

Jenkins, Ch.
Raecker
Jacobs
Wise
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HSB 240

APPROPRIATIONS

Succeeded By
HF 698

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MILLAGE)

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

A BILL FOR

1 An Act providing appropriations for certain temporary staffing
2 for the Iowa utilities board prior to assessment of such
3 staffing expenses to utilities.

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

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1 Section 1. APPROPRIATIONS FOR TEMPORARY UTILITY BOARD
2 STAFFING.

3 1. The utilities board may employ additional temporary
4 staff, or may contract for professional services with persons
5 who are not state employees, as the board deems necessary to
6 review power purchase contracts pursuant to 2001 Iowa Acts,
7 House File 577, if enacted. Beginning July 1, 2001, there is
8 appropriated out of any funds in the state treasury not
9 otherwise appropriated, such sums as may be necessary to
10 enable the board to hire additional staff and contract for
11 services under this subsection. The costs of the additional
12 staff and services shall be assessed to the utilities pursuant
13 to the procedure in section 476.10.

14 2. The utilities board may employ additional temporary
15 staff, or may contract for professional services with persons
16 who are not state employees, as the board deems necessary to
17 complete the report on electric energy policy issues required
18 by 2001 Iowa Acts, House File 577, if enacted. Beginning July
19 1, 2001, and ending January 31, 2002, there is appropriated
20 out of any funds in the state treasury not otherwise
21 appropriated, such sums as may be necessary to enable the
22 board to hire additional staff and contract for services under
23 this subsection. The costs of the additional staff and
24 service shall be assessed to the utilities pursuant to the
25 procedure in section 476.10.

26 EXPLANATION

27 This bill provides appropriations for additional temporary
28 staffing for the Iowa utilities board, prior to assessment of
29 those expenses to the utilities pursuant to the process in
30 Code section 476.10.

31 House File 577 provides for contested case proceedings
32 related to power purchase contracts filed by public utilities,
33 that, if approved by the board, would be included in the
34 public utility's regulated retail rates.

35 House File 577 also requires the Iowa utilities board to

1 prepare a report for the general assembly by January 21, 2002,
2 regarding the actions the board recommends be taken to
3 implement the intent of the general assembly as stated in
4 House File 577, to attract the development of electric power
5 generating and transmission facilities within the state in
6 sufficient quantity to ensure reliable electric service to
7 Iowa consumers and provide economic benefits to the state,
8 assessing at least the following topics: (1) the need for
9 incentives; (2) the need for assurances of cost recovery; (3)
10 the need for new generation and transmission facilities, and
11 for power purchase contracts; (4) the need for competitive
12 bidding for new generation and transmission facilities; (5)
13 power purchase contracts; (6) generation capacity in Iowa and
14 the possibility of exportation of energy, including the issue
15 of long-term and peak power purchases; (7) evaluation of
16 Iowa's transmission system and its connection to the regional
17 power grid; (8) municipal generation, transmission, financing,
18 and other related issues; (9) generation capacity and
19 transmission facilities of rural electric cooperatives; (10)
20 renewable energy sources, including but not limited to wind
21 and corn-related power sources; and (11) the appropriateness
22 and desirability of requiring the municipal utilities and the
23 rural electric cooperatives to file in the future multiyear
24 plans and budgets for managing regulated emissions from their
25 electric power generating facilities fueled by coal and
26 located in this state, similar to the process required for
27 rate-regulated public utilities under Code section 476.6,
28 subsection 16B, as contained in House File 577.

29 Code section 476.10, as amended by Senate File 279, 2001
30 Iowa Acts, which was signed by the governor and became
31 effective on March 14, 2001, provides for a process of direct
32 and remainder assessments to utilities of the costs incurred
33 by the Iowa utilities board.

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5/8/01 Do Pass

MAR 23 2001

HOUSE FILE 698
BY COMMITTEE ON APPROPRIATIONS

APPROPRIATIONS CALENDAR

(SUCCESSOR TO HSB 240)

(P.1634) Passed House, Date 4/30/01 Passed Senate, Date 6/9/01
 Vote: Ayes 89 Nays 1 Vote: Ayes 38 Nays 11
 Approved July 5, 2001
 Passed 6/19/01
 vote 91-5

A BILL FOR

1 An Act providing appropriations for certain temporary staffing
 2 for the Iowa utilities board and consumer advocate prior to
 3 assessment of such staffing expenses to utilities.

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

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HF 698

1 Section 1. APPROPRIATIONS FOR TEMPORARY UTILITY BOARD AND
2 CONSUMER ADVOCATE STAFFING.

3 1. The utilities board and the consumer advocate may
4 employ additional temporary staff, or may contract for
5 professional services with persons who are not state
6 employees, as the board and the consumer advocate deem
7 necessary to review power purchase contracts pursuant to 2001
8 Iowa Acts, House File 577, if enacted. Beginning July 1,
9 2001, there is appropriated out of any funds in the state
10 treasury not otherwise appropriated, such sums as may be
11 necessary to enable the board and the consumer advocate to
12 hire additional staff and contract for services under this
13 subsection. The costs of the additional staff and services
14 shall be assessed to the utilities pursuant to the procedure
15 in section 476.10 and section 475A.6.

16 2. The utilities board may employ additional temporary
17 staff, or may contract for professional services with persons
18 who are not state employees, as the board deems necessary to
19 complete the report on electric energy policy issues required
20 by 2001 Iowa Acts, House File 577, if enacted. Beginning July
21 1, 2001, and ending January 31, 2002, there is appropriated
22 out of any funds in the state treasury not otherwise
23 appropriated, such sums as may be necessary to enable the
24 board to hire additional staff and contract for services under
25 this subsection. The costs of the additional staff and
26 service shall be assessed to the utilities pursuant to the
27 procedure in section 476.10.

28 EXPLANATION

29 This bill provides appropriations for additional temporary
30 staffing for the Iowa utilities board and the consumer
31 advocate, prior to assessment of those expenses to the
32 utilities pursuant to the process in Code sections 476.10 and
33 475A.6.

34 House File 577 provides for contested case proceedings
35 related to power purchase contracts filed by public utilities,

1 that, if approved by the board, would be included in the
2 public utility's regulated retail rates.

3 House File 577 also requires the Iowa utilities board to
4 prepare a report for the general assembly by January 21, 2002,
5 regarding the actions the board recommends be taken to
6 implement the intent of the general assembly as stated in
7 House File 577, to attract the development of electric power
8 generating and transmission facilities within the state in
9 sufficient quantity to ensure reliable electric service to
10 Iowa consumers and provide economic benefits to the state,
11 assessing at least the following topics: (1) the need for
12 incentives; (2) the need for assurances of cost recovery; (3)
13 the need for new generation and transmission facilities, and
14 for power purchase contracts; (4) the need for competitive
15 bidding for new generation and transmission facilities; (5)
16 power purchase contracts; (6) generation capacity in Iowa and
17 the possibility of exportation of energy, including the issue
18 of long-term and peak power purchases; (7) evaluation of
19 Iowa's transmission system and its connection to the regional
20 power grid; (8) municipal generation, transmission, financing,
21 and other related issues; (9) generation capacity and
22 transmission facilities of rural electric cooperatives; (10)
23 renewable energy sources, including but not limited to wind
24 and corn-related power sources; and (11) the appropriateness
25 and desirability of requiring the municipal utilities and the
26 rural electric cooperatives to file in the future multiyear
27 plans and budgets for managing regulated emissions from their
28 electric power generating facilities fueled by coal and
29 located in this state, similar to the process required for
30 rate-regulated public utilities under Code section 476.6,
31 subsection 16B, as contained in House File 577.

32 Code section 476.10, as amended by Senate File 279, 2001
33 Iowa Acts, which was signed by the governor and became
34 effective on March 14, 2001, provides for a process of direct
35 and remainder assessments to utilities of the costs incurred

1 by the Iowa utilities board.

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HOUSE FILE 698

H-1593

1 Amend House File 698 as follows:

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

4 "Section 1. Section 476.6, Code 2001, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 16A. POWER PURCHASE CONTRACTS.

7 a. A rate-regulated public utility shall file with
8 the board any contract for the purchase of electric
9 power to serve Iowa retail electric consumers if the
10 contract meets all of the following conditions:

11 (1) The contract term is for a period of five
12 years or longer.

13 (2) The amount of power purchased equals or
14 exceeds five percent of the public utility's Iowa
15 retail load.

16 (3) The power is being purchased from a new
17 electric power generating facility that is being
18 planned or is under construction in Iowa as of the
19 date of the contract.

20 b. A public utility, at its option, may file with
21 the board other contracts for the purchase of electric
22 power from an electric power generating facility in
23 Iowa if the amount of power purchased equals or
24 exceeds twenty-five megawatts.

25 c. The board shall issue its decision within
26 ninety days after the public utility's filing is
27 deemed complete; however, upon good cause shown, the
28 board may extend the time for issuing the order as
29 follows:

30 (1) The board may grant an extension of twenty
31 days.

