

# House Study Bill 668

## Bill Text

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1 1 Section 1. Section [7C.5](#), Code 1999, is amended to read as  
1 2 follows:  
1 3 7C.5 FORMULA FOR ALLOCATION.  
1 4 Except as provided in section 7C.4A, subsections 1 through  
1 5 5,

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

### EXPLANATION

1 29 Currently, the state is allowed by the internal revenue  
1 30 service to provide a formula different from the formula  
1 31 provided by the internal revenue service for allocating the  
1 32 state ceiling amount of federally tax-exempt private activity  
1 33 bonds to various governmental units. This bill amends the  
1 34 method of allocating the portion of the state ceiling reserved  
1 35 for political subdivisions and any unallocated state ceiling  
2 1 amount. Currently, these allocations are made on the basis of  
2 2 the chronological receipt of applications from political  
2 3 subdivisions. The governor's designee to administer the  
2 4 allocation of the state ceiling is the Iowa finance authority.  
2 5 The bill provides that on the first day of a calendar year  
2 6 on which applications are received by the governor's designee,  
2 7 the state ceiling shall be allocated based on a drawing  
2 8 conducted at the end of the day by the governor's designee.  
2 9 The bill provides that the drawing shall include all  
2 10 applications received by the governor's designee on that day  
2 11 and the seven preceding days. Beginning on the second day of  
2 12 a calendar year on which applications are received, any  
2 13 remaining state ceiling shall be allocated on the basis of the  
2 14 chronological receipt of applications from political  
2 15 subdivisions.  
2 16 LSB 6054YC 78

