. NEW SECTION. PERPETUAL SUCCESSION. The corporation has perpetual succession. The succession shall continue until the existence of the corporation is terminated by law. The termination of the corporation shall not affect an outstanding contractual obligation of the corporation to assist a person. In the event of the termination of the corporation, the contractual obligation to assist the person succeeds to the state and the rights and properties of the corporation shall pass to the state. However, debts or other financial obligations of the corporation do not succeed to the state upon termination of the corporation.

Sec. 23. NEW SECTION. BOARD OF DIRECTORS. The powers of the corporation are vested in and shall be exercised by the board of directors. Four members of the board constitute a quorum and an affirmative vote of the majority of the members present at a meeting is necessary before an action may be taken by the board. An action taken by the board shall be authorized by resolution at a regular or special meeting and takes effect immediately unless the resolution specifies otherwise. Notice of a meeting shall be given orally or in writing not less than forty-eight hours prior to the meeting.

Sec. 24. NEW SECTION. PRESIDENT. The board of directors shall appoint a president of the corporation who shall serve at the pleasure of the board and shall receive the compensation determined by the board. The president shall not be a member of the board. The president shall be the chief administrative and operational officer of the corporation and shall direct and supervise the administrative affairs and the general management of the corporation. The president may employ other employees as designated by the board. The president shall provide copies of all minutes, documents, and other records of the corporation and shall provide a certificate which attests to truthfulness of the copies, if requested. Persons dealing with the corporation may rely upon the certificates. The president shall keep a record of all proceedings, documents, and papers filed with the corporation.

Sec. 25. NEW SECTION. CORPORATE PURPOSE--POWERS. The purpose of the corporation is to stimulate and encourage the development of new products within Iowa by the infusion of financial aid for invention and innovation in situations in which financial aid would not otherwise be reasonably available from commercial sources. For this purpose the corporation has the following powers:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business.

2. To enter into venture agreements with persons doing business in Iowa upon conditions and terms which are consistent with the purposes of this division for the advancement of financial aid to the persons. The financial aid advanced shall be for the development of specific products, procedures, and techniques which are to be developed and produced in this state. The corporation shall condition the agreements upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in Iowa.

3. To receive and accept aid or contributions from a source of money, property, labor, or other things of value to be used to carry out the purposes of this division including gifts or grants from a department or agency of the United States or any state.

4. With approval of the director of the department of general services to acquire, lease, purchase, manage, hold, and dispose of real and personal property and to lease, convey, or enter into contracts with respect to such property provided that all acquisitions of real property shall be as required by law.

5. To issue notes and bonds as provided under this division.

6. To hold patents, copyrights, trademarks, or other evidences of protection or exclusivity issued under the laws of this state or the United States to any products.

7. To employ assistants, agents, and other employees who shall be state employees and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

8. To make and enter into contracts and agreements necessary or incidental to its performance of the duties and the powers granted to the corporation.

9. To sue and be sued, plead, and adopt a seal.

10. With the approval of the treasurer of state, to invest funds which are not needed for immediate use or disbursement,

including funds held in reserve, in obligations issued or guaranteed by the state or the United States.

11. To procure insurance against a loss in connection with its property and other assets.

12. To the extent permitted under a corporation contract with other persons, to consent to a termination, modification, forgiveness, or other change in the terms of a contractual right, payment, royalty, contract, or agreement.

13. To take necessary action to render bonds issued under this division more marketable.

Sec. 26. NEW SECTION. APPLICATIONS FOR FINANCIAL AID.

1. Applications for financial aid shall be forwarded, together with an application fee prescribed by the corporation, to the president of the corporation. The president, after preparing the necessary records for the corporation, shall forward each application to the staff of the corporation, for an investigation and report concerning the advisability of approving the financial aid for the company and concerning any other factors found relevant by the corporation. The investigation and report shall include but are not limited to the following:

- a. The history of the applicant, its wage standards, job opportunities, and stability of employment.
- b. The extent of the applicant's dependence on agriculture.
- c. The applicant's past, present, and future financial condition and structure.
- d. The applicant's pro-forma income statements.
- e. The present and future market prospects for the product.
- f. The feasibility of the proposed project or invention to be given financial aid and the integrity of management.
- g. The state of the project's development.

2. After receipt and consideration of the report and any other action the corporation finds necessary, the corporation shall approve or deny the application. The president shall promptly notify an applicant by certified mail of the

disposition of its application. The corporation shall give priority to those applicants whose business is agriculture related or whose business is located in an area which the corporation determines has been severely adversely affected by depressed agricultural prices and whose proposed product or invention is to be used to convert all or a portion of the business to nonagriculture-related industrial or commercial activity or to create a new nonagriculture-related industrial or commercial business.

Sec. 27. NEW SECTION. IOWA PRODUCT DEVELOPMENT CORPORATION FUND. There is created an "Iowa product development corporation fund". All funds of the corporation including the proceeds from the issuance of notes or sale of bonds under this division, any funds appropriated from the general fund to the corporation, and other income derived from the exercise of authority granted to the corporation under this division shall be paid to the treasurer of state as an agent of the corporation and the treasurer shall deposit the amounts in the Iowa product development corporation fund. The money in the Iowa product development corporation fund shall be paid out by warrants signed by the treasurer of state on requisition of the president of the corporation. The money in the Iowa product development corporation fund shall be used for repayment of notes and bonds issued under this division, the extension of financial aid granted by the corporation under this division, and the amount remaining may be used for the payment of the administrative and overhead costs of the corporation to the extent required.

Sec. 28. NEW SECTION. PRODUCT DEVELOPMENT CORPORATION NOTES. The corporation may issue Iowa product development corporation fund notes, the principal and interest of which shall be payable solely from the Iowa product development corporation fund established by this division. The fund notes of each issue shall be dated, shall mature at times not exceeding ten years from their dates of issue, and may be

made redeemable before maturity, at the option of the corporation, at prices and under terms and conditions as determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached, and shall fix the denominations and the places of payment of principal and interest, which may be any financial institution within or without the state or any agent, including the lender. If an officer whose signature or a facsimile of whose signature appears on fund notes or coupons ceases to be that officer before the delivery of the notes or coupons, the signature or facsimile is valid and sufficient for all purposes the same as if the officer had remained in office until delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation determines, and provision may be made for the registration of coupon fund notes as to principal alone and also as to both principal and interest, and for the conversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Fund notes shall bear interest at rates as determined by the corporation and may be sold in a manner, either at public or private sale, and for a price as the corporation determines to be best to effectuate the purposes of the housing assistance fund. The proceeds of fund notes shall be used solely for the purposes for which issued and shall be disbursed in a manner and under restrictions as provided in this division and in the resolution of the corporation providing for their issuance. The corporation may provide for the replacement of fund notes which become mutilated or are destroyed or lost.

Sec. 29. NEW SECTION. BONDS AND NOTES.

1. The corporation may issue its negotiable bonds and notes in principal amounts as, in the opinion of the corporation, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest

on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the corporation incident to and necessary or convenient to carry out its purposes and powers. However, the corporation shall not have a total principal amount of bonds and notes outstanding at any time in excess of one million dollars, or the value of the aggregate assets of the corporation, as certified by an independent certified public accountant. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

2. Bonds and notes issued by the corporation are payable solely and only out of the moneys, assets, or revenues of the corporation, and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the corporation within the meaning of any constitutional or statutory debt limitations, but are special obligations of the corporation payable solely and only from the sources provided in this chapter, and the corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the corporation, or make its debts payable out of any moneys except those of the corporation.

