

Reprinted 3/87

MAR 26 1987

HOUSE FILE 654
BY COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION

Place On Calendar

(Formerly House Study Bill 310)

Passed House, Date 3-21-87 (1965) Passed Senate, Date 4/20/87 (P.1399)

Vote: Ayes 97 Nays 1 Vote: Ayes 47 Nays 1

Approved June 5, 1987

A BILL FOR

- 1 An Act relating to the funding of the energy bank program.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 654

H-3450

- 1 Amend House File 654 as follows:
- 2 1. Page 2, line 7, by striking the words
- 3 "analysis, plans," and inserting the following:
- 4 "~~analysis, plans~~".

H-3450 FILED MARCH 27, 1987 BY SCHRADER of Marion
Adopted 3/21/87 (1965)

H-3450

- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 93.19, Code 1987, is amended to read as
2 follows:

3 93.19 ENERGY BANK PROGRAM.

4 The energy bank program is established by the department.

5 The energy bank program consists of the following forms of
6 assistance for school districts, area education agencies,
7 cities, counties, and merged area schools:

8 1. Providing moneys from the petroleum overcharge fund for
9 conducting energy audits under section 279.44.

10 2. Providing loans, leases, and other methods of
11 alternative financing from the energy loan fund established in
12 section 93.20 and section 93.20A for school districts and area
13 schools to implement energy conservation measures.

14 3. Serving as a source of technical support for energy
15 conservation management.

16 4. Providing assistance for obtaining insurance on the
17 energy savings expected to be realized from the implementation
18 of energy conservation measures.

19 5. Providing self-liquidating financing for school
20 districts, area schools, area education agencies, cities, and
21 counties, pursuant to section 93.20A.

22 For the purpose of this section, and section 93.20, and
23 section 93.20A, "energy conservation measure" means
24 construction, rehabilitation, acquisition, or modification of
25 an installation in a building which is intended to reduce
26 energy consumption, or energy costs, or both, or allow the use
27 of an alternative energy source, which may contain integral
28 control and measurement devices.

29 Sec. 2. Section 93.20, Code 1987, is amended to read as
30 follows:

31 93.20 ENERGY LOAN FUND.

32 An energy loan fund is established in the office of the
33 treasurer of state to be administered by the department. The
34 department may make loans to school districts, and area
35 schools, area education agencies, cities, and counties for

1 implementation of energy conservation measures identified in a
2 comprehensive engineering analysis. Loans shall not be made
3 for energy conservation measures that require more than an
4 average of six years for the school district as an entity to
5 recoup the actual or projected cost of construction and
6 acquisition of the improvements; cost of the engineering
7 analysis, plans, and specifications; and cost of the surety
8 bonds securing the operation of the energy conservation
9 measure. For a school district or merged area school to
10 receive a loan from the fund, the department shall require
11 completion of an energy management plan including an energy
12 audit and a comprehensive engineering analysis. The
13 department shall approve loans made under this section.
14 Cities and counties shall repay the loans from moneys in their
15 debt service funds. Area education agencies shall repay the
16 loans from any moneys available to them.

17 School districts shall repay the loans from moneys in
18 either their general fund or schoolhouse fund. Area schools
19 shall repay the loans from their general fund.

20 The department may accept gifts, federal funds, state
21 appropriations, and other moneys for deposit in the energy
22 loan fund.

23 For the purpose of this section, "loans" means loans,
24 leases, or alternative financing arrangements.

25 Sec. 3. NEW SECTION. 93.20A SELF-LIQUIDATING FINANCING.

26 1. The department of natural resources may enter into
27 financing agreements with school districts, area schools, area
28 education agencies, cities, or counties. The school
29 districts, area schools, area education agencies, cities, or
30 counties may use the proceeds of the financing to pay the
31 costs of furnishing energy conservation measures. The
32 provisions of section 93.20 defining eligible energy
33 conservation measures apply to financings under this section.
34 A school district, area school, area education agency, city,
35 or county may agree to secure its repayment obligation under

1 the financing by an assignment of its right to receive
2 payments to state aid. Upon filing of notice of the
3 assignment with the treasurer of state, it is the duty of the
4 treasurer of state to direct that the next available state
5 moneys payable to the school district, area school, area
6 education agency, city, or county be paid to the department of
7 natural resources or to a trustee designated by the department
8 of natural resources for such purpose to the extent necessary
9 to pay or secure the obligation as provided in the financing
10 agreement.