32 (2) The board may grant more than one extension,
33 but each extension must rely upon a separate showing
34 of good cause.

35 (3) A subsequent extension must not be granted any
36 earlier than five days prior to the expiration of the
37 original ninety-day period, or the current extension.

38 d. The board shall approve the contract if it
39 finds, after a contested case proceeding, that the
40 terms of the contract are reasonable and prudent. In
41 determining whether the terms of the contract are
42 reasonable and prudent, the board may consider the
43 reliability and economic benefits of new, Iowa-based
44 generation. The rate-regulated public utility shall
45 also demonstrate to the board that it has considered
46 other sources for long-term electric supply, and that
47 the purchase power contract is reasonable when
48 compared to other feasible alternative sources of
49 supply including the building of utility-owned
50 generation. The board may condition its approval upon

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1 the utility and the successful bidder agreeing to
2 contract modifications identified by the board.
3 e. Board approval of a contract shall constitute
4 an irrevocable determination of the prudence and
5 reasonableness of the contract and its terms. The
6 board, subsequent to approval of a contract, may at
7 anytime by order compel the public utility to enforce
8 the terms of the contract.

9 f. The costs of the contract shall be included in
10 the public utility's regulated retail electric rates.
11 The public utility may propose to recover the costs
12 through an automatic adjustment of rates as provided
13 in subsection 11.

14 g. The board shall adopt rules pursuant to chapter
15 17A regarding the filing and approval of contracts
16 under this subsection, including rules to ensure that
17 there is a fair and open bidding process for power
18 purchase contracts.

19 Sec. _____. Section 476.53, Code 2001, is amended by
20 striking the section and inserting in lieu thereof the
21 following:

22 476.53 ELECTRIC GENERATING AND TRANSMISSION
23 FACILITIES.

24 1. It is the intent of the general assembly to
25 attract the development of electric power generating
26 and transmission facilities within the state in
27 sufficient quantity to ensure reliable electric
28 service to Iowa consumers and provide economic
29 benefits to the state.

30 2. The general assembly's intent with regard to
31 the development of electric power generating and
32 transmission facilities, as provided in subsection 1,
33 shall be implemented in a manner that is cost-
34 effective and compatible with the environmental
35 policies of the state, as expressed in Title XI.

36 3. a. If a rate-regulated public utility files an
37 application pursuant to section 476A.3 to construct an
38 electric power generating facility in Iowa equal to or
39 greater than three hundred megawatts of nameplate
40 baseload capacity, or an alternate energy facility as
41 defined in section 476.42, or if a rate-regulated
42 public utility leases or purchases, in whole or in
43 part, a new electric power generating facility in Iowa
44 equal to or greater than three hundred megawatts of
45 nameplate baseload capacity, or a new alternate energy
46 facility as defined in section 476.42, the board shall
47 specify in advance, by order issued after a contested
48 case proceeding, the ratemaking principles that will
49 apply when the costs of the facility are included in
50 regulated electric rates.

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- 1 b. In determining the applicable ratemaking
2 principles, the board shall not be limited to
3 traditional ratemaking principles or traditional cost
4 recovery mechanisms.
- 5 c. The applicable ratemaking principles shall be
6 determined in a contested case proceeding, which
7 proceeding may be combined with the proceeding for
8 issuance of a certificate conducted pursuant to
9 chapter 476A.
- 10 d. The order setting forth the applicable
11 ratemaking principles shall be issued prior to the
12 commencement of construction or lease of the facility.
- 13 e. Following issuance of the order, the rate-
14 regulated public utility shall have the option of
15 proceeding with construction or lease of the facility
16 in Iowa, or withdrawing its application for a
17 certificate under chapter 476A.
- 18 f. Notwithstanding any provision of this chapter
19 to the contrary, the ratemaking principles established
20 by the order issued pursuant to paragraph "d" shall be
21 binding with regard to the specific electric power
22 generating facility in any subsequent rate proceeding,
23 unless there is a sale, lease, or any other
24 disposition of a facility or lease, directly or
25 indirectly, including by merger or consolidation."
- 26 2. Page 1, line 3, by striking the figure "1."
27 3. Page 1, by striking lines 16 through 27.
28 4. By renumbering as necessary.

By JENKINS of Black Hawk
HANSEN of Pottawattamie

H-1593 FILED APRIL 19, 2001

W/D
4/30/01
(P. 1634)

H-1626

1 Amend the amendment, H-1593, to House File 698, as
2 follows:

3 1. By striking page 1, line 2, through page 3,
4 line 28, and inserting the following:

5 " . Page 1, by inserting before line 1, the
6 following:

7 "Section 1. Section 476A.6, Code 2001, is amended
8 to read as follows:

9 476A.6 DECISION -- CRITERIA.

10 The board shall render a decision on the
11 application in an expeditious manner. A certificate
12 shall be issued to the applicant if the board finds
13 all of the following:

14 1. The services and operations resulting from the
15 construction of the facility are ~~required by the~~
16 ~~present or future public convenience, use and~~
17 necessity compatible with the energy policy of the
18 state as developed under section 476.53 and the
19 economic development policy of the state as expressed
20 in Title I, subtitle 5, and will not be detrimental to
21 the provision of adequate and reliable electric
22 service.

23 2. The applicant is willing to ~~perform such~~
24 ~~services and~~ construct, maintain, and operate the
25 facility pursuant to the provisions of the certificate
26 and this chapter.

27 3. The construction, maintenance, and operation of
28 the facility will ~~cause minimum adverse be consistent~~
29 with reasonable land use, and environmental, and
30 aesthetic impact policies and are consonant with
31 reasonable utilization of air, land, and water
32 resources, for beneficial purposes considering
33 reasonably available technology and the economics of
34 available alternatives.

35 4. ~~The applicant, if a public utility as defined~~
36 ~~in section 476.1, has in effect a comprehensive energy~~
37 ~~management program designed to reduce peak loads and~~
38 ~~to increase efficiency of use of energy by all classes~~
39 ~~of customers of the utility, and the facility in the~~
40 ~~application is necessary notwithstanding the existence~~
41 ~~of the comprehensive energy management program. As~~
42 ~~used in this subsection, a "comprehensive energy~~
43 ~~management program" includes at a minimum the~~
44 ~~following:~~

45 a. ~~Establishment of load management and~~
46 ~~interruptible service programs, where cost effective.~~

47 b. ~~Development of wheeling agreements and other~~
48 ~~energy sharing agreements, where cost effective with~~
49 ~~utilities that have available capacity.~~

50 e. ~~Establishment of cost effective energy~~

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1 ~~efficiency and renewable energy services and programs.~~
2 ~~d. Compliance with board rules on energy~~
3 ~~management procedures.~~

4 ~~5. The applicant, if a public utility as defined~~
5 ~~in section 476.1, shall demonstrate to the board that~~
6 ~~the utility has considered sources for long-term~~
7 ~~electric supply from either purchase of electricity or~~
8 ~~investment in facilities owned by other persons.~~

9 ~~6. The applicant, if a public utility as defined~~
10 ~~in section 476.1, has considered all feasible~~
11 ~~alternatives to the proposed facility including~~
12 ~~nongeneration alternatives; has ranked those~~
13 ~~alternatives by cost; has implemented the least-cost~~
14 ~~alternatives first; and the facility in the~~
15 ~~application is necessary notwithstanding the~~
16 ~~implementation of these alternatives.~~

17 Sec. _____. Section 476A.7, Code 2001, is amended by
18 adding the following new subsection:

19 NEW SUBSECTION. 3. Pursuant to the provisions of
20 section 476.53, a rate-regulated public utility shall
21 have the option of withdrawing its application for
22 issuance of a certificate at any time prior to the
23 issuance of the certificate, or after the certificate
24 has been issued.

25 Sec. _____. Section 476A.15, Code 2001, is amended
26 to read as follows:

27 476A.15 WAIVER.

28 The board, if it determines that the public
29 interest would not be adversely affected, may waive
30 any of the requirements of this chapter ~~for facilities~~
31 ~~with a capacity of one hundred or fewer megawatts.~~

32 Sec. _____. NEW SECTION. 476A.20 DEFINITIONS.

33 For purposes of this subchapter, unless the context
34 otherwise requires:

35 1. "Electric power agency" means an entity as
36 defined in section 28F.2.

37 2. "Facility" means an electric power generating
38 plant, or transmission line or system, as defined in
39 section 476A.1.

40 3. "Public bond or obligation" means an obligation
41 as defined in section 76.14.

42 Sec. _____. NEW SECTION. 476A.21 ELECTRIC POWER
43 AGENCY -- GENERAL AUTHORITY.

44 In addition to other powers conferred upon an
45 electric power agency by chapter 28F or other
46 applicable law, an electric power agency may enter
47 into and carry out joint agreements with other
48 participants for the acquisition of ownership of a
49 joint facility and for the planning, financing,
50 operation, and maintenance of the joint facility, as

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1 provided in this subchapter.