3. Bonds and notes must be authorized by a resolution of the corporation. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the corporation the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.

4. Bonds shall:

a. State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the

corporation and do not constitute an indebtedness of this state or any political subdivision of this state other than the corporation within the meaning of any constitutional or statutory debt limit.

b. Be either registered, registered as to principal only, or in coupon form, issued in denominations as the corporation prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the corporation with the manual or facsimile signature of the chairperson or president, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the corporation or a facsimile of it, and the coupons attached shall be signed with the facsimile signature of the chairperson or president, be payable as to interest at rates and at times as the corporation determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places, and with reserved rights of prior redemption, as the corporation prescribes, be sold at prices, at public or private sale, and in a manner as the corporation prescribes, and the corporation may pay the expenses, premiums, and commissions which it deems necessary or advantageous in connection with the issuance and sale, and be issued under and 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 division, as are found to be necessary by the corporation for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to:

(1) Pledging or creating a lien, to the extent provided by the resolution, on moneys or property of the corporation or moneys held in trust or otherwise by others to secure the payment of the bonds.

(2) Providing for the custody, collection, securing, investment, and payment of any moneys of or due to the corporation.

(3) Limitations on the purpose to which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied.

(4) Limitations on the issuance of additional bonds and on the refunding of outstanding or other bonds.

(5) The procedure by which the terms of a contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent to an amendment or abrogation, and the manner in which consent may be given.

(6) Vesting in a trustee properties, rights, powers, and duties in trust as the corporation determines, which may include the rights, powers, and duties of the trustee appointed for the holders of any issue of bonds pursuant to this division, in which event the provisions of that section authorizing appointment of a trustee by the holders of bonds do not apply, or limiting or abrogating the right of the holders of bonds to appoint a trustee under that section, or limiting the rights, duties, and powers of the trustee.

(7) Defining the acts or omissions which constitute a default in the obligations and duties of the corporation and providing for the rights and remedies of the holders of bonds in the event of a default. However, rights and remedies shall be consistent with the laws of this state and this division.

(8) Any other matters which affect the security and protection of the bonds and the rights of the holders.

5. The corporation may issue its bonds for the purpose of refunding any bonds or notes of the corporation then outstanding, including the payment of any redemption premiums on the bonds or notes 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 this division. 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 corporation for use by it in any lawful manner. Refunding bonds shall be issued and secured and subject to this division in the same manner and to the same extent as other bonds issued pursuant to this division.

6. The corporation may issue negotiable bond anticipation notes and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the corporation not otherwise pledged, or from the proceeds of the sale of bonds of the corporation in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the corporation. Notes shall be issued in the same manner as bonds, and notes and the resolution authorizing them may contain any provisions, conditions, or limitations, not inconsistent with this subsection, which the bonds or a bond resolution of the corporation may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the corporation to the noteholders, the noteholders have all the remedies provided in this division for bondholders. Notes are as fully negotiable as bonds of the corporation.

7. A copy of each pledge agreement by or to the corporation, including without limitation each bond resolution, indenture of trust, or similar agreement, or any revisions or supplements to it shall be filed with the secretary of

state and no further filing or other action under sections 554.9101 to 554.9507, article 9 of the uniform commercial code, or any other law of the state is required to perfect the security interest in the collateral or any additions to it or substitutions for it, and the lien and trust created are binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.

B. Neither the officers of the corporation nor any person executing its bonds, notes, or other obligations is liable personally on the bonds, notes, or other obligations or subject to any personal liability or accountability by reason of the issuance of the corporation's bonds or notes.

Sec. 30. NEW SECTION. REPORTING AND FUND SOLVENCY. The chairperson of the corporation on or before July 30 of each fiscal year shall make and deliver a report to the governor and the legislative fiscal committee. The report shall include all transactions conducted by the corporation in the preceding fiscal year. The report shall also include a balance sheet outlining the financial solvency of the Iowa product development corporation fund, a certified copy of any audits of the corporation conducted in the preceding fiscal year, and other information requested by the governor or the legislative fiscal committee.

Sec. 31. NEW SECTION. AUDITS. The auditor of state shall audit the books and accounts of the corporation at least semi-annually. One audit shall be conducted for the preceding fiscal year on or after July 1 of each fiscal year. The results of the yearly audit shall be certified and turned over to the governor no later than July 30 of each fiscal year.

Sec. 32. NEW SECTION. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS.

1. If the corporation defaults in the payment of principal or interest on an issue of bonds or notes after they become

due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or if the corporation fails or refuses to comply with this division, or defaults in an agreement made with the holders of an issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of bonds or notes of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the corporation is located, and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes of this section.

2. The corporation or a trustee appointed under the indenture under which the bonds are issued may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall:

- a. Enforce all rights of the bondholders or noteholders, including the right to require the corporation to carry out its agreements with the holders and to perform its duties under this division.
- b. Bring suit upon the bonds or notes.
- c. By action require the corporation to account as if it were the trustee of an express trust for the holders.
- d. By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.
- e. Declare all the bonds or notes due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences.

The bondholders or noteholders, to the extent provided in the resolution by which the bonds or notes were issued or in their agreement with the corporation, may enforce any of the remedies in paragraphs a to e or the remedies provided in those agreements for and on their own behalf.

3. The trustee has all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, the corporation, and the attorney general of the state.

5. The district court has jurisdiction of an action by the trustee on behalf of bondholders or noteholders. The venue of the action is in the county in which the principal office of the corporation is located.

Sec. 33. There is appropriated from the general fund of the state to the Iowa product development corporation for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of seven hundred fifty thousand (750,000) dollars to fund this division.

DIVISION VI

Sec. 34. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983, and ending June 30, 1984, to the Iowa housing finance authority the amount of three million (3,000,000) dollars to be used to fund the program to reduce interest costs to be paid on loans established in section 220.81 of Senate File 223 as enacted by the 1983 Session of the Iowa general assembly.

DIVISION VII

Sec. 35. NEW SECTION. 28.35 ESTABLISHMENT OF IOWA HIGH TECHNOLOGY COUNCIL. The Iowa high technology council, hereafter referred to as the "council" is created. The council shall be administratively integrated into the Iowa development commission for staff support and assistance.

The council shall be composed of thirteen members appointed by the governor, subject to confirmation by the senate. This membership shall include:

1. Two members from the working force of the state, at least one of whom shall be a member of a labor union.
2. Two members from the state's community college system.
3. Two members from the board of regents' institutions.
4. Two members from the agricultural community of the state, at least one of whom shall represent a family farm operation.
5. Two members from management of industrial firms located in the state, at least one of whom is from a firm engaged in high technology.

Each term shall begin and end as provided in section 69.19. No more than a simple majority of the members of the board shall belong to the same political party as provided in section 69.16. Vacancies on the council shall be filled for the unexpired terms in the same manner as original appointments. The council members shall not receive per diem but shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the Iowa development commission. For the initial appointments to the council, the governor shall appoint six members whose terms shall commence upon appointment and shall expire April 30, 1985, and seven members whose terms shall commence upon appointment and shall expire April 30, 1987. Thereafter, all appointments shall be for a term of four years unless the appointment is to fill a vacancy.

The council shall meet at least once each quarter and shall hold special meetings on call of the chairperson. Seven members shall constitute a quorum. The council shall adopt rules pursuant to chapter 17A to govern its procedures. The governor shall designate one member as chairperson.

