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Place On Calendar

HOUSE FILE 2374
BY COMMITTEE ON ECONOMIC
DEVELOPMENT

(SUCCESSOR TO HF 2164)

Passed House, Date (p.531) 3/2/00 Passed Senate, Date _____
Vote: Ayes 97 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the reversion to the Iowa finance authority of
2 unencumbered moneys received by certain nonprofit corporations
3 from the Iowa finance authority and providing an effective
4 date.

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

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HOUSE FILE 2374

8 H-8115

1 Amend House File 2374 as follows:

2 1. Page 1, by inserting after line 12 the
3 following:

4 "Sec. ____ REVIEW BY THE ATTORNEY GENERAL. The
5 attorney general shall investigate and examine any
6 compensation and benefits received by the president or
7 employees of the Iowa housing corporation since 1991
8 which is in addition to any salary and compensation
9 received by the president and employees from the Iowa
10 housing corporation."

11 2. Title page, line 3, by inserting after the
12 word "authority" the following: ", an investigation
13 by the attorney general".

14 3. By renumbering as necessary.

18 *Adopted 3/2/00 (p.531)* By DOTZLER of Black Hawk
19 CORMACK of Webster

20 H-8115 FILED FEBRUARY 29, 2000

HF 2374

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1 Section 1. REVERSION OF STATE MONEYS. Any moneys received
2 from the Iowa finance authority by a nonprofit corporation
3 created by or in association with the authority since January
4 1, 1989, which are not otherwise encumbered due to an
5 obligation incurred or created prior to June 30, 2000, shall
6 revert to the authority on June 30, 2000, and shall be used by
7 the authority for purposes of providing low-income housing
8 assistance. If a portion of the moneys received by the
9 nonprofit corporation is encumbered on June 30, 2000, but the
10 obligation or encumbrance subsequently terminates or ceases,
11 those moneys shall also revert to the authority as they become
12 unencumbered.

13 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
14 immediate importance, takes effect upon enactment.

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EXPLANATION

16 This bill requires any moneys received from the Iowa
17 finance authority by a nonprofit corporation created by or in
18 association with the authority since January 1, 1989, which
19 are unencumbered to revert to the authority on June 30, 2000,
20 and shall be used by the authority for purposes of providing
21 low-income housing assistance. The bill provides that if a
22 portion of the moneys is encumbered, those moneys shall also
23 revert to the authority as they become unencumbered.

24 The bill takes effect upon enactment.

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HOUSE FILE 2374

H-8150

1 Amend the amendment H-8115, to House File 2374 as
2 follows:
3 1. Page 1, by striking lines 4 through 10 and
4 inserting the following:
5 ""Sec. ____ . INVESTIGATION. The division of
6 criminal investigation of the department of public
7 safety shall investigate and examine any compensation
8 and benefits received by the president or employees of
9 the Iowa housing corporation since 1991 which is for
10 service related to applications submitted to any state
11 or local governmental entity for funding or tax
12 credits for housing projects and that is in addition
13 to any salary and compensation received by the
14 president and employees from the Iowa housing
15 corporation. The division of criminal investigation
16 shall retain the assistance of an accountant, as
17 necessary, to audit and analyze any information
18 obtained. Notwithstanding other provisions of law, a
19 report of this investigation shall be furnished to the
20 governor, the auditor of state, and the attorney
21 general and a report of this investigation regarding
22 civil matters may be furnished to the Iowa finance
23 authority. This section shall not preclude or prevent
24 any other investigative rights or duties of another
25 person, as defined by section 4.1, into the same or
26 related matters.""
27 2. Page 1, line 13, by striking the words
28 "attorney general" and inserting the following:
29 "division of criminal investigation".

By DOTZLER of Black Hawk
CORMACK of Webster

H-8150 FILED MARCH 1, 2000

adopted
3/2/00
(p. 531)

**HOUSE FILE 2374
FISCAL NOTE**

A fiscal note for House File 2374 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2374 requires reversion of funds received by a nonprofit corporation created by the Iowa Finance Authority. All unencumbered funds shall revert to the Authority on June 30, 2000. Encumbered funds are required to revert as the obligation or encumbrance ceases.

BACKGROUND

The only nonprofit corporation created by the Iowa Finance Authority is the Iowa Housing Corporation. That Corporation received \$8.0 million from the Authority in FY 1991. The Corporation is annually audited by the accounting firm of KPMG, LLP. The FY 1999 audit shows the Corporation owns assets valued at \$10.6 million, has liabilities totalling \$1.2 million, and a net worth of \$9.4 million. Of the assets, \$7.1 million is in cash, cash equivalents, certificates of deposit, government securities, and corporate bonds. Three loans received from the Iowa Finance Authority, the City of Dubuque, and AmerUs Life Insurance are \$1.1 million of the Corporation's liabilities.

ASSUMPTIONS

1. The Corporation will agree to revert the original \$8.0 million.
2. The Corporation will either repay the \$1.1 million in loans with its cash and investments, or will escrow sufficient funds to cover the loans, freeing all funds from encumbrance.
3. The Corporation has not significantly increased its liabilities since June 30, 1999.
4. The audit reflects all liabilities against the Corporation's assets.

FISCAL IMPACT

The Corporation would revert approximately \$6.0 million to the Iowa Finance Authority at the conclusion of FY 2000. The remaining \$2.0 million would be reverted over time, as \$2.9 million in loan payments owed to the Corporation are repaid.

SOURCE

Iowa Housing Corporation Annual Audit - KPMG, LLP

(LSB 5649hv, JWR)

FILED FEBRUARY 29, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE **2374**
BY COMMITTEE ON ECONOMIC
DEVELOPMENT

(SUCCESSOR TO HF 2164)

(As Amended and Passed by the House, March 2, 2000)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the reversion to the Iowa finance authority of
2 unencumbered moneys received by certain nonprofit corporations
3 from the Iowa finance authority, an investigation by the
4 division of criminal investigation and providing an effective
5 date.

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

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House Amendments _____

HF 2374

1 Section 1. REVERSION OF STATE MONEYS. Any moneys received
2 from the Iowa finance authority by a nonprofit corporation
3 created by or in association with the authority since January
4 1, 1989, which are not otherwise encumbered due to an
5 obligation incurred or created prior to June 30, 2000, shall
6 revert to the authority on June 30, 2000, and shall be used by
7 the authority for purposes of providing low-income housing
8 assistance. If a portion of the moneys received by the
9 nonprofit corporation is encumbered on June 30, 2000, but the
10 obligation or encumbrance subsequently terminates or ceases,
11 those moneys shall also revert to the authority as they become
12 unencumbered.

13 Sec. 2. INVESTIGATION. The division of criminal
14 investigation of the department of public safety shall
15 investigate and examine any compensation and benefits received
16 by the president or employees of the Iowa housing corporation
17 since 1991 which is for service related to applications
18 submitted to any state or local governmental entity for
19 funding or tax credits for housing projects and that is in
20 addition to any salary and compensation received by the
21 president and employees from the Iowa housing corporation.
22 The division of criminal investigation shall retain the
23 assistance of an accountant, as necessary, to audit and
24 analyze any information obtained. Notwithstanding other
25 provisions of law, a report of this investigation shall be
26 furnished to the governor, the auditor of state, and the
27 attorney general and a report of this investigation regarding
28 civil matters may be furnished to the Iowa finance authority.
29 This section shall not preclude or prevent any other
30 investigative rights or duties of another person, as defined
31 by section 4.1, into the same or related matters.

32 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
33 immediate importance, takes effect upon enactment.

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