2 Sec. _____. NEW SECTION. 476A.22 ELECTRIC POWER
3 AGENCY -- AUTHORITY -- CONFLICTING PROVISIONS.

4 1. In addition to any powers conferred upon an
5 electric power agency under chapter 28F or other
6 applicable law, an electric power agency may exercise
7 all other powers reasonably necessary or appropriate
8 for or incidental to the effectuation of the electric
9 power agency's authorized purposes, including without
10 limitation, the powers enumerated in chapters 6A and
11 6B for purposes of constructing or acquiring an
12 electric power facility.

13 2. An electric power agency, in connection with
14 its property and affairs, and in connection with
15 property within its control, may exercise any and all
16 powers that might be exercised by a natural person or
17 a private corporation in connection with similar
18 property and affairs.

19 3. The enumeration of specified powers and
20 functions of an electric power agency in this
21 subchapter is not a limitation of the powers of an
22 electric power agency, but the procedures prescribed
23 for exercising the powers and functions enumerated in
24 this subchapter control and govern in the event of any
25 conflict with any other provision of law.

26 4. The authority conferred pursuant to this
27 subchapter applies to electric power agencies,
28 notwithstanding any contrary provisions of section
29 28F.1.

30 Sec. _____. NEW SECTION. 476A.23 ISSUANCE OF
31 PUBLIC BONDS OR OBLIGATIONS -- PURPOSES --
32 LIMITATIONS.

33 1. An electric power agency may from time to time
34 issue its public bonds or obligations in such
35 principal amounts as the electric power agency deems
36 necessary to provide sufficient funds to carry out any
37 of its purposes and powers, including but not limited
38 to any of the following:

39 a. The acquisition or construction of any project
40 to be owned or leased by the electric power agency, or
41 the acquisition of any interest in such project or any
42 right to the capacity of such project, including the
43 acquisition, construction, or acquisition of any
44 interest in an electric power generating plant to be
45 constructed in this state, or the acquisition,
46 construction, or acquisition of any interest in a
47 transmission line or system.

48 b. The funding or refunding of the principal of,
49 or interest or redemption premiums on, any public
50 bonds or obligations issued by the electric power

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1 agency whether or not the public bonds or obligations
2 or interest to be funded or refunded have become due.
3 c. The establishment or increase of reserves to
4 secure or to pay the public bonds or obligations or
5 interest on the public bonds or obligations.
6 d. The payment of all other costs or expenses of
7 the electric power agency incident to and necessary to
8 carry out its purposes and powers.

9 2. Notwithstanding anything in this subchapter or
10 chapter 28F to the contrary, a facility shall not be
11 financed with the proceeds of public bonds or
12 obligations, the interest on which is exempt from
13 federal income tax, unless the public issuer of such
14 public bonds or obligations covenants that the issuer
15 shall comply with the requirements or limitations
16 imposed by the Internal Revenue Code or other
17 applicable federal law to preserve the tax exemption
18 of interest payable on the bonds or obligations.

19 3. Notwithstanding anything in this subchapter or
20 chapter 28F to the contrary, an electric power
21 generating facility shall not be financed under this
22 subchapter unless all of the following conditions are
23 satisfied:

24 a. The electric power generating facility is
25 designed to serve only the electric power requirements
26 of retail customers of members that were municipal
27 electric utilities established in the state prior to
28 January 1, 2001.

29 b. The electric power agency annually files with
30 the board, in a manner to be determined by the board,
31 information regarding sales from the electric power
32 generating facility in sufficient detail to determine
33 compliance with these provisions.

34 The board shall report to the general assembly if
35 any of the provisions are being violated.

36 Sec. ____ . NEW SECTION. 476A.24 PUBLIC BONDS OR
37 OBLIGATIONS AUTHORIZED BY RESOLUTION OF BOARD --
38 TERMS.

39 1. The board of directors of an electric power
40 agency, by resolution, may authorize the issuance of
41 public bonds or obligations of the electric power
42 agency.

43 2. The public bonds or obligations may be issued
44 in one or more series under the resolution or under a
45 trust indenture or other security agreement.

46 3. The resolution, trust indenture, or other
47 security agreement, with respect to such public bonds
48 or obligations, shall provide for all of the
49 following:

50 a. The date on the public bonds or obligations.

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- 1 b. The time of maturity.
- 2 c. The rate of interest.
- 3 d. The denomination.
- 4 e. The form, either coupon or registered.
- 5 f. The conversion, registration, and exchange
- 6 privileges.
- 7 g. The rank or priority.
- 8 h. The manner of execution.
- 9 i. The medium of payment, including the place of
- 10 payment, either within or outside of the state.
- 11 j. The terms of redemption, either with or without
- 12 premium.
- 13 k. Such other terms and conditions as set forth by
- 14 the board in the resolution, trust indenture, or other
- 15 security agreement.

16 4. Public bonds or obligations authorized by the
 17 board of directors shall not be subject to any
 18 restriction under other law with respect to the
 19 amount, maturity, interest rate, or other terms of
 20 obligation of a public agency or private person.

21 5. Chapter 75 shall not apply to public bonds or
 22 obligations authorized by the board of directors as
 23 provided in this section.

24 Sec. ____ . NEW SECTION. 476A.25 PUBLIC BONDS OR
 25 OBLIGATIONS PAYABLE SOLELY FROM AGENCY REVENUES OR
 26 FUNDS.

27 1. The principal of and interest on any public
 28 bonds or obligations issued by an electric power
 29 agency shall be payable solely from the revenues or
 30 funds pledged or available for their payment as
 31 authorized in this subchapter.

32 2. Each public bond or obligation shall contain
 33 all of the following terms:

34 a. That the principal of or interest on such
 35 public bonds or obligation is payable solely from
 36 revenues or funds of the electric power agency.

37 b. That neither the state or a political
 38 subdivision of the state other than the electric power
 39 agency, nor a public agency that is a member of the
 40 electric power agency is obligated to pay the
 41 principal or interest on such public bonds or
 42 obligations.

43 c. That neither the full faith and credit nor the
 44 taxing power of the state, of any political
 45 subdivision of the state, or of any such public agency
 46 is pledged to the payment of the principal of or the
 47 interest on the public bonds or obligations.

48 Sec. ____ . NEW SECTION. 476A.26 PUBLIC BONDS OR
 49 OBLIGATIONS -- TYPES -- SOURCES FOR PAYMENT --
 50 SECURITY.

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1 1. Except as otherwise expressly provided by this
2 subchapter or by the electric power agency, every
3 issue of public bonds or obligations of the electric
4 power agency shall be payable out of any revenues or
5 funds of the electric power agency, subject only to
6 any agreements with the holders of particular public
7 bonds or obligations pledging any particular revenues
8 or funds.

9 2. An electric power agency may issue types of
10 public bonds or obligations as it may determine,
11 including public bonds or obligations as to which the
12 principal and interest are payable exclusively from
13 the revenues from one or more projects, or from an
14 interest in such project or projects, or a right to
15 capacity of such project or projects, or from any
16 revenue-producing contract made by the electric power
17 agency with any person, or from its revenues
18 generally.

19 3. Any public bonds or obligations may be
20 additionally secured by a pledge of any grant,
21 subsidy, or contribution from any public agency or
22 other person, or a pledge of any income or revenues,
23 funds, or moneys of the electric power agency from any
24 other source.

25 Sec. ____ . NEW SECTION. 476A.27 PUBLIC BONDS OR
26 OBLIGATIONS AND RATES FOR DEBT SERVICE NOT SUBJECT TO
27 STATE APPROVAL.

28 Public bonds or obligations of an electric power
29 agency may be issued under this subchapter, and rents,
30 rates, and charges may be established in the same
31 manner as provided in section 28F.5 and pledged for
32 the security of public bonds or obligations and
33 interest and redemption premiums on such public bonds
34 or obligations, without obtaining the consent of any
35 department, division, commission, board, bureau, or
36 agency of the state and without any other proceeding
37 or the happening of any other condition or occurrence,
38 except as specifically required by this subchapter.

39 Sec. ____ . NEW SECTION. 476A.28 PUBLIC BONDS OR
40 OBLIGATIONS TO BE NEGOTIABLE.

41 All public bonds or obligations of an electric
42 power agency shall be negotiable within the meaning
43 and for all of the purposes of the uniform commercial
44 code, chapter 554, subject only to the registration
45 requirement of section 76.10.

46 Sec. ____ . NEW SECTION. 476A.29 VALIDITY OF
47 PUBLIC BONDS OR OBLIGATIONS AT DELIVERY -- TEMPORARY
48 BONDS.

49 1. Any public bonds or obligations may be issued
50 and delivered, notwithstanding that one or more of the

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1 officers executing them shall have ceased to hold
2 office at the time when the public bonds or
3 obligations are actually delivered.