Sec. 36. NEW SECTION. 28.36 POWERS AND DUTIES. The purpose of the council shall be to encourage the development of high technology industries and research in Iowa which will establish net new employment opportunities for Iowa workers or assist in improving the efficiency, productivity, and

viability of family farm operations and which will improve the quality of life in an environmentally-sound manner. For high technologies consistent with this purpose, the council shall:

1. Promote, encourage, and support education and research development programs in the fields of high technology.
 2. Seek to improve the quality and quantity of the research capabilities of the institutions of higher education, provide incentives to attract and retain superior faculty members at the institutions of higher education, and enhance the economic health of the state through encouraging investment by both governmental and private sources in educational programs which promote high technology and research and development.
 3. Establish priorities to encourage development in agriculture and industrial technology most closely related to the state's current economy and review the priorities to facilitate possible future changes in the economy.
 4. Consider and award grants on a project basis to an educational institution or commercial entity in which an educational institution has an ownership interest, for any of the following:
 - a. Further research on an idea, process, or product to determine potential for commercially feasible application.
 - b. Product development and testing.
 - c. Market analysis.
 - d. Public investment in commercial development in conjunction with private investment.
- The council shall report annually to the governor and the general assembly on the grants awarded, including an analysis of how the grants serve to meet the general purpose of this section. The council shall provide post-grant audits of all grants awarded.
5. Promote the planning, coordination, and evaluation of Iowa's efforts to develop high technology capabilities and employment.

6. Provide leadership in the establishment of research and development centers for high technology.
7. Encourage the private development of properties for the development of high technology companies.
8. Coordinate and stimulate promotional efforts to attract and expand high technology enterprises with the Iowa Development Commission.
9. Ensure the proper development of an effective mechanism to transfer information on technology and research to Iowa's existing industry.
10. Promote legislation that will stimulate the development and growth of high technology in Iowa.
11. Aid in identifying the research needs of industry, universities, and government.
12. Encourage the funding of technology and research from business and government sources.
13. Work to increase the public awareness of technology and the attractiveness of Iowa as a location for industry.
14. Work to form a broad-based, long-term commitment to build up Iowa's research base through promotion, human resource development, and capital investment.
15. Receive and disburse funds available from public or private sources to be used to further the overall development of high technology in Iowa.

Sec. 37. NEW SECTION. 28.37 GRANTS, GIFTS, AND BEQUESTS. The council may receive and expend grants, gifts, and bequests, including but not limited to appropriations, federal funding, and other funding available for the purposes pursuant to section 28.36.

Sec. 38. NEW SECTION. 28.38 CONTRIBUTIONS FROM PRIVATE INDUSTRY.

1. The council may accept contributions of advanced technology equipment, grants, gifts, and bequests from advanced technology companies. A company may designate the institution of higher education the contribution is awarded to or may provide a nondesignated contribution.

2. Equipment, grants, gifts, or bequests which are not designated pursuant to subsection 1 shall be utilized for agricultural research or advanced technology industry-generated research conducted in equipped laboratories at the institutions of higher education and for maintaining state of the art laboratory equipment at the institutions.

Sec. 39. NEW SECTION. 28.39 OPERATIONS OF COUNCIL. A public investment in commercial development by the council may be made only in Iowa and in conjunction with private investment and shall be reflected in a public ownership interest in the commercial entity which is established. The public ownership interest shall be negotiated with the other investing parties, including but not limited to, educational institutions, inventors, and private investors. A provision relating to the terms of ownership and the circumstances of disposal of the public ownership interest shall be made at the time of investment.

Upon the disposition of a public investment, one half of the proceeds beyond the original investment shall be available for research support at the educational institutions making application for support under this chapter. The remainder of the proceeds attributable to an educational institution ownership interest shall be available for support and investment pursuant to this chapter.

All support and investment authorized by this chapter shall be made consistent with the rules and policies concerning property rights, patents, copyrights, and intellectual property of the educational institutions involved in each project.

Sec. 40. NEW SECTION. 28.40 COUNCIL AND COMMISSION FUNDING. There is appropriated from the general fund of the state to the Iowa high technology council for the fiscal year beginning July 1, 1983 and ending June 30, 1984 the sum of two million (2,000,000) dollars to fund the projects. In addition, there is appropriated from the general fund of the state an amount for operations of the council but not to

exceed one hundred thousand (100,000) dollars for the fiscal year beginning July 1, 1983 and ending June 30, 1984. From the funds appropriated for operations, fifty thousand (50,000) dollars shall be used for developing or to contract for developing a mechanism for transferring jobs, related to research findings, and innovations from the research institutions to industry.

The appropriations from the state general fund in this section shall be in addition to and separate from the appropriations from the state general fund which may be made to an institution of higher education in the state.

Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this section for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state.

Sec. 41. If the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1983 and ending June 30, 1984 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council, the governor shall not make any reductions in allotment as allowed under section 8.31 until the unexpended funds appropriated by this division are included in the estimated budget resources. Upon inclusion of the unexpended funds appropriated in this division in the estimated budget resources, any funds appropriated by this division and not encumbered shall remain in the general fund of the state.

If upon inclusion of the funds appropriated by this division in the estimated budget resources for the fiscal year beginning July 1, 1983 and ending June 30, 1984 as authorized by this section, the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full and the executive council concurs in the governor's findings, the governor may make the reductions of allotments allowed under section 8.31.

DIVISION VIII

Sec. 42. NEW SECTION. SHORT TITLE. Division VIII of this Act may be cited as the "Iowa community development loan program".

Sec. 43. NEW SECTION. INTENT. The purpose of this division is to assist Iowa communities in the construction and improvement of public works and facilities which support and enhance local economic development by the creation of the Iowa community development loan program.

Sec. 44. NEW SECTION. ESTABLISHMENT OF PROGRAM.

1. The Iowa community development loan program is established to aid communities in improving and developing adequate public works and facilities needed to support local economic development projects by providing a revolving loan fund.
2. The program is administered by the office for planning and programming.
3. The program provides loans to cities for projects which address the following objectives:
 - a. The construction and improvement of public works and facilities needed for economic development.
 - b. The creation or retention of jobs especially in cities or cities located in counties with an unemployment rate higher than the statewide average.
 - c. The promotion of the expansion of existing business and industry.
 - d. The leveraging of local resources.
 - e. The creation of job opportunities for women and minorities.
4. The program shall provide that the moneys appropriated to the revolving loan fund shall be available as follows:
 - a. Twenty-five percent of the moneys shall be designated for cities with a population of less than five thousand.
 - b. Fifty percent of the moneys shall be designated for cities with a population of five thousand or more.

c. Twenty-five percent of the moneys shall be designated for any city.

d. Loans repaid which were from moneys designated for cities as provided in paragraph a or b shall be redesignated for those cities.

5. Job service of Iowa is required to supply information regarding unemployment rates to any city or county requesting it.

Sec. 45. NEW SECTION. QUALIFICATIONS FOR LOAN PROGRAM.

1. Any Iowa city is eligible to apply for and receive loans through the program. However, preference shall be given to cities or cities located in counties with unemployment rates higher than the statewide average.
2. Loans provided through the program shall be used to pay the cost of public works and facilities. "Public works and facilities" means "essential corporate purpose" and "general corporate purpose" as defined in section 384.24, subsections 3 and 4 and also means the acquisition of real property which is to be developed into an industrial park. "Cost" means all the costs of the project, including the cost of acquisition, construction, reconstruction and improvement, and all the items listed in section 384.24, subsection 5.
3. Funds provided through the loan program shall be matched with local cash resources equal to not less than fifty percent of the amount loaned. All matching local cash resources shall be specifically committed to the accomplishment of the project for which the loan is made.