11 The financing agreement may contain provisions, including
12 interest and term, as may be agreed upon between the
13 department of natural resources and the school district, area
14 school, area education agency, city, or county.

15 2. For the purpose of funding its obligation to furnish
16 moneys under the financing agreements, the department of
17 natural resources, or its duly authorized agents or
18 representatives, may incur indebtedness or enter into master
19 lease agreements or other financing arrangements to borrow or
20 to permit school districts, area education agencies, area
21 schools, cities, or counties to borrow sufficient funds to
22 accomplish the energy conservation measure. The obligations
23 may be in such form, for such term, bearing such interest and
24 containing such provisions as the department of natural
25 resources deems necessary or appropriate. Funds remaining
26 after the payment of all obligations have been redeemed shall
27 be paid into the energy loan fund.

28 3. School districts, area schools, area education
29 agencies, cities, or counties may enter into financing
30 agreements and issue obligations necessary to carry out the
31 provisions of the chapter.

32 EXPLANATION

33 The bill provides a self-funding mechanism for the energy
34 bank program. School districts, area education agencies,
35 cities, counties, and area schools may participate in the

1 program. Funds will be loaned from the energy loan fund.
2 Section 2 provides for the repayment of loans. Section 3
3 allows the department of natural resources to enter into
4 financing agreements with the respective political
5 subdivisions.

- 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

HOUSE FILE 654
BY COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION

(As Amended and Passed by the House March 31, 1987)

Passed House, Date 4/28/87 (p. 1397) Passed Senate, Date 4/20/87 (p. 1399)
Vote: Ayes 87 Nays 0 Vote: Ayes 47 Nays 1
Approved June 5, 1987

A BILL FOR

1 An Act relating to the funding of the energy bank program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

House Amendments _____

1 Section 1. Section 93.19, Code 1987, is amended to read as
2 follows:

3 93.19 ENERGY BANK PROGRAM.

4 The energy bank program is established by the department.

5 The energy bank program consists of the following forms of
6 assistance for school districts, area education agencies,
7 cities, counties, and merged area schools:

8 1. Providing moneys from the petroleum overcharge fund for
9 conducting energy audits under section 279.44.

10 2. Providing loans, leases, and other methods of
11 alternative financing from the energy loan fund established in
12 section 93.20 and section 93.20A for school districts and area
13 schools to implement energy conservation measures.

14 3. Serving as a source of technical support for energy
15 conservation management.

16 4. Providing assistance for obtaining insurance on the
17 energy savings expected to be realized from the implementation
18 of energy conservation measures.

19 5. Providing self-liquidating financing for school
20 districts, area schools, area education agencies, cities, and
21 counties, pursuant to section 93.20A.

22 For the purpose of this section, and section 93.20, and
23 section 93.20A, "energy conservation measure" means
24 construction, rehabilitation, acquisition, or modification of
25 an installation in a building which is intended to reduce
26 energy consumption, or energy costs, or both, or allow the use
27 of an alternative energy source, which may contain integral
28 control and measurement devices.

29 Sec. 2. Section 93.20, Code 1987, is amended to read as
30 follows:

31 93.20 ENERGY LOAN FUND.

32 An energy loan fund is established in the office of the
33 treasurer of state to be administered by the department. The
34 department may make loans to school districts, and area
35 schools, area education agencies, cities, and counties for

1 implementation of energy conservation measures identified in a
2 comprehensive engineering analysis. Loans shall not be made
3 for energy conservation measures that require more than an
4 average of six years for the school district as an entity to
5 recoup the actual or projected cost of construction and
6 acquisition of the improvements; cost of the engineering
7 analysis, plans, and specifications; and cost of the surety
8 bonds securing the operation of the energy conservation
9 measure. For a school district or merged area school to
10 receive a loan from the fund, the department shall require
11 completion of an energy management plan including an energy
12 audit and a comprehensive engineering analysis. The
13 department shall approve loans made under this section.
14 Cities and counties shall repay the loans from moneys in their
15 debt service funds. Area education agencies shall repay the
16 loans from any moneys available to them.