4 2. Pending preparation of definitive bonds
5 obligations, an electric power agency may issue
6 temporary bonds or obligations that shall be exchanged
7 for the definitive bonds or obligations upon their
8 issuance.

9 Sec. ____ . NEW SECTION. 476A.30 PUBLIC OR PRIVATE
10 SALE OF BONDS AND NOTES.

11 Public bonds or obligations of an electric power
12 agency may be sold at public or private sale for a
13 price and in a manner determined by the electric power
14 agency.

15 Sec. ____ . NEW SECTION. 476A.31 PUBLIC BONDS OR
16 OBLIGATIONS AS SUITABLE INVESTMENTS FOR GOVERNMENTAL
17 UNITS, FINANCIAL INSTITUTIONS, AND FIDUCIARIES.

18 The following persons may legally invest any debt
19 service funds, money, or other funds belonging to such
20 person or within such person's control in any public
21 bonds or obligations issued pursuant to this
22 subchapter:

23 1. A bank, trust company, savings association,
24 building and loan association, savings and loan
25 association, or investment company.

26 2. An insurance company, insurance association, or
27 any other person carrying on an insurance business.

28 3. An executor, administrator, conservator,
29 trustee, or other fiduciary.

30 4. Any other person authorized to invest in bonds
31 or obligations of the state.

32 Sec. ____ . NEW SECTION. 476A.32 RESOLUTION, TRUST
33 INDENTURE, OR SECURITY AGREEMENT CONSTITUTES CONTRACT
34 -- PROVISIONS.

35 The resolution, trust indenture, or other security
36 agreement under which any public bonds or obligations
37 are issued shall constitute a contract with the
38 holders of the public bonds or obligations, and may
39 contain provisions, among others, prescribing any of
40 the following terms:

41 1. The terms and provisions of the public bonds or
42 obligations.

43 2. The mortgage or pledge of and the grant of a
44 security interest in any real or personal property and
45 all or any part of the revenue from any project or any
46 revenue producing contract made by the electric power
47 agency with any person to secure the payment of public
48 bonds or obligations, subject to any agreements with
49 the holders of public bonds or obligations which might
50 then exist.

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1 3. The custody, collection, securing, investment,
2 and payment of any revenues, assets, money, funds, or
3 property with respect to which the electric power
4 agency may have any rights or interest.

5 4. The rates or charges for electric energy sold
6 by, or services rendered by, the electric power
7 agency, the amount to be raised by the rates or
8 charges, and the use and disposition of any or all
9 revenue.

10 5. The creation of reserves or debt service funds
11 and the regulation and disposition of such reserves or
12 funds.

13 6. The purposes to which the proceeds from the
14 sale of any public bonds or obligations to be issued
15 may be applied, and the pledge of the proceeds to
16 secure the payment of the public bonds or obligations.

17 7. Limitations on the issuance of any additional
18 public bonds or obligations, the terms upon which
19 additional public bonds or obligations may be issued
20 and secured, and the refunding of outstanding public
21 bonds or obligations.

22 8. The rank or priority of any public bonds or
23 obligations with respect to any lien or security.

24 9. The creation of special funds or moneys to be
25 held for operating expenses, payment, or redemption of
26 public bonds or obligations, reserves or other
27 purposes, and the use and disposition of moneys held
28 in these funds.

29 10. The procedure by which the terms of any
30 contract with or for the benefit of the holders of
31 public bonds or obligations may be amended or
32 abrogated, the amount of public bonds or obligations
33 the holders of which must consent to such amendment or
34 abrogation, and the manner in which consent may be
35 given.

36 11. The definition of the acts or omissions to act
37 that constitute a default in the duties of the
38 electric power agency to holders of its public bonds
39 or obligations, and the rights and remedies of the
40 holders in the event of default including, if the
41 electric power agency so determines, the right to
42 accelerate the date of the maturation of the public
43 bonds or obligations or the right to appoint a
44 receiver or receivers of the property or revenues
45 subject to the lien of the resolution, trust
46 indenture, or other security agreement.

47 12. Any other or additional agreements with or for
48 the benefit of the holders of public bonds or
49 obligations or any covenants or restrictions necessary
50 or desirable to safeguard the interests of the

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1 holders.

2 13. The custody of any of the electric power
3 agency's property or investments, the safekeeping of
4 such property or investments, the insurance to be
5 carried on such property or investments, and the use
6 and disposition of insurance proceeds.

7 14. The vesting in a trustee or trustees, within
8 or outside the state, of such property, rights,
9 powers, and duties as the electric power agency may
10 determine; or the limiting or abrogating of the rights
11 of the holders of any public bonds or obligations to
12 appoint a trustee, or the limiting of the rights,
13 powers, and duties of such trustee.

14 15. The appointment of and the establishment of
15 the duties and obligations of any paying agent or
16 other fiduciary within or outside the state.

17 Sec. ____ . NEW SECTION. 476A.33 MORTGAGE OR TRUST
18 DEED TO SECURE BONDS.

19 For the security of public bonds or obligations
20 issued or to be issued by an electric power agency,
21 the electric power agency may mortgage or execute
22 deeds of trust of the whole or any part of its
23 property.

24 Sec. ____ . NEW SECTION. 476A.34 NO PERSONAL
25 LIABILITY ON PUBLIC BONDS OR OBLIGATIONS.

26 An official, director, member of an electric power
27 agency, or any person executing public bonds or
28 obligations shall not be liable personally on the
29 public bonds or obligations or be subject to any
30 personal liability or accountability by reason of the
31 issuance of such public bonds or obligations.

32 Sec. ____ . NEW SECTION. 476A.35 REPURCHASE OF
33 SECURITIES.

34 An electric power agency may purchase public bonds
35 or obligations out of any funds available for such
36 purchase, and hold, pledge, cancel, or resell the
37 public bonds or obligations, subject to and in
38 accordance with any agreements with the holders.

39 Sec. ____ . NEW SECTION. 476A.36 PLEDGE OF REVENUE
40 AS SECURITY.

41 An electric power agency may pledge its rates,
42 rents, and other revenues, or any part of such rates,
43 rents, and revenues, as security for the repayment,
44 with interest and redemption premiums, if any, of the
45 moneys borrowed by the electric power agency or
46 advanced to the electric power agency for any of its
47 authorized purposes and as security for the payment of
48 moneys due and owed by the electric power agency under
49 any contract.

50 Sec. ____ . CODE EDITOR DIRECTIVE. The Code editor

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- 1 shall change references to "this chapter" in sections
- 2 476A.1 through 476A.15 as necessary and appropriate to
- 3 reflect the addition of the new subchapter to chapter
- 4 476A as a result of this Act."
- 5 2. By renumbering as necessary.

By CHIODO of Polk

H-1626 FILED APRIL 23, 2001

*W/D
4/30/01*

**HOUSE FILE 698
FISCAL NOTE**

A fiscal note for **House File 698** 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 698 provides for additional temporary staffing for the Iowa Utilities Board, as the Board deems necessary, to review contracts for the purchase of power, should House File 577 (Electric Facilities Construction) be enacted.

House File 698 also provides for additional temporary staffing for the Iowa Utilities Board, as the Board deems necessary, to complete a report on electric energy policy issues, should House File 577 (Electric Facilities Construction) be enacted.

House File 698 would also provide for the expenses of the Office of Consumer Advocate to review contracts for the purchase of power, should House File 577 (Electric Facilities Construction) be enacted. The Bill creates a standing unlimited appropriation and requires all expenses to be reimbursed directly to the General Fund by the utilities.

ASSUMPTIONS

1. The Iowa Utilities Division and the Office of Consumer Advocate will review approximately three contracts for the purchase of power per year.
2. Services of third-party experts will be obtained to review the contracts for the purchase of power at approximately \$50,000 per contract, for the Iowa Utilities Division.
3. The cost of the Iowa Utilities Division to complete a report on electric energy policy issues will be completed by current State employees and absorbed within the Division's estimated FY 2001 and estimated FY 2002 operating budgets.
4. The cost of having the Office of Consumer Advocate hire third-party experts to review the contracts for the purchase of power is approximately \$50,000 per contract.
5. All costs of the Iowa Utilities Division and the Office of Consumer Advocate will be assessed to the contracting utility.

FISCAL IMPACT

The net fiscal effect to the General Fund for House File 698 is expected to be minimal.

The cost to the Iowa Utilities Division to review contracts for the purchase of

power is estimated to cost approximately \$150,000 annually.

The cost to the Iowa Utilities Division to complete a report on electric energy policy issues will be absorbed within the Division's current operations budget.

The cost to the Office of Consumer Advocate to review contracts for the purchase of power is estimated to cost approximately \$150,000 annually.

The total General Fund cost of House File 698 is approximately \$300,000 annually, which will be assessed to the utility companies and the receipts will be deposited in the General Fund.

