

JAN 22 2004

EDUCATION

HOUSE FILE 2070

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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the financing and approval of projects  
2 utilizing revenue bonds undertaken at institutions of higher  
3 education under the control of the state board of regents.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2070

1 Section 1. Section 262A.12, Code 2003, is amended to read  
2 as follows:

3 262A.12 APPLICATION FOR GIFTS, LOANS OR GRANTS.

4 1. The state board of regents is authorized to apply for  
5 and accept federal or nonfederal gifts, loans, or grants of  
6 funds and to use the same to pay all or any part of the cost  
7 of carrying out any project at any institution under the terms  
8 of this chapter or to use the same, together with student fees  
9 and charges and institutional income, for the payment of debt  
10 service on bonds issued and to be issued by the board pursuant  
11 to authority contained in this chapter, in such manner as may  
12 be provided in the resolution authorizing the issuance of the  
13 bonds, which grants of funds or other aid shall be considered  
14 to constitute and may be commingled with student fees and  
15 charges and institutional income and may, together with such  
16 student fees and charges and institutional income, be pledged  
17 by the board in accordance with the provisions of this chapter  
18 and the bond resolution to the payment of debt service on  
19 bonds issued by the board under the authority contained in  
20 this chapter.

21 2. Unless the board unanimously favors disapproval of a  
22 motion to undertake and carry out a project or to approve a  
23 resolution to issue bonds for a project proposed in accordance  
24 with section 262A.7, the board shall issue bonds for the  
25 project, in such a manner as provided in the resolution  
26 authorizing the issuance of bonds pursuant to section 262A.4,  
27 if at least sixty-five percent of the estimated cost of  
28 completing the project is raised from private sources, a  
29 creditable plan exists for repayment of the bonds, and at  
30 least ten percent of that funding has been received by the  
31 treasurer of the institution of higher education under the  
32 control of the board at which the project is to be undertaken,  
33 or by a nonprofit foundation authorized to act solely for the  
34 support of the institution by the board in accordance with  
35 section 262.9, subsection 8.

EXPLANATION

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2 This bill directs the state board of regents to issue  
3 revenue bonds for a project at one of its universities if the  
4 university has raised from private sources at least 65 percent  
5 of the estimated cost of the project, there exists a  
6 creditable plan for bond repayment, and the institution or its  
7 nonprofit foundation has 10 percent of that private funding in  
8 hand, unless the board unanimously favors disapproval of the  
9 motion to carry out the project or to approve the resolution  
10 to bond for the project.

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