17 School districts shall repay the loans from moneys in
18 either their general fund or schoolhouse fund. Area schools
19 shall repay the loans from their general fund.

20 The department may accept gifts, federal funds, state
21 appropriations, and other moneys for deposit in the energy
22 loan fund.

23 For the purpose of this section, "loans" means loans,
24 leases, or alternative financing arrangements.

25 Sec. 3. NEW SECTION. 93.20A SELF-LIQUIDATING FINANCING.

26 1. The department of natural resources may enter into
27 financing agreements with school districts, area schools, area
28 education agencies, cities, or counties. The school
29 districts, area schools, area education agencies, cities, or
30 counties may use the proceeds of the financing to pay the
31 costs of furnishing energy conservation measures. The
32 provisions of section 93.20 defining eligible energy
33 conservation measures apply to financings under this section.
34 A school district, area school, area education agency, city,
35 or county may agree to secure its repayment obligation under

1 the financing by an assignment of its right to receive
2 payments to state aid. Upon filing of notice of the
3 assignment with the treasurer of state, it is the duty of the
4 treasurer of state to direct that the next available state
5 moneys payable to the school district, area school, area
6 education agency, city, or county be paid to the department of
7 natural resources or to a trustee designated by the department
8 of natural resources for such purpose to the extent necessary
9 to pay or secure the obligation as provided in the financing
10 agreement.

11 The financing agreement may contain provisions, including
12 interest and term, as may be agreed upon between the
13 department of natural resources and the school district, area
14 school, area education agency, city, or county.

15 2. For the purpose of funding its obligation to furnish
16 moneys under the financing agreements, the department of
17 natural resources, or its duly authorized agents or
18 representatives, may incur indebtedness or enter into master
19 lease agreements or other financing arrangements to borrow or
20 to permit school districts, area education agencies, area
21 schools, cities, or counties to borrow sufficient funds to
22 accomplish the energy conservation measure. The obligations
23 may be in such form, for such term, bearing such interest and
24 containing such provisions as the department of natural
25 resources deems necessary or appropriate. Funds remaining
26 after the payment of all obligations have been redeemed shall
27 be paid into the energy loan fund.

28 3. School districts, area schools, area education
29 agencies, cities, or counties may enter into financing
30 agreements and issue obligations necessary to carry out the
31 provisions of the chapter.

32
33
34
35

HOUSE FILE 654

S-3479

1 Amend House File 654, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 1, lines 12 and 13, by striking the words
4 "and area schools" and inserting the following: "and,
5 area schools, area education agencies, cities and
6 counties".

7 2. Page 2, line 4, by inserting after the word
8 "district" the following: ", area school, area
9 education agency, city and county".

10 3. Page 2, line 6, by inserting after the word
11 "improvements;" the word "and".

12 4. Page 2, by striking lines 7 through 9 and in-
13 sserting the following: "analysis, plans, and
14 specifications; and cost of the surety bonds securing
15 the operation of the energy conservation measure. For
16 a school district, or merged area school, area
17 education agency, city or county to".

18 5. Page 2, line 17, by inserting before the word
19 "School" the following: "School districts and area
20 schools may enter into financing arrangements with the
21 department or its duly authorized agents or
22 representatives obligating the school district or area
23 school to make payments on the loans beyond the
24 current budget year of the school district or area
25 school. Chapter 75 shall not be applicable."

26 6. Page 2, line 22, by inserting after the word
27 "fund" the following: "or may fund the energy loan
28 fund in accordance with section 93.20A".

29 7. Page 2, by striking lines 28 through 30 and
30 inserting the following: "education agencies, cities,
31 or counties in order to provide the financing to pay
32 the".

33 8. Page 2, line 33, by inserting after the word
34 "measures" the following: "and the method of
35 repayment of the loans".

36 9. By striking page 2, line 34 through page 3,
37 line 10.

38 10. Page 3, line 12 by striking the words "and
39 term" and inserting the following: ", term, and
40 obligations to make payments on the financing
41 agreement beyond the current budget year".

42 11. Page 3, line 16, by inserting after the word
43 "agreements," the following: "or to fund the energy
44 loan fund created in section 93.20, the treasurer of
45 state, with the assistance of".

46 12. Page 3, line 17, by striking the word "its"
and inserting the following: "the treasurer of
47 state's".