SOURCES

Iowa Utilities Board, Department of Commerce
Office of Consumer Advocate

(LSB 3536hv, CRS)

FILED APRIL 3, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE AMENDMENT TO
HOUSE FILE 698

H 2051 JUN 19 8

1 Amend House File 698, as passed by the House, as
2 follows:

A 3 1. Page 1, line 3, by striking the figure "1."

4 2. Page 1, line 7, by striking the words "review
5 power purchase contracts" and inserting the following:
6 "perform required functions, including but not limited
7 to, review of power purchase contracts, review of
8 emission plans and budgets, and review of ratemaking
9 principles proposed for construction or lease of a new
10 generating facility".

11 3. Page 1, line 13, by striking the word
12 "subsection" and inserting the word "section".

13 4. Page 1, by striking lines 16 through 27.

14 5. Page 1, by inserting before line 28, the
15 following:

16 "Sec. ____ . WORKFORCE ATTRITION PROGRAM AND FUND.

17 1. For the fiscal year beginning July 1, 2001, and
18 ending June 30, 2002, the department of management
19 shall establish a workforce attrition program. The
20 department shall administer the program as necessary
21 to achieve the goal of eliminating full-time
22 equivalent positions in the executive branch of state
23 government that approximate the number of executive
24 branch employees who voluntarily retire during the
25 fiscal year.

26 2. a. The department shall establish a workforce
27 attrition fund to receive transfers of moneys from
28 executive branch agencies and departments representing
29 unused general fund wages and benefits, after payment
30 for vacation or sick leave benefits, of employees who
31 retire during the fiscal year.

32 b. Unless an exception is authorized in accordance
33 with paragraph "c", if an employee of an executive
34 branch department or agency voluntarily retires during
35 the fiscal year, the department or agency shall
36 transfer to the workforce attrition fund the remaining
37 amount of general fund salary and benefits, after
38 payment for vacation or sick leave benefits, that
39 would have been expended had the retired employee
40 remained on the payroll for the balance of the fiscal
41 year. In lieu of reporting in accordance with section
42 8.39, the department of management shall report
43 monthly to the legislative fiscal committee and the
44 legislative fiscal bureau concerning the transfers
45 made to the workforce attrition fund.

46 c. The department or agency table of organization
47 shall be revised to reflect the elimination of an
48 equivalent number of positions as retire in the
49 department or agency during the fiscal year. However,
50 if the department determines that eliminating a full-

1 time equivalent position would severely impact the
2 department's or agency's mission or services, the
3 department or agency may appeal to the department of
4 management for an exception. If the department of
5 management concurs with the department's or agency's
6 determination, the exception shall be granted, the
7 transfer to the workforce attrition fund shall not be
8 made, and the table of organization shall not be
9 revised.

10 3. Moneys transferred to the workforce attrition
11 fund are not subject to further transfer under section
12 8.39 or any other provision of law and shall not be
13 encumbered or obligated unless appropriated. The
14 moneys in the workforce attrition fund at the close of
15 the fiscal year beginning July 1, 2001, shall be
16 transferred to the general fund of the state and the
17 program and fund shall be eliminated."

18 6. Page 1, by inserting before line 28 the
19 following:

20 "Sec. _____. Section 12.72, subsection 4, Code 2001,
21 is amended by striking the subsection and inserting in
22 lieu thereof the following:

23 4. a. The treasurer of state may create and
24 establish one or more special funds, to be known as
25 "bond reserve funds", to secure one or more issues of
26 bonds or notes issued pursuant to section 12.71. The
27 treasurer of state shall pay into each bond reserve
28 fund any moneys appropriated and made available by the
29 state or the treasurer for the purpose of the fund,
30 any proceeds of sale of notes or bonds to the extent
31 provided in the resolutions authorizing their
32 issuance, and any other moneys which may be available
33 to the treasurer for the purpose of the fund from any
34 other sources. All moneys held in a bond reserve
35 fund, except as otherwise provided in this chapter,
36 shall be used as required solely for the payment of
37 the principal of bonds secured in whole or in part by
38 the fund or of the sinking fund payments with respect
39 to the bonds, the purchase or redemption of the bonds,
40 the payment of interest on the bonds, or the payments
41 of any redemption premium required to be paid when the
42 bonds are redeemed prior to maturity.

43 b. Moneys in a bond reserve fund shall not be
44 withdrawn from it at any time in an amount that will
45 reduce the amount of the fund to less than the bond
46 reserve fund requirement established for the fund, as
47 provided in this subsection, except for the purpose of
48 making, with respect to bonds secured in whole or in
49 part by the fund, payment when due of principal,
50 interest, redemption premiums, and the sinking fund

1 payments with respect to the bonds for the payment of
2 which other moneys of the treasurer are not available.
3 Any income or interest earned by, or incremental to, a
4 bond reserve fund due to the investment of it may be
5 transferred by the treasurer to other funds or
6 accounts to the extent the transfer does not reduce
7 the amount of that bond reserve fund below the bond
8 reserve fund requirement for it.

A
9 c. The treasurer of state shall not at any time
10 issue bonds, secured in whole or in part by a bond
11 reserve fund if, upon the issuance of the bonds, the
12 amount in the bond reserve fund will be less than the
13 bond reserve fund requirement for the fund, unless the
14 treasurer at the time of issuance of the bonds
15 deposits in the fund from the proceeds of the bonds
16 issued or from other sources an amount which, together
17 with the amount then in the fund will not be less than
18 the bond reserve fund requirement for the fund. For
19 the purposes of this subsection, the term "bond
20 reserve fund requirement" means, as of any particular
21 date of computation, an amount of money, as provided
22 in the resolutions authorizing the bonds with respect
23 to which the fund is established.

24 d. To assure the continued solvency of any bonds
25 secured by the bond reserve fund, provision is made in
26 paragraph "a" for the accumulation in each bond
27 reserve fund of an amount equal to the bond reserve
28 fund requirement for the fund. In order further to
29 assure maintenance of the bond reserve funds, the
30 treasurer shall, on or before January 1 of each
31 calendar year, make and deliver to the governor the
32 treasurer's certificate stating the sum, if any,
33 required to restore each bond reserve fund to the bond
34 reserve fund requirement for that fund. Within thirty
35 days after the beginning of the session of the general
36 assembly next following the delivery of the
37 certificate, the governor shall submit to both houses
38 printed copies of a budget including the sum, if any,
39 required to restore each bond reserve fund to the bond
40 reserve fund requirement for that fund. Any sums
41 appropriated by the general assembly and paid to the
42 treasurer pursuant to this subsection shall be
43 deposited by the authority in the applicable bond
44 reserve fund.

45 Sec. _____. Section 12.82, subsection 4, Code 2001,
46 is amended by striking the subsection and inserting in
47 lieu thereof the following:

48 4. a. The treasurer of state may create and
49 establish one or more special funds, to be known as
50 "bond reserve funds", to secure one or more issues of

1 bonds or notes issued pursuant to section 12.81. The
2 treasurer of state shall pay into each bond reserve
3 fund any moneys appropriated and made available by the
4 state or the treasurer for the purpose of the fund,
5 any proceeds of sale of notes or bonds to the extent
6 provided in the resolutions authorizing their
7 issuance, and any other moneys which may be available
8 to the treasurer for the purpose of the fund from any
9 other sources. All moneys held in a bond reserve
10 fund, except as otherwise provided in this chapter,
11 shall be used as required solely for the payment of
12 the principal of bonds secured in whole or in part by
13 the fund or of the sinking fund payments with respect
14 to the bonds, the purchase or redemption of the bonds,
15 the payment of interest on the bonds, or the payments
16 of any redemption premium required to be paid when the
17 bonds are redeemed prior to maturity.

18 b. Moneys in a bond reserve fund shall not be
19 withdrawn from it at any time in an amount that will
20 reduce the amount of the fund to less than the bond
21 reserve fund requirement established for the fund, as
22 provided in this subsection, except for the purpose of
23 making, with respect to bonds secured in whole or in
24 part by the fund, payment when due of principal,
25 interest, redemption premiums, and the sinking fund
26 payments with respect to the bonds for the payment of
27 which other moneys of the treasurer are not available.
28 Any income or interest earned by, or incremental to, a
29 bond reserve fund due to the investment of it may be
30 transferred by the treasurer to other funds or
31 accounts to the extent the transfer does not reduce
32 the amount of that bond reserve fund below the bond
33 reserve fund requirement for it.

34 c. The treasurer of state shall not at any time
35 issue bonds, secured in whole or in part by a bond
36 reserve fund if, upon the issuance of the bonds, the
37 amount in the bond reserve fund will be less than the
38 bond reserve fund requirement for the fund, unless the
39 treasurer at the time of issuance of the bonds
40 deposits in the fund from the proceeds of the bonds
41 issued or from other sources an amount which, together
42 with the amount then in the fund will not be less than
43 the bond reserve fund requirement for the fund. For
44 the purposes of this subsection, the term "bond
45 reserve fund requirement" means, as of any particular
46 date of computation, an amount of money, as provided
47 in the resolutions authorizing the bonds with respect
48 to which the fund is established.