Sec. 46. NEW SECTION. APPROVAL OF LOANS.

1. Loans provided through the program are interest free.
2. The maximum amount of a loan made through the program is two hundred fifty thousand dollars.
3. Initial loans provided through the program shall be awarded, subject to the amounts designated as provided in section 44, subsection 4 of this division, on a competitive basis to those community projects which meet the minimum

qualifications of this division and which best meet the objectives of section 44, subsection 3 of this division. Consideration shall be given to the payback methods proposed by each city, with preference shown to projects which offer shorter loan maturities and greater security of repayment to the state.

4. Prior to the receipt of the loan funds, each loan recipient shall pay to the state a loan origination fee in an amount equal to six-tenths of one percent of the loan amount. The fees shall be paid from private or local funds and shall be placed into the general fund of the state but shall only be used to defray the state's expense in operating the loan program.

5. Loan proceeds shall not be disbursed to a city until a loan agreement has been executed between the state office for planning and programming and that city.

Sec. 47. NEW SECTION. LOAN REPAYMENTS.

1. A city shall repay funds borrowed in accordance with a loan agreement to be executed prior to the disbursement of a loan by the state.

2. In accordance with this division, additional loans shall be periodically awarded by the office for planning and programming. The additional loans shall be provided from funds not previously awarded and from repayments received from prior recipients of loans.

3. Loan repayments shall be returned to the program and shall not revert to the state's general fund.

Sec. 48. NEW SECTION. RULES. The office for planning and programming shall adopt rules pursuant to chapter 17A to implement this division.

Sec. 49. NEW SECTION. ANNUAL REPORT. The office for planning and programming shall submit to the governor, once each year, a report setting forth details of the operation of the program and shall make that report available to members of the general assembly upon their request.

Sec. 50. There is appropriated from the general fund of the state on July 1, 1983 to the office for planning and programming five million (\$5,000,000) dollars to establish the revolving loan fund provided in this division. This appropriation is in addition to any other moneys appropriated to the office for planning and programming. Notwithstanding section 8.33, no part of this fund shall revert at or after the close of a fiscal period, but shall remain in the fund and appropriated for the purposes of this division.

Sec. 51. NEW SECTION. LOANS NOT DEPENDENT ON BONDS. Notwithstanding any law to the contrary cities shall not be required to issue bonds to secure loans received by the city through the Iowa community development loan program.

Sec. 52. Section 384.4, subsection 2, Code 1983, is amended to read as follows:

2. Interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all general obligation bonds issued by the city or to pay, or to create a sinking fund to pay, amounts as due on loans received through the Iowa community development loan program.

DIVISION IX

Sec. 53. Chapter 467A, Code 1983, is amended by adding the following new section:

NEW SECTION. CONSERVATION PRACTICES REVOLVING LOAN FUND.

1. The state soil conservation committee may establish a conservation practice revolving loan fund composed of any money appropriated by the general assembly for that purpose, and of any other moneys available to and obtained or accepted by the committee from the federal government or private sources for placement in that fund. Except as otherwise provided by subsection 3, the assets of the conservation practices revolving loan fund shall be used only to make loans directly to owners of land in this state with a net worth not to exceed three hundred thousand dollars for the purpose of establishing

on that land any new permanent soil and water conservation practice which the commissioners of the soil conservation district in which the land is located have found is necessary or advisable to meet the soil loss limits established for that land. Revolving loan funds and public cost-sharing funds shall not be used in combination for funding a particular soil and water conservation practice. The net worth of the applicant shall be provided by a financial institution of the state of Iowa. Each loan made under this section shall be for a period not to exceed ten years, shall bear no interest, and shall be repayable to the conservation practice revolving loan fund in equal yearly installments due March 1 of each year the loan is in effect. The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. Applicants shall be eligible for no more than ten thousand dollars in loans outstanding at any time under this program. "Permanent soil and water conservation practices" has the same meaning as defined in section 467A.42 and those established under this program are subject to the requirements of section 467A.7, subsection 16. Loans made under this program shall come due for payment upon sale of the land on which those practices are established.

2. The general assembly finds and declares the following:

- a. The erosion of topsoil on agricultural land by wind and water is a serious problem within the state and one which threatens to destroy the natural resource most responsible for Iowa's prosperity.
- b. It is necessary to the preservation of the economy and well-being of the state to encourage soil conservation practices by providing loans for permanent soil and water conservation practices on agricultural land within the state.
- c. The use of state funds for the conservation practices revolving loan fund established under subsection 1 is in the public interest, and the purposes of this division are public

purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted.

3. The state soil conservation committee may:

- a. Contract, sue and be sued, and promulgate administrative rules necessary to carry out the provisions of this section, but the committee shall not in any manner directly or indirectly pledge the credit of the state of Iowa.

- b. Authorize payment from the conservation practices revolving loan fund, from fees and from any income received by investments of money in the fund for costs, commissions, attorney fees and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with such loans.

4. This section does not negate the provisions of section 467A.49 that an owner or occupant of land in this state shall not be required to establish any new soil and water conservation practice unless public cost-sharing funds have been approved and are available for the land affected. However, the owner of land with respect to which an administrative order to establish soil and water conservation practices has been issued under section 467A.47 but not complied with for lack of public cost-sharing funds, may waive the right to await availability of such funds and instead apply for a loan under this section to establish any permanent soil and water conservation practices necessary to comply with the order. If a landowner does so, that loan application shall be given reasonable preference by the state soil conservation committee if there are applications for more loans under this section than can be made from the money available in the conservation practices loan reserve fund. If it is found necessary to deny an application for a soil and water conservation practices loan to a landowner who has waived the right to availability of public cost-sharing funds before complying with an administrative order issued under section 467A.47, the landowner's waiver is void.

Sec. 54. There is appropriated from the general fund of the state to the state soil conservation commission for each fiscal year of the fiscal biennium beginning July 1, 1983 and ending June 30, 1985, one million (1,000,000) dollars to be used for the establishment of the revolving loan fund as provided in this division.

DIVISION X

Sec. 55. NEW SECTION. 307.41 SHORT TITLE. Sections 307.41 through 307.62 are created as a separate division of chapter 307, known as the "Iowa Economic Development Highway Bond Act".

Sec. 56. NEW SECTION. 307.42 DECLARATION OF NECESSITY AND PURPOSE. The purpose of this division is to benefit the citizens of Iowa by assuring that adequate funds are available to meet road transportation needs of the state, to construct, reconstruct, and improve the highways and bridges of this state, including acquiring rights-of-way for them, and to assure that there are adequate highways for the health, safety, economic development, prosperity, and well-being of the citizens of Iowa. It is the further purpose of this division to authorize the department to issue bonds to finance the improvement of existing highways and bridges and to reconstruct, construct, and improve these highways as necessary for the health, safety, economic development, prosperity, and well-being of the citizens of Iowa. All of the purposes stated in this section are public purposes for which public moneys may be borrowed, expended, advanced, loaned, and appropriated.

Sec. 57. NEW SECTION. 307.43 LEGISLATIVE FINDINGS. The general assembly finds and declares:

1. The construction, reconstruction, and improvement of an adequate highway system within this state is vital for the well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy.

2. It is essential to the continued well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy that the state proceed promptly to improve existing roadways, acquire real property necessary to constitute right-of-way for future highway construction, construct, reconstruct, and improve highways and bridges, and have adequate financial resources to meet these needs.

3. Current revenues available are insufficient to construct, reconstruct, and improve the highways and bridges necessary for the continued well-being, health, safety, economic development, and prosperity of the state, its citizens, and its economy.