48 13. Page 3, line 19, by striking the words
49 "borrow or" and inserting the following: "borrow to
50

S-3479 pg. 2

1 accomplish energy conservation measures, or the
2 department of natural resources may enter into master
3 lease agreements or other financing arrangements".

4 14. Page 3, line 25, by inserting after the word
5 "resources" the following: ", with the assistance of
6 the treasurer of state,".

7 15. Page 3, line 31, by inserting after the word
8 "chapter." the following: "Chapter 75 shall not be
9 applicable."

S-3479

Filed April 9, 1987

Adopted 4/20/87 (p. 1399)

BY COMMITTEE ON ENVIRONMENT
AND ENERGY UTILITIES
PATRICK J. DELUHERY, Chairperson

1 Amend House File 654, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 1, lines 12 and 13, by striking the words
4 "and area schools" and inserting the following: "and,
5 area schools, area education agencies, cities and
6 counties".

7 2. Page 2, line 4, by inserting after the word
8 "district" the following: ", area school, area
9 education agency, city and county".

10 3. Page 2, line 6, by inserting after the word
11 "improvements;" the word "and".

12 4. Page 2, by striking lines 7 through 9 and in-
13 sserting the following: "analysis, plans, and
14 specifications, and cost of the surety bonds securing
15 the operation of the energy conservation measure. For
16 a school district, or merged area school, area
17 education agency, city or county to".

18 5. Page 2, line 17, by inserting before the word
19 "School" the following: "School districts and area
20 schools may enter into financing arrangements with the
21 department or its duly authorized agents or
22 representatives obligating the school district or area
23 school to make payments on the loans beyond the
24 current budget year of the school district or area
25 school. Chapter 75 shall not be applicable."

26 6. Page 2, line 22, by inserting after the word
27 "fund" the following: "or may fund the energy loan
28 fund in accordance with section 93.20A".

29 7. Page 2, by striking lines 28 through 30 and
30 inserting the following: "education agencies, cities,
31 or counties in order to provide the financing to pay
32 the".

33 8. Page 2, line 33, by inserting after the word
34 "measures" the following: "and the method of
35 repayment of the loans".

36 9. By striking page 2, line 34 through page 3,
37 line 10.

38 10. Page 3, line 12 by striking the words "and
39 term" and inserting the following: ", term, and
40 obligations to make payments on the financing
41 agreement beyond the current budget year".

42 11. Page 3, line 16, by inserting after the word
43 "agreements," the following: "or to fund the energy
44 loan fund created in section 93.20, the treasurer of
45 state, with the assistance of".

46 12. Page 3, line 17, by striking the word "its"
47 and inserting the following: "the treasurer of
48 state's".

49 13. Page 3, line 19, by striking the words
50 "borrow or" and inserting the following: "borrow to

Page Two

1 accomplish energy conservation measures, or the
2 department of natural resources may enter into master
3 lease agreements or other financing arrangements".

4 14. Page 3, line 25, by inserting after the word
5 "resources" the following: ", with the assistance of
6 the treasurer of state,".

7 15. Page 3, line 31, by inserting after the word
8 "chapter." the following: "Chapter 75 shall not be
9 applicable."

NSB 310

Handwritten notes:
11765

ENERGY AND ENVIRONMENTAL PROTECTION

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON ENERGY
AND ENVIRONMENTAL PROTECTION
BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the funding of the energy bank program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

SUB COMMITTEE ASSIGNMENTS
 CHAIR: *Schroeder*
 COMMITTEE: *Energy*
3/20/87

1 Section 1. Section 93.19, Code 1987, is amended to read as
2 follows:

3 93.19 ENERGY BANK PROGRAM.

4 The energy bank program is established by the department.
5 The energy bank program consists of the following forms of
6 assistance for school districts, area education agencies,
7 cities, counties, and merged area schools:

8 1. Providing moneys from the petroleum overcharge fund for
9 conducting energy audits under section 279.44.

10 2. Providing loans, leases, and other methods of
11 alternative financing from the energy loan fund established in
12 section 93.20 and section 93.20A for school districts and area
13 schools to implement energy conservation measures.

14 3. Serving as a source of technical support for energy
15 conservation management.

16 4. Providing assistance for obtaining insurance on the
17 energy savings expected to be realized from the implementation
18 of energy conservation measures.