49 d. To assure the continued solvency of any bonds
50 secured by the bond reserve fund, provision is made in

1 paragraph "a" for the accumulation in each bond
2 reserve fund of an amount equal to the bond reserve
3 fund requirement for the fund. In order further to
4 assure maintenance of the bond reserve funds, the
5 treasurer shall, on or before January 1 of each
6 calendar year, make and deliver to the governor the
7 treasurer's certificate stating the sum, if any,
8 required to restore each bond reserve fund to the bond
9 reserve fund requirement for that fund. Within thirty
10 days after the beginning of the session of the general
11 assembly next following the delivery of the
12 certificate, the governor shall submit to both houses
13 printed copies of a budget including the sum, if any,
14 required to restore each bond reserve fund to the bond
15 reserve fund requirement for that fund. Any sums
16 appropriated by the general assembly and paid to the
17 treasurer pursuant to this subsection shall be
18 deposited by the authority in the applicable bond
19 reserve fund."

A
20 7. Page 1, by inserting before line 28, the
21 following:

22 "Sec. ____ . 1998 Iowa Acts, chapter 1219, section
23 6, subsection 6, is amended by adding the following
24 new paragraphs:

B
25 NEW PARAGRAPH. a. The department of general
26 services is authorized pursuant to section 18.12,
27 subsection 12, to dispose of the real property located
28 at the northwest corner of the intersection of Grand
29 and Pennsylvania avenues on which the parking
30 structure is to be located and any structures located
31 on such real property. The department may enter into
32 an agreement under chapter 28E with public and private
33 agencies for purposes of the planning, design,
34 construction, ownership, operation, or maintenance of
35 the parking structure. In conjunction with the
36 chapter 28E agreement, the department is authorized to
37 enter into a long-term lease agreement for office
38 space located on property adjacent to the property on
39 which the parking structure is to be located.

40 NEW PARAGRAPH. b. The department may obligate and
41 use moneys appropriated in this subsection as
42 consideration to acquire on behalf of the state an
43 interest in the completed parking structure and real
44 property on which the parking structure is located
45 pursuant to the terms of the chapter 28E agreement
46 described in paragraph "a". Notwithstanding anything
47 to the contrary in section 18.12, subsection 12,
48 moneys expended from the appropriation in this
49 subsection that are reimbursed to the department by a
50 party to the chapter 28E agreement shall be credited

1 to the appropriation in this subsection and shall be
2 used to acquire an interest on behalf of the state in
3 the completed parking structure and real property as
4 described in this paragraph.

5 NEW PARAGRAPH. c. Notwithstanding section 8.33 or
6 any provision of this section to the contrary,
7 unencumbered or unobligated funds remaining on June
8 30, 2003, from the funds appropriated in this
9 subsection, shall revert to the rebuild Iowa
10 infrastructure fund on August 31, 2003.

11 Sec. _____. 1999 Iowa Acts, chapter 204, section 4,
12 subsection 6, is amended by adding the following new
13 paragraphs after the last unnumbered paragraph:

14 NEW PARAGRAPH. a. The department of general
15 services is authorized pursuant to section 18.12,
16 subsection 12, to dispose of the real property located
17 at the northwest corner of the intersection of Grand
18 and Pennsylvania avenues on which the parking
19 structure is to be located and any structures located
20 on such real property. The department may enter into
21 an agreement under chapter 28E with public and private
22 agencies for purposes of the planning, design,
23 construction, ownership, operation, or maintenance of
24 the parking structure. In conjunction with the
25 chapter 28E agreement, the department is authorized to
26 enter into a long-term lease agreement for office
27 space located on property adjacent to the property on
28 which the parking structure is to be located.

29 NEW PARAGRAPH. b. The department may obligate and
30 use moneys appropriated in this subsection as
31 consideration to acquire on behalf of the state an
32 interest in the completed parking structure and real
33 property on which the parking structure is located
34 pursuant to the terms of the chapter 28E agreement
35 described in paragraph "a". Notwithstanding anything
36 to the contrary in section 18.12, subsection 12,
37 moneys expended from the appropriation in this
38 subsection that are reimbursed to the department by a
39 party to the chapter 28E agreement shall be credited
40 to the appropriation in this subsection and shall be
41 used to acquire an interest on behalf of the state in
42 the completed parking structure and real property as
43 described in this paragraph.

44 NEW PARAGRAPH. c. Notwithstanding section 8.33,
45 or any provision of this Act to the contrary,
46 unencumbered or unobligated funds remaining on June
47 30, 2003, from the funds appropriated in this
48 subsection, shall revert to the rebuild Iowa
49 infrastructure fund on August 31, 2003."

A 50 8. Page 1, by inserting before line 28, the

1 following:

2 "Sec. ____ EFFECTIVE AND APPLICABILITY DATES.

3 This Act, being deemed of immediate importance, takes
4 effect upon enactment and, if approved by the governor
5 after July 1, 2001, shall apply retroactively to July
6 1, 2001."

A 7 9. Title page, by striking lines 1 through 3 and
8 inserting the following: "An Act relating to
9 regulatory and expenditure matters, making
10 appropriations, and including effective date and
11 retroactive applicability provisions."

12 10. By renumbering as necessary.

13

14

15 H. 2051

A- adopted 6/19/01
B- adopted 6/19/01

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Special Session

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HOUSE FILE 698

S-3712

1 Amend House File 698, as passed by the House, as
2 follows:

3 1. Page 1, line 3, by striking the figure "1."

4 2. Page 1, line 7, by striking the words "review
5 power purchase contracts" and inserting the following:
6 "perform required functions, including but not limited
7 to, review of power purchase contracts, review of
8 emission plans and budgets, and review of ratemaking
9 principles proposed for construction or lease of a new
10 generating facility".

11 3. Page 1, line 13, by striking the word
12 "subsection" and inserting the word "section".

13 4. Page 1, by striking lines 16 through 27.

14 5. Page 1, by inserting before line 28, the
15 following:

16 "Sec. ____ . WORKFORCE ATTRITION PROGRAM AND FUND.

17 1. For the fiscal year beginning July 1, 2001, and
18 ending June 30, 2002, the department of management
19 shall establish a workforce attrition program. The
20 department shall administer the program as necessary
21 to achieve the goal of eliminating full-time
22 equivalent positions in the executive branch of state
23 government that approximate the number of executive
24 branch employees who voluntarily retire during the
25 fiscal year.

26 2. a. The department shall establish a workforce
27 attrition fund to receive transfers of moneys from
28 executive branch agencies and departments representing
29 unused general fund wages and benefits, after payment
30 for vacation or sick leave benefits, of employees who
31 retire during the fiscal year.

32 b. Unless an exception is authorized in accordance
33 with paragraph "c", if an employee of an executive
34 branch department or agency voluntarily retires during
35 the fiscal year, the department or agency shall
36 transfer to the workforce attrition fund the remaining
37 amount of general fund salary and benefits, after
38 payment for vacation or sick leave benefits, that
39 would have been expended had the retired employee
40 remained on the payroll for the balance of the fiscal
41 year. In lieu of reporting in accordance with section
42 8.39, the department of management shall report
43 monthly to the legislative fiscal committee and the
44 legislative fiscal bureau concerning the transfers
45 made to the workforce attrition fund.

46 c. The department or agency table of organization
47 shall be revised to reflect the elimination of an
48 equivalent number of positions as retire in the
49 department or agency during the fiscal year. However,
50 if the department determines that eliminating a full-

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Page 2

1 time equivalent position would severely impact the
2 department's or agency's mission or services, the
3 department or agency may appeal to the department of
4 management for an exception. If the department of
5 management concurs with the department's or agency's
6 determination, the exception shall be granted, the
7 transfer to the workforce attrition fund shall not be
8 made, and the table of organization shall not be
9 revised.

10 3. Moneys transferred to the workforce attrition
11 fund are not subject to further transfer under section
12 8.39 or any other provision of law and shall not be
13 encumbered or obligated unless appropriated. The
14 moneys in the workforce attrition fund at the close of
15 the fiscal year beginning July 1, 2001, shall be
16 transferred to the general fund of the state and the
17 program and fund shall be eliminated."