4. The issuance by the department of road use tax revenue bonds, the appropriation of the net proceeds of the bonds to the primary road fund, and the appropriation of funds of the road use tax fund to the payment of principal of and interest on the road use tax revenue bonds are 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 economic development and the economy, all of which are public purposes.

Sec. 58. NEW SECTION. 307.44 DEFINITIONS. When used in this division, unless the context otherwise requires:

1. "Construction projects" or "road construction projects" means the surfacing and resurfacing of primary roads and the grading, draining, paving, bridging, and the incidental work in connection therewith, the reconstruction and improvement of primary roads and bridges, and the acquisition of real property for future highway needs.

2. "Bonds" means negotiable road use tax revenue bonds of the department issued pursuant to this division, and all bonds, notes, and other obligations issued in anticipation of these bonds or as refunding bonds pursuant to this division.

3. "Primary roads" means as defined in section 306.3, subsection 2.

4. "Primary road fund" means the fund created by section 313.3.

5. "Highway bond fund" means the fund created in section 307.51.

6. "Road use tax fund" means the fund created by section 312.1.

7. "Treasurer" means the treasurer of the state of Iowa.

Sec. 59. NEW SECTION. 307.45 BONDS AUTHORIZED. The department may issue and sell bonds in an amount not to exceed ten million dollars, and may become obligated to pay the bonds, as provided in this division. Bonds are limited obligations of the department payable solely from the highway bond fund. The total amount of bonds outstanding at any time shall not exceed ten million dollars. If the supreme court of this state determines that this division and any bonds issued and sold pursuant to this division are not in violation of the constitution of this state, the limit on the total amount of bonds that may be outstanding at any one time shall be increased by one hundred million dollars. Beginning with the fiscal year after such determination by the supreme court and for each fiscal year thereafter if the actual amount of road use tax revenues credited to the primary road fund in a fiscal year is less than the amount of such revenues which the department had estimated would be credited to the primary road fund in that fiscal year, the department may issue and sell bonds for that fiscal year in an amount equal to the difference, but not in excess of ten million dollars. If the department has a project which will cost more than ten million dollars and the issuance and sale of bonds are needed the department may issue and sell an amount of bonds sufficient to pay the cost for this project if the general assembly passes a concurrent resolution authorizing the department to issue and sell bonds in a specific amount and for that specific project. The proceeds of the sale of bonds shall be paid into the primary road fund to be expended for road

construction projects and for expenses incurred in issuing the bonds, as approved, directed, or incurred by the department. The proceeds of the bonds shall not be used by the department to pay other administrative expenses.

Sec. 60. NEW SECTION. 307.46 TERMS OF BONDS. Bonds shall bear interest at the rate or rates and be in the denominations determined by the commission. The commission shall determine the maturity or maturities of the bonds and the dates of interest payment on the bonds. Each bond is due and payable on the date stipulated on the face of the bond, which date shall not be more than ten years after the date of issuance. The principal and interest are payable at the office of the treasurer or at any other place or places designated by the commission. Each bond shall be executed on behalf of the department with the manual signature of the chairperson or vice chairperson of the commission and attested with a manual or facsimile signature of the director and shall have impressed or printed on it the seal of the department. Coupons attached to the bonds, if any, shall be executed by the facsimile signature of the director. Each facsimile signature has the same force and effect as if the officer had manually signed or attested to each of the bonds and coupons.

The bonds are limited obligations of the department payable solely from those road use tax funds credited to the highway bond fund and are not general obligations of the state and are not debts or obligations of the state within the meaning of any statutory or constitutional debt limitation.

Sec. 61. NEW SECTION. 307.47 SALE OF BONDS. The commission shall sell the bonds to obtain funds to carry out the purpose of this division and authorize the payments as provided in this division. The proceeds from the sale shall be deposited with the treasurer. The bonds may be sold by the commission at public sale. If the commission so determines, the bonds may be sold by the commission at private

sale without published notice and without the regular requirements of a public sale and the sale of the bonds shall be in the manner and upon the terms prescribed by the resolution of the commission authorizing the private sale. If the bonds are sold at public sale, they shall be sold upon terms of not less than par plus accrued interest.

The director with the advice and assistance of counsel shall cause to be prepared the form of advertisements, resolutions, agreements, and other necessary forms for use in the offering for sale and issuance of the bonds and to prepare and cause to be printed the proper form of bond and to deliver the bonds to the proper officials for signature.

If the bonds are offered for public sale the commission shall, by advertisement published for two or more successive weeks in at least one newspaper of general circulation in the state, give notice of the time and place of sale of the bonds, the amounts to be offered for sale, and other information which is deemed pertinent. The last day of publication shall not be less than seven days prior to the date of sale of the bonds. Sealed bids may be received at any time prior to the calling for open bids. At the time and place designated for the sale of bonds, the commission shall first call for open bids. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. The commission shall then open the sealed bids that have been received and shall note in the minutes the substance of the best sealed bid.

In the discretion of the commission, any or all bids may be rejected, and the sale may be advertised anew in the same manner, or the bonds or any portion of the bonds may be sold at private sale to one or more of the bidders, or other persons.

Sec. 62. NEW SECTION. 307.48 BOND PROCEEDINGS. The bonds shall be authorized by resolution of the commission and bond proceedings shall provide for the purpose of the

bonds, principal amount and principal maturity or maturities, not exceeding ten years from the date of issuance, the interest rate or rates or the maximum interest rate, the date of the bonds and the dates of payment of interest on the bonds, their denomination, the terms and conditions upon which parity bonds may be issued, and the establishment within or without the state of a place or places of payment of principal of and interest on the bonds. The purpose of the bonds may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The commission may cause to be issued a prospectus or official statement in connection with the offering of the bonds. Bonds may be issued in coupon or in registered form, or both. Provision may be made for the registration of bonds with coupons attached as to principal alone, or as to both principal and interest, their exchange for bonds so registered, and for the conversion or reconversion into bonds with coupons attached of any bonds registered as to both principal and interest, and for reasonable charges for registration, exchange, conversion, and reconversion. Bonds shall be sold in the manner and at the time determined by the commission. Chapter 75 and sections 23.12 through 23.16 do not apply to these bonds. The bonds are negotiable instruments. The bond proceedings may contain additional provisions as to:

1. The redemption of bonds prior to maturity at the option of the commission at the price and on the terms and conditions provided in the bond proceedings.
2. Other terms of the bonds and concerning execution and delivery of the bonds.
3. The delegation of responsibility for any act relating to the issuance, execution, sale, redemption, or other matter pertaining to the bonds to any other officer, agency of the state, or other person or body.
4. Additional agreements with the bondholders relating to the bonds.

5. Payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the department or the commission in the issuance, sale, delivery, and payment of the bonds.

6. Other matters, alike or different, which may in any way affect the security of the bonds and the protection of the bondholders.

Sec. 63. NEW SECTION. 307.49 ADDITIONAL POWERS OF COMMISSION. In connection with the issuance of the bonds or in order to secure the payment of the bonds and interest on the bonds, the commission may by resolution:

1. Provide that the bonds be secured by first lien on all or any part of the moneys paid into the road use tax fund from the sources specifically prescribed in article VII, section 8 of the Iowa constitution and that the moneys when paid into the road use tax fund will be credited to the highway bond fund with the moneys credited to the highway bond fund each fiscal year being deemed from the road use tax fund allocation to the primary road fund for that fiscal year.