19 5. Providing self-liquidating financing for school
20 districts, area schools, area education agencies, cities, and
21 counties, pursuant to section 93.20A.

22 For the purpose of this section, and section 93.20, and
23 section 93.20A, "energy conservation measure" means
24 construction, rehabilitation, acquisition, or modification of
25 an installation in a building which is intended to reduce
26 energy consumption, or energy costs, or both, or allow the use
27 of an alternative energy source, which may contain integral
28 control and measurement devices.

29 Sec. 2. Section 93.20, Code 1987, is amended to read as
30 follows:

31 93.20 ENERGY LOAN FUND.

32 An energy loan fund is established in the office of the
33 treasurer of state to be administered by the department. The
34 department may make loans to school districts and area schools
35 for implementation of energy conservation measures identified

1 in a comprehensive engineering analysis. Loans shall not be
2 made for energy conservation measures that require more than
3 an average of six years for the school district as an entity
4 to recoup the actual or projected cost of construction and
5 acquisition of the improvements; cost of the engineering
6 analysis, plans, and specifications; and cost of the surety
7 bonds securing the operation of the energy conservation
8 measure. For a school district or merged area school to
9 receive a loan from the fund, the department shall require
10 completion of an energy management plan including an energy
11 audit and a comprehensive engineering analysis. The
12 department shall approve loans made under this section.
13 Cities and counties shall repay the loans from moneys in the
14 debt service fund. Area education agencies shall repay the
15 loans from any moneys available to them.

16 School districts shall repay the loans from moneys in
17 either their general fund or schoolhouse fund. Area schools
18 shall repay the loans from their general fund.

19 The department may accept gifts, federal funds, state
20 appropriations, and other moneys for deposit in the energy
21 loan fund.

22 For the purpose of this section, "loans" means loans,
23 leases, or alternative financing arrangements.

24 Sec. 3. NEW SECTION. 93.20A SELF-LIQUIDATING FINANCING.

25 1. The department of natural resources may enter into
26 financing agreements with school districts, area schools, area
27 education agencies, cities, or counties. The school
28 districts, area schools, area education agencies, cities, or
29 counties may use the proceeds of the financing to pay the
30 costs of furnishing energy conservation measures. The
31 provisions of section 93.20 defining eligible energy
32 conservation measures apply to financings under this section.
33 A school district, area school, area education agency, city,
34 or county may agree to secure its repayment obligation under
35 the financing by an assignment of its right to receive

1 payments to state aid. Upon filing of notice of the
2 assignment with the treasurer of state, it is the duty of the
3 treasurer of state to direct that the next available state
4 moneys payable to the school district, area school, area
5 education agency, city, or county be paid to the department of
6 natural resources or to a trustee designated by the department
7 of natural resources for such purpose to the extent necessary
8 to pay or secure the obligation as provided in the financing
9 agreement.

10 The financing agreement may contain provisions, including
11 interest and term, as may be agreed upon between the
12 department of natural resources and the school district, area
13 school, area education agency, city, or county.

14 2. For the purpose of funding its obligation to furnish
15 moneys under the financing agreements, the department of
16 natural resources, or its duly authorized agents or
17 representatives, may incur indebtedness or enter into master
18 lease agreements or other financing arrangements to borrow or
19 to permit school districts, area education agencies, area
20 schools, cities, or counties to borrow sufficient funds to
21 accomplish the energy conservation measure. The obligations
22 may be in such form, for such term, bearing such interest and
23 containing such provisions as the department of natural
24 resources deems necessary or appropriate. Funds remaining
25 after the payment of all obligations have been redeemed shall
26 be paid into the energy loan fund.

27 3. School districts, area schools, area education
28 agencies, cities, or counties may enter into financing
29 agreements and issue obligations necessary to carry out the
30 provisions of the chapter.

31 EXPLANATION

32 The bill provides a self-funding mechanism for the energy
33 bank program. School districts, area education agencies,
34 cities, counties, and area schools may participate in the
35 program. Funds will be loaned from the energy loan fund.

1 Section 2 provides for the repayment of loans. Section 3
2 allows the department of natural resources to enter into
3 financing agreements with the respective political
4 subdivisions.