18 6. Page 1, by inserting before line 28 the
19 following:

20 "Sec. _____. Section 12.72, subsection 4, Code 2001,
21 is amended by striking the subsection and inserting in
22 lieu thereof the following:

23 4. a. The treasurer of state may create and
24 establish one or more special funds, to be known as
25 "bond reserve funds", to secure one or more issues of
26 bonds or notes issued pursuant to section 12.71. The
27 treasurer of state shall pay into each bond reserve
28 fund any moneys appropriated and made available by the
29 state or the treasurer for the purpose of the fund,
30 any proceeds of sale of notes or bonds to the extent
31 provided in the resolutions authorizing their
32 issuance, and any other moneys which may be available
33 to the treasurer for the purpose of the fund from any
34 other sources. All moneys held in a bond reserve
35 fund, except as otherwise provided in this chapter,
36 shall be used as required solely for the payment of
37 the principal of bonds secured in whole or in part by
38 the fund or of the sinking fund payments with respect
39 to the bonds, the purchase or redemption of the bonds,
40 the payment of interest on the bonds, or the payments
41 of any redemption premium required to be paid when the
42 bonds are redeemed prior to maturity.

43 b. Moneys in a bond reserve fund shall not be
44 withdrawn from it at any time in an amount that will
45 reduce the amount of the fund to less than the bond
46 reserve fund requirement established for the fund, as
47 provided in this subsection, except for the purpose of
48 making, with respect to bonds secured in whole or in
49 part by the fund, payment when due of principal,
50 interest, redemption premiums, and the sinking fund

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Page 3

1 payments with respect to the bonds for the payment of
2 which other moneys of the treasurer are not available.
3 Any income or interest earned by, or incremental to, a
4 bond reserve fund due to the investment of it may be
5 transferred by the treasurer to other funds or
6 accounts to the extent the transfer does not reduce
7 the amount of that bond reserve fund below the bond
8 reserve fund requirement for it.

9 c. The treasurer of state shall not at any time
10 issue bonds, secured in whole or in part by a bond
11 reserve fund if, upon the issuance of the bonds, the
12 amount in the bond reserve fund will be less than the
13 bond reserve fund requirement for the fund, unless the
14 treasurer at the time of issuance of the bonds
15 deposits in the fund from the proceeds of the bonds
16 issued or from other sources an amount which, together
17 with the amount then in the fund will not be less than
18 the bond reserve fund requirement for the fund. For
19 the purposes of this subsection, the term "bond
20 reserve fund requirement" means, as of any particular
21 date of computation, an amount of money, as provided
22 in the resolutions authorizing the bonds with respect
23 to which the fund is established.

24 d. To assure the continued solvency of any bonds
25 secured by the bond reserve fund, provision is made in
26 paragraph "a" for the accumulation in each bond
27 reserve fund of an amount equal to the bond reserve
28 fund requirement for the fund. In order further to
29 assure maintenance of the bond reserve funds, the
30 treasurer shall, on or before January 1 of each
31 calendar year, make and deliver to the governor the
32 treasurer's certificate stating the sum, if any,
33 required to restore each bond reserve fund to the bond
34 reserve fund requirement for that fund. Within thirty
35 days after the beginning of the session of the general
36 assembly next following the delivery of the
37 certificate, the governor shall submit to both houses
38 printed copies of a budget including the sum, if any,
39 required to restore each bond reserve fund to the bond
40 reserve fund requirement for that fund. Any sums
41 appropriated by the general assembly and paid to the
42 treasurer pursuant to this subsection shall be
43 deposited by the authority in the applicable bond
44 reserve fund.

45 Sec. ____ . Section 12.82, subsection 4, Code 2001,
46 is amended by striking the subsection and inserting in
47 lieu thereof the following:

48 4. a. The treasurer of state may create and
49 establish one or more special funds, to be known as
50 "bond reserve funds", to secure one or more issues of

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1 bonds or notes issued pursuant to section 12.81. The
2 treasurer of state shall pay into each bond reserve
3 fund any moneys appropriated and made available by the
4 state or the treasurer for the purpose of the fund,
5 any proceeds of sale of notes or bonds to the extent
6 provided in the resolutions authorizing their
7 issuance, and any other moneys which may be available
8 to the treasurer for the purpose of the fund from any
9 other sources. All moneys held in a bond reserve
10 fund, except as otherwise provided in this chapter,
11 shall be used as required solely for the payment of
12 the principal of bonds secured in whole or in part by
13 the fund or of the sinking fund payments with respect
14 to the bonds, the purchase or redemption of the bonds,
15 the payment of interest on the bonds, or the payments
16 of any redemption premium required to be paid when the
17 bonds are redeemed prior to maturity.

18 b. Moneys in a bond reserve fund shall not be
19 withdrawn from it at any time in an amount that will
20 reduce the amount of the fund to less than the bond
21 reserve fund requirement established for the fund, as
22 provided in this subsection, except for the purpose of
23 making, with respect to bonds secured in whole or in
24 part by the fund, payment when due of principal,
25 interest, redemption premiums, and the sinking fund
26 payments with respect to the bonds for the payment of
27 which other moneys of the treasurer are not available.
28 Any income or interest earned by, or incremental to, a
29 bond reserve fund due to the investment of it may be
30 transferred by the treasurer to other funds or
31 accounts to the extent the transfer does not reduce
32 the amount of that bond reserve fund below the bond
33 reserve fund requirement for it.

34 c. The treasurer of state shall not at any time
35 issue bonds, secured in whole or in part by a bond
36 reserve fund if, upon the issuance of the bonds, the
37 amount in the bond reserve fund will be less than the
38 bond reserve fund requirement for the fund, unless the
39 treasurer at the time of issuance of the bonds
40 deposits in the fund from the proceeds of the bonds
41 issued or from other sources an amount which, together
42 with the amount then in the fund will not be less than
43 the bond reserve fund requirement for the fund. For
44 the purposes of this subsection, the term "bond
45 reserve fund requirement" means, as of any particular
46 date of computation, an amount of money, as provided
47 in the resolutions authorizing the bonds with respect
48 to which the fund is established.

49 d. To assure the continued solvency of any bonds
50 secured by the bond reserve fund, provision is made in

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1 paragraph "a" for the accumulation in each bond
2 reserve fund of an amount equal to the bond reserve
3 fund requirement for the fund. In order further to
4 assure maintenance of the bond reserve funds, the
5 treasurer shall, on or before January 1 of each
6 calendar year, make and deliver to the governor the
7 treasurer's certificate stating the sum, if any,
8 required to restore each bond reserve fund to the bond
9 reserve fund requirement for that fund. Within thirty
10 days after the beginning of the session of the general
11 assembly next following the delivery of the
12 certificate, the governor shall submit to both houses
13 printed copies of a budget including the sum, if any,
14 required to restore each bond reserve fund to the bond
15 reserve fund requirement for that fund. Any sums
16 appropriated by the general assembly and paid to the
17 treasurer pursuant to this subsection shall be
18 deposited by the authority in the applicable bond
19 reserve fund."

20 7. Page 1, by inserting before line 28, the
21 following:

22 "Sec. ____ . 1998 Iowa Acts, chapter 1219, section
23 6, subsection 6, is amended by adding the following
24 new paragraphs:

25 NEW PARAGRAPH. a. The department of general
26 services is authorized pursuant to section 18.12,
27 subsection 12, to dispose of the real property located
28 at the northwest corner of the intersection of Grand
29 and Pennsylvania avenues on which the parking
30 structure is to be located and any structures located
31 on such real property. The department may enter into
32 an agreement under chapter 28E with public and private
33 agencies for purposes of the planning, design,
34 construction, ownership, operation, or maintenance of
35 the parking structure. In conjunction with the
36 chapter 28E agreement, the department is authorized to
37 enter into a long-term lease agreement for office
38 space located on property adjacent to the property on
39 which the parking structure is to be located.

40 NEW PARAGRAPH. b. The department may obligate and
41 use moneys appropriated in this subsection as
42 consideration to acquire on behalf of the state an
43 interest in the completed parking structure and real
44 property on which the parking structure is located
45 pursuant to the terms of the chapter 28E agreement
46 described in paragraph "a". Notwithstanding anything
47 to the contrary in section 18.12, subsection 12,
48 moneys expended from the appropriation in this
49 subsection that are reimbursed to the department by a
50 party to the chapter 28E agreement shall be credited

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1 to the appropriation in this subsection and shall be
2 used to acquire an interest on behalf of the state in
3 the completed parking structure and real property as
4 described in this paragraph.

5 NEW PARAGRAPH. c. Notwithstanding section 8.33 or
6 any provision of this section to the contrary,
7 unencumbered or unobligated funds remaining on June
8 30, 2003, from the funds appropriated in this
9 subsection, shall revert to the rebuild Iowa
10 infrastructure fund on August 31, 2003.

11 Sec. _____. 1999 Iowa Acts, chapter 204, section 4,
12 subsection 6, is amended by adding the following new
13 paragraphs after the last unnumbered paragraph:

14 NEW PARAGRAPH. a. The department of general
15 services is authorized pursuant to section 18.12,
16 subsection 12, to dispose of the real property located
17 at the northwest corner of the intersection of Grand
18 and Pennsylvania avenues on which the parking
19 structure is to be located and any structures located
20 on such real property. The department may enter into
21 an agreement under chapter 28E with public and private
22 agencies for purposes of the planning, design,
23 construction, ownership, operation, or maintenance of
24 the parking structure. In conjunction with the
25 chapter 28E agreement, the department is authorized to
26 enter into a long-term lease agreement for office
27 space located on property adjacent to the property on
28 which the parking structure is to be located.

29 NEW PARAGRAPH. b. The department may obligate and
30 use moneys appropriated in this subsection as
31 consideration to acquire on behalf of the state an
32 interest in the completed parking structure and real
33 property on which the parking structure is located
34 pursuant to the terms of the chapter 28E agreement
35 described in paragraph "a". Notwithstanding anything
36 to the contrary in section 18.12, subsection 12,
37 moneys expended from the appropriation in this
38 subsection that are reimbursed to the department by a
39 party to the chapter 28E agreement shall be credited
40 to the appropriation in this subsection and shall be
41 used to acquire an interest on behalf of the state in
42 the completed parking structure and real property as
43 described in this paragraph.

44 NEW PARAGRAPH. c. Notwithstanding section 8.33,
45 or any provision of this Act to the contrary,
46 unencumbered or unobligated funds remaining on June
47 30, 2003, from the funds appropriated in this
48 subsection, shall revert to the rebuild Iowa
49 infrastructure fund on August 31, 2003."

50 8. Page 1, by inserting before line 28, the

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1 following:

2 "Sec. ____ EFFECTIVE AND APPLICABILITY DATES.

3 This Act, being deemed of immediate importance, takes
4 effect upon enactment and, if approved by the governor
5 after July 1, 2001, shall apply retroactively to July
6 1, 2001."7 9. Title page, by striking lines 1 through 3 and
8 inserting the following: "An Act relating to
9 regulatory and expenditure matters, making
10 appropriations, and including effective date and
11 retroactive applicability provisions."

12 10. By renumbering as necessary.

By JEFF LAMBERTI**S-3712** FILED JUNE 19, 2001

ADOPTED

(p. 1631)

HOUSE FILE 698

AN ACT

RELATING TO REGULATORY AND EXPENDITURE MATTERS, MAKING
APPROPRIATIONS, AND INCLUDING EFFECTIVE DATE AND
RETROACTIVE APPLICABILITY PROVISIONS.

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

Section 1. APPROPRIATIONS FOR TEMPORARY UTILITY BOARD AND CONSUMER ADVOCATE STAFFING. The utilities board and the consumer advocate may employ additional temporary staff, or may contract for professional services with persons who are not state employees, as the board and the consumer advocate deem necessary to perform required functions, including but not limited to, review of power purchase contracts, review of emission plans and budgets, and review of ratemaking principles proposed for construction or lease of a new generating facility pursuant to 2001 Iowa Acts, House File 577, if enacted. Beginning July 1, 2001, there is appropriated out of any funds in the state treasury not otherwise appropriated, such sums as may be necessary to enable the board and the consumer advocate to hire additional staff and contract for services under this section. The costs of the additional staff and services shall be assessed to the utilities pursuant to the procedure in section 476.10 and section 475A.6.

Sec. 2. WORKFORCE ATTRITION PROGRAM AND FUND.

1. For the fiscal year beginning July 1, 2001, and ending June 30, 2002, the department of management shall establish a workforce attrition program. The department shall administer

the program as necessary to achieve the goal of eliminating full-time equivalent positions in the executive branch of state government that approximate the number of executive branch employees who voluntarily retire during the fiscal year.

2. a. The department shall establish a workforce attrition fund to receive transfers of moneys from executive branch agencies and departments representing unused general fund wages and benefits, after payment for vacation or sick leave benefits, of employees who retire during the fiscal year.

b. Unless an exception is authorized in accordance with paragraph "c", if an employee of an executive branch department or agency voluntarily retires during the fiscal year, the department or agency shall transfer to the workforce attrition fund the remaining amount of general fund salary and benefits, after payment for vacation or sick leave benefits, that would have been expended had the retired employee remained on the payroll for the balance of the fiscal year. In lieu of reporting in accordance with section 8.39, the department of management shall report monthly to the legislative fiscal committee and the legislative fiscal bureau concerning the transfers made to the workforce attrition fund.

c. The department or agency table of organization shall be revised to reflect the elimination of an equivalent number of positions as retire in the department or agency during the fiscal year. However, if the department determines that eliminating a full-time equivalent position would severely impact the department's or agency's mission or services, the department or agency may appeal to the department of management for an exception. If the department of management concurs with the department's or agency's determination, the exception shall be granted, the transfer to the workforce attrition fund shall not be made, and the table of organization shall not be revised.

3. Moneys transferred to the workforce attrition fund are not subject to further transfer under section 8.39 or any other provision of law and shall not be encumbered or obligated unless appropriated. The moneys in the workforce attrition fund at the close of the fiscal year beginning July 1, 2001, shall be transferred to the general fund of the state and the program and fund shall be eliminated.

Sec. 3. Section 12.72, subsection 4, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

4. a. The treasurer of state may create and establish one or more special funds, to be known as "bond reserve funds", to secure one or more issues of bonds or notes issued pursuant to section 12.71. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

b. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund

payments with respect to the bonds for the payment of which other moneys of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

c. The treasurer of state shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "a" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the

general assembly and paid to the treasurer pursuant to this subsection shall be deposited by the authority in the applicable bond reserve fund.

Sec. 4. Section 12.82, subsection 4, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

4. a. The treasurer of state may create and establish one or more special funds, to be known as "bond reserve funds", to secure one or more issues of bonds or notes issued pursuant to section 12.81. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

b. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the

treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

c. The treasurer of state shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "a" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer pursuant to this subsection shall be deposited by the authority in the applicable bond reserve fund.

Sec. 5. 1998 Iowa Acts, chapter 1219, section 6, subsection 6, is amended by adding the following new paragraphs:

NEW PARAGRAPH. a. The department of general services is authorized pursuant to section 18.12, subsection 12, to dispose of the real property located at the northwest corner of the intersection of Grand and Pennsylvania avenues on which the parking structure is to be located and any structures located on such real property. The department may enter into an agreement under chapter 28E with public and private agencies for purposes of the planning, design, construction, ownership, operation, or maintenance of the parking structure. In conjunction with the chapter 28E agreement, the department is authorized to enter into a long-term lease agreement for office space located on property adjacent to the property on which the parking structure is to be located.

NEW PARAGRAPH. b. The department may obligate and use moneys appropriated in this subsection as consideration to acquire on behalf of the state an interest in the completed parking structure and real property on which the parking structure is located pursuant to the terms of the chapter 28E agreement described in paragraph "a". Notwithstanding anything to the contrary in section 18.12, subsection 12, moneys expended from the appropriation in this subsection that are reimbursed to the department by a party to the chapter 28E agreement shall be credited to the appropriation in this subsection and shall be used to acquire an interest on behalf of the state in the completed parking structure and real property as described in this paragraph.

NEW PARAGRAPH. c. Notwithstanding section 8.33 or any provision of this section to the contrary, unencumbered or unobligated funds remaining on June 30, 2003, from the funds appropriated in this subsection, shall revert to the rebuild Iowa infrastructure fund on August 31, 2003.

Sec. 6. 1999 Iowa Acts, chapter 204, section 4, subsection 6, is amended by adding the following new paragraphs after the last unnumbered paragraph:

NEW PARAGRAPH. a. The department of general services is authorized pursuant to section 18.12, subsection 12, to dispose of the real property located at the northwest corner of the intersection of Grand and Pennsylvania avenues on which the parking structure is to be located and any structures located on such real property. The department may enter into an agreement under chapter 28E with public and private agencies for purposes of the planning, design, construction, ownership, operation, or maintenance of the parking structure. In conjunction with the chapter 28E agreement, the department is authorized to enter into a long-term lease agreement for office space located on property adjacent to the property on which the parking structure is to be located.

NEW PARAGRAPH. b. The department may obligate and use moneys appropriated in this subsection as consideration to acquire on behalf of the state an interest in the completed parking structure and real property on which the parking structure is located pursuant to the terms of the chapter 28E agreement described in paragraph "a". Notwithstanding anything to the contrary in section 18.12, subsection 12, moneys expended from the appropriation in this subsection that are reimbursed to the department by a party to the chapter 28E agreement shall be credited to the appropriation in this subsection and shall be used to acquire an interest on behalf of the state in the completed parking structure and real property as described in this paragraph.

NEW PARAGRAPH. c. Notwithstanding section 8.33, or any provision of this Act to the contrary, unencumbered or unobligated funds remaining on June 30, 2003, from the funds appropriated in this subsection, shall revert to the rebuild Iowa infrastructure fund on August 31, 2003.

Sec. 7. EFFECTIVE AND APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and, if approved by the governor after July 1, 2001, shall apply retroactively to July 1, 2001.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 698, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved July 5, 2001

THOMAS J. VILSACK
Governor