2. Pledge and assign to or entrust for the benefit of the bondholders any part of the road use tax fund revenues collected as prescribed in article VII, section 8 of the Iowa constitution, as will be necessary to pay the principal of and interest on the bonds as they mature or become due by providing that the revenues collected shall be credited to the highway bond fund with the moneys credited to the highway bond fund each fiscal year being deemed from the road use tax fund allocation to the primary road fund for that fiscal year.

3. Establish, authorize, set aside, regulate, and dispose of reserves and sinking funds.

4. Provide that sufficient amounts of the proceeds of the sale of the bonds may be used to fully or partially fund any and all reserves or sinking funds set out by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of the bonds whose holders must consent thereto, and the manner in which the consent may be given.

6. Purchase bonds, out of funds available for that purpose, which shall be canceled, at a price not exceeding either of the following:

a. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

b. If the bonds are not then redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 64. NEW SECTION. 307.50 FUNDS APPROPRIATED. The proceeds from the issuance of the bonds shall be paid into a separate account which shall be established within the primary road fund and are appropriated to and shall be expended by the department for road construction projects.

In expending the proceeds from the issuance of the bonds, the department shall implement a women's business enterprise program to involve independent businesses owned and controlled by women in road construction projects funded under this division. The program shall establish an overall goal for the participation of women's business enterprises of five percent of the proceeds from the issuance of the bonds, and shall establish specific project goals, including dollar goals, for the participation of women's business enterprises capable of meeting general contracting requirements and particular project solicitations. General contractors shall make a good faith effort to meet the specific goals established for a project funded under this division. The department shall maintain a current directory of women's business enterprises which have been certified as owned and controlled by women and which are capable of meeting general contracting

requirements and particular project solicitations. A women's business enterprise shall be certified as owned and controlled by women if the business is independent, at least fifty-one percent owned by women, and managed and operated by women, with women making both the day-to-day decisions as well as the major decisions for the business. The women's ownership shall be real, substantial, and continuing.

In advertising for bids and letting contracts for road construction projects funded under this division, the department shall establish an overall goal for the participation of women construction workers and shall establish specific project participation goals, including percentages of women workers on the project, after considering the number of women workers available and trainable, by the department, for the project. Contractors shall make a good faith effort to meet the specific goals established for a project funded under this division.

Sec. 65. NEW SECTION. 307.51 PAYMENT OF BONDS. A highway bond fund is created in the state treasury. At the direction of the commission as provided in the bond proceedings or pursuant to section 307.49, subsection 1 or 2, and as certified by the director, the treasurer of state shall credit to the highway bond fund from the road use tax fund a sum at least sufficient to pay interest on the bonds in each fiscal year and principal on the bonds that mature during each fiscal year with the moneys credited each fiscal year to the highway bond fund coming from the road use tax fund allocation to the primary road fund for that fiscal year. In each fiscal year after the effective date of this division and after bonds are issued, and until all the bonds issued have been retired, in order to provide for the payment of principal of the bonds issued and sold and the interest on them as the same become due and mature, there is pledged and annually appropriated out of the road use tax fund to be credited to the highway bond fund an amount sufficient to pay principal and interest

on the bonds issued for each of the years the bonds are outstanding with the moneys credited each fiscal year to the highway bond fund coming from the road use tax fund allocation to the primary road fund for that fiscal year. The director shall annually certify to the treasurer the amount of funds required to pay interest on the bonds in the ensuing fiscal year and the principal on the bonds that mature during the ensuing fiscal year.

Sec. 66. NEW SECTION. 307.52 PLEDGE AS SECURITY FOR BONDS. A pledge made pursuant to this division is valid and binding from the time the pledge is made.

The moneys pledged and received by the treasurer to be placed in the road use tax fund and subsequently credited to the highway bond fund are immediately subject to the lien of the pledge without any future physical delivery or further act and the lien of a pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the commission or the department irrespective of whether the parties have notice of the lien of the pledge. The resolution or trust indenture or other instrument by which a pledge is created, when placed in the records of the department, is notice to all concerned of the creation of the pledge, and the instruments need not be recorded in any other place.

Sec. 67. NEW SECTION. 307.53 NONLIABILITY OF THE STATE AND ITS OFFICIALS. Bonds issued are special limited obligations of the department and are not a debt or liability of the state or any other political subdivision within the meaning of any constitutional or statutory debt limitation and are not a pledge of the state's credit or taxing power within the meaning of any constitutional or statutory limitation or provision and except as provided in this division, an appropriation shall not be made, directly or indirectly, by the state or any political subdivision of the state for the payment of bonds. The bonds are special

obligations of the department payable solely from the highway bond fund. Funds from the general fund of the state shall not be used to pay interest or principal on the bonds if revenues deposited in the road use tax fund are insufficient.

The members of the commission, the department, or other person executing the bonds is not personally liable for the payment of the bonds. The bonds are valid and binding obligations of the department notwithstanding the fact that before the delivery of the bonds any of the officers whose signatures appear on the bonds cease to be officers of the state. From and after the sale and delivery of the bonds, they shall be incontestable by the department or the commission.

Sec. 68. NEW SECTION. 307.54 BOND ANTICIPATION NOTES. The power to issue bonds includes the power to issue obligations in the form of bond anticipation notes or other forms of short-term indebtedness and to renew these notes by the issuance of new notes. The holders of notes or interest coupons of notes have a right to be paid solely from those road use tax funds credited to the highway bond fund which were pledged to the payment of the bonds anticipated, or from the proceeds of those bonds or renewal notes, or both, as the commission provides in the bond proceedings authorizing the notes. The notes may be additionally secured by covenants of the commission to the effect that the commission will do those acts authorized by this division and necessary for the issuance of the bonds or renewal notes in appropriate amount, and either exchange the bonds or renewal notes for the notes, or apply the proceeds of the notes, to the extent necessary, to make full payment of the principal of and interest on the notes at the time contemplated, as provided in the bond proceedings. For this purpose, the commission may issue bonds or renewal notes in a principal amount and upon terms as authorized by this division and as necessary to provide funds to pay when required the principal of and interest on the

outstanding notes, notwithstanding any limitations prescribed by this division, other than the limitation contained in section 307.45. All provisions for and references to bonds in this division are applicable to notes authorized under this section to the extent not inconsistent with this section.

Sec. 69. NEW SECTION. 307.55 REFUNDING OF OBLIGATIONS. The commission may authorize and issue bonds for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of bonds previously issued by the department. These bonds may be issued in amounts sufficient for payment of the principal amount of the prior bonds, any redemption premiums on the prior bonds, principal maturities of bonds maturing prior to the redemption of the remaining bonds on a parity with them, interest accrued or to accrue to the maturity date or dates of redemption of the bonds, and project costs including expenses incurred or to be incurred in connection with this issuance, refunding, funding, and retirement. Subject to the bond proceedings, the portion of proceeds of the sale of bonds issued under this section to be applied to principal of and interest on the prior bonds shall be credited to the appropriate account for the prior bonds. Bonds authorized under this section shall be deemed to be issued for those purposes for which the prior bonds were issued and are subject to the provisions of this division pertaining to other bonds. Bonds refunded shall not be considered to be outstanding for purposes of section 307.45.

Refunding bonds may be issued without regard to whether or not the bonds to be refunded are payable on the same date or different dates or due serially or otherwise.

Sec. 70. NEW SECTION. 307.56 BONDS AND INTEREST ON THE BONDS NOT SUBJECT TO TAXATION. Bonds, their transfer, and the income from the bonds are not subject to taxation by this state.