- 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

HOUSE FILE 654

AN ACT

RELATING TO THE FUNDING OF THE ENERGY BANK PROGRAM.

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

Section 1. Section 93.19, Code 1987, is amended to read as follows:

93.19 ENERGY BANK PROGRAM.

The energy bank program is established by the department. The energy bank program consists of the following forms of assistance for school districts, area education agencies, cities, counties, and merged area schools:

1. Providing moneys from the petroleum overcharge fund for conducting energy audits under section 279.44.

2. Providing loans, leases, and other methods of alternative financing from the energy loan fund established in section 93.20 and section 93.20A for school districts and, area schools, area education agencies, cities and counties to implement energy conservation measures.

3. Serving as a source of technical support for energy conservation management.

4. Providing assistance for obtaining insurance on the energy savings expected to be realized from the implementation of energy conservation measures.

5. Providing self-liquidating financing for school districts, area schools, area education agencies, cities, and counties, pursuant to section 93.20A.

For the purpose of this section, and section 93.20, and section 93.20A, "energy conservation measure" means construction, rehabilitation, acquisition, or modification of an installation in a building which is intended to reduce energy consumption, or energy costs, or both, or allow the use of an alternative energy source, which may contain integral

control and measurement devices.

Sec. 2. Section 93.20, Code 1987, is amended to read as follows:

93.20 ENERGY LOAN FUND.

An energy loan fund is established in the office of the treasurer of state to be administered by the department. The department may make loans to school districts, and area schools, area education agencies, cities, and counties for implementation of energy conservation measures identified in a comprehensive engineering analysis. Loans shall not be made for energy conservation measures that require more than an average of six years for the school district, area school, area education agency, city and county as an entity to recoup the actual or projected cost of construction and acquisition of the improvements; and cost of the engineering analysis; plans; and specifications; and cost of the surety bonds securing the operation of the energy conservation measure. For a school district, or merged area school, area education agency, city or county to receive a loan from the fund, the department shall require completion of an energy management plan including an energy audit and a comprehensive engineering analysis. The department shall approve loans made under this section. Cities and counties shall repay the loans from moneys in their debt service funds. Area education agencies shall repay the loans from any moneys available to them.

School districts and area schools may enter into financing arrangements with the department or its duly authorized agents or representatives obligating the school district or area school to make payments on the loans beyond the current budget year of the school district or area school. Chapter 75 shall not be applicable. School districts shall repay the loans from moneys in either their general fund or schoolhouse fund. Area schools shall repay the loans from their general fund.

The department may accept gifts, federal funds, state appropriations, and other moneys for deposit in the energy

loan fund or may fund the energy loan fund in accordance with section 93.20A.

For the purpose of this section, "loans" means loans, leases, or alternative financing arrangements.

Sec. 3. NEW SECTION. 93.20A SELF-LIQUIDATING FINANCING.

1. The department of natural resources may enter into financing agreements with school districts, area schools, area education agencies, cities, or counties in order to provide the financing to pay the costs of furnishing energy conservation measures. The provisions of section 93.20 defining eligible energy conservation measures and the method of repayment of the loans apply to financings under this section.

The financing agreement may contain provisions, including interest, term, and obligations to make payments on the financing agreement beyond the current budget year, as may be agreed upon between the department of natural resources and the school district, area school, area education agency, city, or county.

2. For the purpose of funding its obligation to furnish moneys under the financing agreements, or to fund the energy loan fund created in section 93.20, the treasurer of state, with the assistance of the department of natural resources, or the treasurer of state's duly authorized agents or representatives, may incur indebtedness or enter into master lease agreements or other financing arrangements to borrow to accomplish energy conservation measures, or the department of natural resources may enter into master lease agreements or other financing arrangements to permit school districts, area education agencies, area schools, cities, or counties to borrow sufficient funds to accomplish the energy conservation measure. The obligations may be in such form, for such term, bearing such interest and containing such provisions as the department of natural resources, with the assistance of the treasurer of state, deems necessary or appropriate. Funds

remaining after the payment of all obligations have been redeemed shall be paid into the energy loan fund.

3. School districts, area schools, area education agencies, cities, or counties may enter into financing agreements and issue obligations necessary to carry out the provisions of the chapter. Chapter 75 shall not be applicable.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 654, Seventy-second General Assembly.

Approved  , 1987

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor