

MAR 4 2004
APPROPRIATIONS

HOUSE FILE 2438
BY FREVERT

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

A BILL FOR

1 An Act relating to funding aviation assistance programs through
2 the issuance of tax-exempt bonds and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HF 2438

1 Section 1. Section 8.57, subsection 5, paragraph e, Code
2 Supplement 2003, is amended to read as follows:

3 e. Notwithstanding provisions to the contrary in sections
4 99D.17 and 99F.11, for the fiscal year beginning July 1, 2000
5 2003, and for each fiscal year thereafter ending June 30,
6 2004, not more than a total of sixty million dollars shall be
7 deposited in the general fund of the state in any the fiscal
8 year pursuant to sections 99D.17 and 99F.11; for the fiscal
9 period beginning July 1, 2004, and ending June 30, 2020, not
10 more than a total of four million dollars of the moneys
11 directed to be deposited in the general fund of the state in a
12 fiscal year pursuant to sections 99D.17 and 99F.11 shall be
13 deposited in the grow Iowa values fund created in section
14 15G.108 in any fiscal year, and not more than a total of
15 fifty-six million dollars shall be deposited in the general
16 fund of the state in any fiscal year; and for the fiscal year
17 beginning July 1, 2020, and for each fiscal year thereafter,
18 not more than a total of sixty million dollars shall be
19 deposited in the general fund of the state pursuant to
20 sections 99D.17 and 99F.11. The next fifteen million dollars
21 of the moneys directed to be deposited in the general fund of
22 the state in a fiscal year pursuant to sections 99D.17 and
23 99F.11 shall be deposited in the vision Iowa fund created in
24 section 12.72 for the fiscal year beginning July 1, 2000, and
25 for each fiscal year through the fiscal year beginning July 1,
26 2019. The next five million dollars of the moneys directed to
27 be deposited in the general fund of the state in a fiscal year
28 pursuant to sections 99D.17 and 99F.11 shall be deposited in
29 the school infrastructure fund created in section 12.82 for
30 the fiscal year beginning July 1, 2000, and for each fiscal
31 year thereafter until the principal and interest on all bonds
32 issued by the treasurer of state pursuant to section 12.81 are
33 paid, as determined by the treasurer of state. The total
34 moneys in excess of the moneys deposited in the general fund
35 of the state, the grow Iowa values fund, the vision Iowa fund,

1 and the school infrastructure fund in a fiscal year shall be
2 deposited in the rebuild Iowa infrastructure fund and shall be
3 used as provided in this section, notwithstanding section
4 8.60.

5 If the total amount of moneys directed to be deposited in
6 the general fund of the state under sections 99D.17 and 99F.11
7 in a fiscal year is less than the total amount of moneys
8 directed to be deposited in the grow Iowa values fund, the
9 vision Iowa fund, and the school infrastructure fund in the
10 fiscal year pursuant to this paragraph "e", the difference
11 shall be paid from lottery revenues in the manner provided in
12 section 99G.39, subsection 3.

13 Sec. 2. NEW SECTION. 12.91 GENERAL AND SPECIFIC BONDING
14 POWERS.

15 1. The treasurer of state may issue bonds for the purpose
16 of funding the grow Iowa values fund created in section
17 15G.108. The treasurer of state shall have all of the powers
18 which are necessary to issue and secure bonds and carry out
19 the purposes of the fund. The treasurer of state may issue
20 bonds in principal amounts which are necessary to provide
21 sufficient funds for the grow Iowa values fund, the payment of
22 interest on the bonds, the establishment of reserves to secure
23 the bonds, the costs of issuance of the bonds, other
24 expenditures of the treasurer of state incident to and
25 necessary or convenient to carry out the bond issue for the
26 fund, and all other expenditures of the board necessary or
27 convenient to administer the fund. The bonds are investment
28 securities and negotiable instruments within the meaning of
29 and for purposes of the uniform commercial code.

30 2. Bonds issued under this section are payable solely and
31 only out of the moneys, assets, or revenues of the grow Iowa
32 values fund and any bond reserve funds established pursuant to
33 section 12.92, all of which may be deposited with trustees or
34 depositories in accordance with bond or security documents and
35 pledged to the payment thereof. Bonds issued under this

1 section shall contain on their face a statement that the bonds
2 do not constitute an indebtedness of the state. The treasurer
3 of state shall not pledge the credit or taxing power of this
4 state or any political subdivision of the state or make bonds
5 issued pursuant to this section payable out of any moneys
6 except those in the grow Iowa values fund.

7 3. The proceeds of bonds issued by the treasurer of state
8 and not required for immediate disbursement may be deposited
9 with a trustee or depository as provided in the bond documents
10 and invested or reinvested in any investment as directed by
11 the treasurer of state and specified in the trust indenture,
12 resolution, or other instrument pursuant to which the bonds
13 are issued without regard to any limitation otherwise provided
14 by law.

15 4. The bonds shall be:

16 a. In a form, issued in denominations, executed in a
17 manner, and payable over terms and with rights of redemption,
18 and be subject to the terms, conditions, and covenants
19 providing for the payment of the principal of, redemption
20 premiums, if any, interest which may be fixed or variable
21 during any period the bonds are outstanding, and such other
22 terms and conditions as prescribed in the trust indenture,
23 resolution, or other instrument authorizing their issuance.

24 b. Negotiable instruments under the laws of the state and
25 may be sold at prices, at public or private sale, and in a
26 manner, as prescribed by the treasurer of state. Chapters
27 73A, 74, 74A, and 75 do not apply to the sale or issuance of
28 the bonds.

