

Hoffman, Chair
Witt
Teig

HSB 668

ECONOMIC DEVELOPMENT

Succeeds

SF/HF 375

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC DEVELOPMENT BILL
BY CHAIRPERSON TEIG)

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

A BILL FOR

1 An Act relating to the allocation of the state ceiling of
2 federally tax-exempt private activity bonds by the governor's
3 designee.

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

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1 Section 1. Section 7C.5, Code 1999, is amended to read as
2 follows:

3 7C.5 FORMULA FOR ALLOCATION.

4 Except as provided in section 7C.4A, subsections 1 through
5 5, the on the first day of a calendar year on which
6 applications are received by the governor's designee, the
7 state ceiling shall be allocated based on a drawing conducted
8 at the end of the day by the governor's designee. The drawing
9 shall include all applications received from political
10 subdivisions by the governor's designee during that first day
11 of the calendar year on which applications are received and
12 the seven days preceding that first day of the calendar year.
13 Beginning on the second day of the calendar year on which
14 applications are received, any remaining state ceiling shall
15 be allocated among all political subdivisions on a statewide
16 basis on the basis of the chronological orders of receipt by
17 the governor's designee of the applications described in
18 section 7C.6 with respect to a definitive issue of bonds, as
19 determined by the day, hour, and minute time-stamped on the
20 application immediately upon receipt by the governor's
21 designee. However, for the period January 1 through June 30
22 of each year, allocations to bonds for which an amount of the
23 state ceiling has been reserved pursuant to section 7C.4A,
24 subsection 6, shall be made to the political subdivisions
25 submitting the applications first from the reserved amount
26 until the reserved amount has been fully allocated and then
27 from the amount specified in section 7C.4A, subsection 7.

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EXPLANATION

29 Currently, the state is allowed by the internal revenue
30 service to provide a formula different from the formula
31 provided by the internal revenue service for allocating the
32 state ceiling amount of federally tax-exempt private activity
33 bonds to various governmental units. This bill amends the
34 method of allocating the portion of the state ceiling reserved
35 for political subdivisions and any unallocated state ceiling

1 amount. Currently, these allocations are made on the basis of
2 the chronological receipt of applications from political
3 subdivisions. The governor's designee to administer the
4 allocation of the state ceiling is the Iowa finance authority.
5 The bill provides that on the first day of a calendar year
6 on which applications are received by the governor's designee,
7 the state ceiling shall be allocated based on a drawing
8 conducted at the end of the day by the governor's designee.
9 The bill provides that the drawing shall include all
10 applications received by the governor's designee on that day
11 and the seven preceding days. Beginning on the second day of
12 a calendar year on which applications are received, any
13 remaining state ceiling shall be allocated on the basis of the
14 chronological receipt of applications from political
15 subdivisions.

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3/21/00 Removed from Calendar

FEB 22 2000
Place On Calendar

HOUSE FILE 2375
BY COMMITTEE ON
ECONOMIC DEVELOPMENT

SUCCESSOR TO HSB 668)

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

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HF 2375

1 Section 1. Section 7C.5, Code 1999, is amended to read as
2 follows:

3 7C.5 FORMULA FOR ALLOCATION.

4 Except as provided in section 7C.4A, subsections 1 through
5 5, the state ceiling shall be allocated among all political
6 subdivisions on a statewide basis on ~~the-basis-of-the~~
7 ~~chronological-orders-of-receipt-by-the-governor's-designee-of~~
8 ~~the-applications-described-in-section-7C-6-with-respect-to-a~~
9 ~~definitive-issue-of-bonds,-as-determined-by-the-day,-hour,-and~~
10 ~~minute-time-stamped-on-the-application-immediately-upon~~
11 ~~receipt-by-the-governor's-designee~~ a competitive basis
12 according to rules adopted pursuant to chapter 17A by the
13 governor's designee. However, for the period January 1
14 through June 30 of each year, allocations to bonds for which
15 an amount of the state ceiling has been reserved pursuant to
16 section 7C.4A, subsection 6, shall be made to the political
17 subdivisions submitting the applications first from the
18 reserved amount until the reserved amount has been fully
19 allocated and then from the amount specified in section 7C.4A,
20 subsection 7.

21 EXPLANATION

22 Currently, the state is allowed by the internal revenue
23 service to provide a formula different from the formula
24 provided by the internal revenue service for allocating the
25 state ceiling amount of federally tax-exempt private activity
26 bonds to various governmental units. This bill amends the
27 method of allocating the portion of the state ceiling reserved
28 for political subdivisions and any unallocated state ceiling
29 amount. Currently, these allocations are made on the basis of
30 the chronological receipt of applications from political
31 subdivisions. The bill provides that the allocations shall be
32 made on a competitive basis according to rules adopted by the
33 governor's designee, which is currently the Iowa finance
34 authority.

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