Sec. 71. NEW SECTION. 307.57 BONDS AS LEGAL INVESTMENTS. Bonds are securities in which all public officers and bodies of the state and all municipalities and political subdivisions of this state, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, and savings associations, including savings and loan associations, building loan associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries and all other persons who are now or may be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities and legal subdivisions of this state for any purpose for which the deposit of bonds or other obligations of the state is now or may be authorized.

Sec. 72. NEW SECTION. 307.58 RIGHTS OF BONDHOLDERS. The bond proceedings may provide that a holder of bonds or a trustee under the bond proceedings, except to the extent that the holder's rights are restricted by the bond proceedings, may by legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond proceedings. These rights include the right to compel the performance of all duties of the department required by this division or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any principal of or interest on bonds or in the performance of a covenant or agreement on the part of the department in bond proceedings, to apply to a court to appoint a receiver to receive and administer the funds which are pledged to the payment of bonds or which are the subject of the covenant or agreement, with full power to pay and to provide for payment of any principal of or interest on bonds

and with powers accorded receivers in general equity cases, excluding power to pledge additional funds or other income or moneys of the department, the state, or governmental agencies of the state to the payment of the bonds.

Sec. 73. NEW SECTION. 307.59 NOTICE. Within ten days after the commission adopts a resolution declaring its intention to issue bonds, it shall publish a notice of its intention to issue bonds in a newspaper published in and with general circulation in the state. The notice shall include a statement of the maximum amount of bonds proposed to be issued and, in general terms, what funds will be pledged to pay principal of and interest on the bonds. An action which questions the legality or validity of bonds or the power of the department to issue bonds or the effectiveness or validity of proceedings adopted for the authorization or issuance of bonds shall not be brought after sixty days from the date of publication of the notice.

Sec. 74. NEW SECTION. 307.60 COURTS TO HAVE JURISDICTION. Courts of record in this state have jurisdiction to issue all original and remedial writs necessary for the determination of the validity or constitutionality of this division.

Sec. 75. NEW SECTION. 307.61 SEVERANCE CLAUSE. If any clause, sentence, paragraph, or part of this division is for any reason judged by a court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder of this division, but is confined in its operation to the clause, sentence, paragraph, or part directly involved in the controversy in which the judgment has been rendered.

Sec. 76. NEW SECTION. 307.62 LIBERAL INTERPRETATION. This division, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

DIVISION XI

Sec. 77. NEW SECTION. PURPOSE. There is created a job training partnership program in the state for the purpose of supplementing and implementing the legislative requirements provided under the federal Job Training Partnership Act of 1982, Pub. L. 97-300. The general assembly shall provide the funds necessary to obtain federal funds to provide employment and training assistance to dislocated workers and shall authorize the appropriation of state funds to provide training to the economically disadvantaged. The program shall also establish policies and restrictions for job training and related services provided to certain unemployed individuals under the federal Act. The purpose of this division is also to establish eligibility guidelines for individuals receiving assistance under the state program and federal Act and to establish guidelines for administering the federal Act and state program through the use of service delivery areas designated by the office of the governor in accordance with the federal Act. The office of the governor and the state job training coordinating council shall consult with the legislative council or the appropriate appropriations subcommittees regarding the award to local service delivery areas of funds allocated to the state under Title III of the federal Act and funds mandated to be expended under this division.

Sec. 78. NEW SECTION. DEFINITIONS. As used in sections 77 through 81 unless the context otherwise requires:

1. "Federal Act" means the Job Training Partnership Act of 1982, Pub. L. 97-300.
2. "State program" means the job training partnership program.
3. "Dislocated worker" includes but is not limited to an individual who:
 - a. Has been terminated or laid off, or who has received notice of termination or layoff, and is eligible for or has exhausted unemployment compensation benefits.

b. Is unlikely to return to the industry or occupation in which the individual was employed. Industry or occupation includes farming or the ownership and operation of a small business.

c. Has been terminated or received notice of termination as a result of the permanent closure or relocation of a plant, facility, or plant operation in which the individual was employed.

d. Is chronically unemployed, as determined by the Iowa department of job service and:

- (1) Has limited opportunities for employment in the geographic area in which the individual resides; or
- (2) Is an older individual who may face substantial barriers to employment because of age.

4. "Economically disadvantaged" includes the following:

- a. A person who receives or is a member of a family which receives cash welfare payments under a federal, state, or local welfare program.
- b. A person who is receiving food stamps under the federal Food Stamp Act of 1977.
- c. A person who has or is a member of a family which has for six months prior to application for the program, exclusive of unemployment compensation, child support payments, and welfare payments, a total family income in relation to family size less than the higher of the following:

- (1) The federal poverty level established by the federal office of management and budget; or
- (2) Seventy percent of the income level adjusted for regional, metropolitan, urban, and rural differences and family size as determined annually by the secretary of the federal department of labor and known as the "lower living standard income level" under the federal Act.

5. "Displaced homemaker" means a person as defined in chapter 241.

6. "Service delivery area" means the geographic area designated by the office of the governor in accordance with section 101 of the federal Act to implement the federal Act within the state.

7. "Unemployed individual" means an individual who is without a job, who wants work, and who is available for work.

Sec. 79. NEW SECTION. ESTABLISHMENT AND ADMINISTRATION. The office of the governor in consultation with the general assembly shall establish a state program to complement, supplement, and implement the federal Act to provide training and related services for unemployed persons who are economically disadvantaged or who are dislocated workers. In administering this program the office of the governor shall do the following:

1. Execute the state responsibilities under Title I of part B of the federal Act.
2. Award grants to applicants who shall provide employment and training services to program participants directly and through contractual arrangements.
3. Distribute funds allocated to the state under Title II of the federal Act in accordance with section 202 of the federal Act.
4. Consult with the legislative council or the appropriate appropriations subcommittees and the state job training coordinating council.
5. Award state funds authorized to be expended under this division and funds allocated to the state under Title III of the federal Act in accordance with section 81 of this Act.
6. Provide eligibility criteria, performance standards, reporting standards, and management standards for the state program which conform to the requirements of the federal Act.
7. Provide technical assistance to service delivery areas for program development and proposal preparation.
8. Take steps to ensure that the programs which are established and the services which are provided under this division

and the federal Act are coordinated to the extent feasible with existing state agencies, programs, and services.

9. Order audits which either shall be conducted by the auditor of state or the auditor's designee or shall be independently contracted as required by the federal Act and determined by the governor.

10. By January 15 of each year, the governor shall submit an annual report on the effectiveness of the state job training partnership program. The report shall include an estimate of funds to be allocated at the state level for administrative purposes.

11. Provide the secretary of the senate, chief clerk of the house, and members of the legislative council with copies of quarterly performance reports submitted by the office of the governor in accordance with the federal Act and copies of annual financial reports submitted to the office of the governor by the local private industry councils. The office of the governor and the private industry councils shall provide copies of reports and other information upon the request of a member of the general assembly.

Sec. 80. NEW SECTION. SERVICES PROVIDED.

1. Services to the economically disadvantaged under the state program may include activities permitted under section 204 of the federal Act and any supportive services which are not inconsistent with the federal Act.
2. Services to dislocated workers under the state program may include those activities permitted under section 303 of the federal Act.
3. Funds allocated to the state and appropriated by the state under the federal Act shall not be used in a workfare program except as provided in subsection 9, paragraphs a, b, and d.
4. Priority under this section is accorded any training services which include:

- a. On-the-job training.
- b. Classroom training.
- c. A combination of work experience and remedial education.
- d. Job search assistance, including jobs clubs.
- e. Tuition assistance for appropriate state approved classroom and vocational-technical programs.

5. Services provided under this section shall be provided in a nondiscriminatory manner and shall promote training in traditional and nontraditional employment opportunities for all persons.

6. After consultation with the appropriate state agencies, the office of the governor shall provide, using state funds if necessary where federal funds are limited by the federal Act, training allowances, expenses, stipends, and supportive services which enable eligible persons to participate in state training services.

7. Permissible supportive services provided for Title III program participants include, but are not limited to, the provision of financial counseling, transportation assistance, or child care to eligible persons.

Sec. 81. NEW SECTION. TITLE III GRANT AWARDS.

1. Except for funds reserved for administration and for state administered statewide programs under Title III, the office of the governor shall distribute by grant awards to local service delivery areas, the remainder of federal funds allocated to the state under Title III of the federal Act and the state funds which are appropriated for Title III programs.

2. An applicant for grants shall submit a grant application to the office of the governor for each grant sought. The application shall indicate the concurrence of the private industry council and the appropriate elected officials within the service delivery areas. Separate applications shall be submitted for training the economically disadvantaged and retraining for dislocated workers.

3. The office of the governor shall consider all of the following factors in determining grant awards:

- a. The need for the proposed training and retraining.
- b. Evidence of local effort to support the proposed activities through public or private funds or in-kind contributions.
- c. The demonstrated effectiveness of the grant applicant in providing training or retraining.
- d. Documentation that the proposed program will prepare participants for specific employment opportunities or occupations projected to be in demand in the local economy.
- e. Documentation that the proposed program is nondiscriminatory and will prepare persons for traditional and nontraditional occupations.

4. Service delivery areas proposing to conduct retraining shall coordinate with the local office of the Iowa department of job service to identify individuals who will be eligible for the program.

Sec. 82. There is appropriated from the general fund of the state to the office of the governor or an agency designated by the governor for the fiscal year beginning July 1, 1983 and ending June 30, 1984 the sum of one million three hundred thousand (1,300,000) dollars or so much thereof as is necessary, to carry out sections 77 through 81 of this Act. Additional funds may be appropriated to provide training for the economically disadvantaged.

DIVISION XII

Sec. 83. NEW SECTION. 28.40 INTENT. The purposes of this division are to encourage capital investment in the state of Iowa, to encourage the establishment or expansion of business and industry, to provide additional jobs within the state, and to encourage research and development activities within this state.

Sec. 84. NEW SECTION. 28.41 TITLE. This division shall be known and may be cited as the "Iowa Venture Capital Fund Act."

Sec. 85. NEW SECTION. 28.42 AUTHORIZED CORPORATION. There may be incorporated under chapter 496A a corporation which shall be known as the Iowa venture capital fund. The corporation shall be established by the Iowa development commission, and the initial board of directors shall be appointed by the governor. The initial board of directors shall consist of five members, not more than three of whom shall be from the same political party. The purpose of the corporation shall be to organize and manage an investment fund which shall be capitalized through the sale of common stock to the public. The Iowa development commission may expend an amount not to exceed one hundred thousand dollars of the funds necessary to establish the corporation which funds shall be repaid to the Iowa development commission upon completion of its public offering of stock. The corporation shall be subject to and have the powers and privileges conferred by this division, and those provisions of chapter 496A which are not inconsistent with and to the extent not restricted or limited by this division. In providing for the sale of its common stock to the public, the corporation shall offer to every licensed brokerage firm located in the state the opportunity to market the sale of the common stock and shall provide for the taking of bids for purposes of determining which brokerage firm or firms will market the sale of the common stock.

Sec. 86. NEW SECTION. 28.43 INVESTMENT POLICY. It is the policy of the Iowa venture capital fund to invest primarily in companies with a principal place of business in the state, which meet the appropriate small business administration definition of small business and which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available in this state, or which provides support to such companies, or other investments which provide an economic benefit to the state. Fund investments shall be

in accordance with the general objective of encouraging the development of additional business operations and employment in this state through venture capital financing to selected business ventures. The principal financial objective of the fund is to generate long-term capital appreciation by participating in the growth in equity value of Iowa-based companies in which the fund invests.

Sec. 87. NEW SECTION. 28.44 REPORTS TO DEVELOPMENT COMMISSION. The Iowa venture capital fund is subject to the examination of the Iowa development commission and shall make reports of its condition not less than annually and shall also furnish other information as may from time to time be required by the Iowa development commission.

Sec. 88. NEW SECTION. 28.45 STOCK SALES LIMIT. The aggregate value of all stock sold in the Iowa venture capital fund for which a credit is allowed under section 422.10 or 422.33 shall not exceed five million dollars.

Sec. 89. NEW SECTION. 422.10 IOWA VENTURE CAPITAL FUND INVESTMENT CREDIT. The taxes imposed under this division, less credits permitted under section 422.12, shall be reduced by a state tax credit equal to five percent of the taxpayer's investment in the initial offering of securities by the Iowa venture capital fund established by the Iowa development commission and governed by a chapter 496A corporation and the Iowa venture capital fund Act. Any credit in excess of the tax liability for the taxable year may be credited to the tax liability for the following three taxable years or until depleted in less than three years.

In the case of an estate or trust, the credit shall be allocated between each beneficiary and the estate or trust based on the ratio that the income distributed to a beneficiary bears to the total distributable net income of the estate or trust for the taxable year.

Sec. 90. Section 422.33, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The taxes imposed under this division shall be reduced by a state tax credit equal to five percent of the taxpayer's investment in the initial offering of securities by the Iowa venture capital fund established by the Iowa development commission and governed by a chapter 496A corporation and the Iowa venture capital fund Act. Any credit in excess of the tax liability for the taxable year may be credited to the tax liability for the following three taxable years or until depleted in less than three years.

Sec. 91. Sections 83 through 88 of this Act are created as a new division of chapter 28.

DIVISION XIII

Sec. 92. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, nine hundred thousand (900,000) dollars, or so much thereof as is necessary, to the office for planning and programming to be used for community grants as follows:

1. The jobs commission established in division 1 of this Act shall establish a program of grants to cities and community groups for the development of community programs that would provide local jobs for Iowa residents and at the same time promote a city's historical, ethnic, and cultural heritages through the development of festivals, music, drama, or cultural programs, or tourist attractions. At least twenty-five percent of the funds appropriated in this division shall be used for the purpose of developing community programs eligible for grants under this division which were not in existence prior to the effective date of this division.

2. A city or community group may submit applications to the jobs commission or to any job service office in the state. Applications shall be reviewed by the Iowa arts council, the state historical board, and the tourist division of the Iowa development commission, acting as an advisory committee to the jobs commission. The advisory committee shall submit recommendations to the jobs commission regarding possible

recipients and grant amounts. The amount of a grant shall not exceed fifty percent of the cost of the community program and the application must demonstrate that the city or community group will provide the required matching money. In lieu of providing the entire match in money, a city or community group may substitute in-kind services for up to fifty percent of the matching requirement.

3. If a portion of the funds appropriated by this subsection is not committed to a city or community group by March 1, 1984, the uncommitted funds may be transferred under section 8.39 to local work relief projects funded under division 1 of this Act.

Sec. 93. This Act, being deemed of immediate importance, takes effect from and after its publication in the Telegraph Herald, a newspaper published in Dubuque, Iowa, and in The Cedar Valley Times, a newspaper published in Vinton, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 548, Seventieth General Assembly.

Item Volo
Approved June 12, 1983

K. MARIE THAYER
Secretary of the Senate

TERRY E. BRANSTAD
Governor