29 c. Subject to the terms, conditions, and covenants
30 providing for the payment of the principal, redemption
31 premiums, if any, interest, and other terms, conditions,
32 covenants, and protective provisions safeguarding payment, not
33 inconsistent with this section and as determined by the trust
34 indenture, resolution, or other instrument authorizing their
35 issuance.

1 5. The bonds are securities in which public officers and
2 bodies of this state, political subdivisions of this state,
3 insurance companies and associations and other persons
4 carrying on an insurance business; banks, trust companies,
5 savings associations, savings and loan associations, and
6 investment companies; administrators, guardians, executors,
7 trustees, and other fiduciaries; and other persons authorized
8 to invest in bonds or other obligations of the state may
9 properly and legally invest funds, including capital, in their
10 control or belonging to them.

11 6. Bonds must be authorized by a trust indenture,
12 resolution, or other instrument of the treasurer of state.

13 7. Neither the resolution, trust indenture, nor any other
14 instrument by which a pledge is created needs to be recorded
15 or filed under the Iowa uniform commercial code to be valid,
16 binding, or effective.

17 8. Bonds issued under the provisions of this section are
18 declared to be issued for a general public and governmental
19 purpose and all bonds issued under this section shall be
20 exempt from taxation by the state of Iowa and the interest on
21 the bonds shall be exempt from the state income tax and the
22 state inheritance and estate tax.

23 9. Subject to the terms of any bond documents, moneys in
24 the grow Iowa values fund may be expended for administration
25 expenses.

26 10. The treasurer of state may issue bonds for the purpose
27 of refunding any bonds issued pursuant to this section then
28 outstanding, including the payment of any redemption premiums
29 thereon and any interest accrued or to accrue to the date of
30 redemption of the outstanding bonds. Until the proceeds of
31 bonds issued for the purpose of refunding outstanding bonds
32 are applied to the purchase or retirement of outstanding bonds
33 or the redemption of outstanding bonds, the proceeds may be
34 placed in escrow and be invested and reinvested in accordance
35 with the provisions of this section. The interest, income,

1 and profits earned or realized on an investment may also be
2 applied to the payment of the outstanding bonds to be refunded
3 by purchase, retirement, or redemption. After the terms of
4 the escrow have been fully satisfied and carried out, any
5 balance of proceeds and interest earned or realized on the
6 investments may be returned to the treasurer of state for
7 deposit in the grow Iowa values fund established in section
8 15G.108. All refunding bonds shall be issued and secured and
9 subject to the provisions of this chapter in the same manner
10 and to the same extent as other bonds issued pursuant to this
11 section.

12 11. The treasurer of state shall have all of the powers
13 which are necessary to issue and secure bonds, including but
14 not limited to the power to procure insurance, other credit
15 enhancements, and other financing arrangements, and to execute
16 instruments and contracts and to enter into agreements
17 convenient or necessary to facilitate financing arrangements
18 with respect to the bonds and to carry out the purposes of the
19 grow Iowa values fund, including but not limited to such
20 arrangements, instruments, contracts, and agreements as
21 municipal bond insurance, self-insurance or liquidity trusts,
22 accounts, pools or other arrangements, liquidity facilities or
23 covenants, letters of credit, and interest rate agreements.

24 12. For purposes of this section and sections 12.92
25 through 12.95, the term "bonds" means bonds, notes, and other
26 obligations and financing arrangements issued or entered into
27 by the treasurer of state and the term "interest rate
28 agreement" means an interest rate swap or exchange agreement,
29 an agreement establishing an interest rate floor or ceiling or
30 both, or any similar agreement. Any such agreement may
31 include the option to enter into or cancel the agreement or to
32 reverse or extend the agreement.

33 Sec. 3. NEW SECTION. 12.92 GROW IOWA VALUES FUND
34 ACCOUNTS AND RESERVE FUNDS.

35 1. The treasurer of state shall establish such accounts

1 within the grow Iowa values fund created in section 15G.108 as
2 may be appropriate, including debt service accounts for the
3 purpose of paying the principal of, redemption premium, if
4 any, and interest on bonds payable therefrom. Moneys in the
5 debt service accounts shall not be subject to appropriation
6 for any other purpose by the general assembly, but shall be
7 used only for the purposes of paying the principal of,
8 redemption premium, if any, and interest on the bonds payable
9 therefrom.

10 2. Revenue for the grow Iowa values fund shall include,
11 but is not limited to, the following, which shall be deposited
12 with the treasurer of state or the treasurer's designee as
13 provided by any bond or security documents and credited to the
14 debt service account:

15 a. The proceeds of bonds issued to capitalize and pay the
16 costs of the fund and investment earnings on the proceeds.

17 b. Interest attributable to investment of moneys in the
18 fund or an account of the fund.

19 c. Moneys in the form of a devise, gift, bequest,
20 donation, federal or other grant, reimbursement, repayment,
21 judgment, transfer, payment, or appropriation from any source
22 intended to be used for the purposes of the fund or account.

23 3. a. The treasurer of state may create and establish one
24 or more special funds, to be known as "bond reserve funds", to
25 secure one or more issues of bonds issued pursuant to section
26 12.91. The treasurer of state shall pay into each bond
27 reserve fund any moneys appropriated and made available by the
28 state or treasurer of state for the purpose of the fund, any
29 proceeds of sale of bonds to the extent provided in the
30 resolutions or trust indentures authorizing their issuance,
31 and any other moneys which may be available to the treasurer
32 of state for the purpose of the fund from any other sources.
33 All moneys held in a bond reserve fund, except as otherwise
34 provided in this chapter, shall be used as required solely for
35 the payment of the principal of bonds secured in whole or in

1 part by the fund or of the sinking fund payments with respect
2 to the bonds, the purchase or redemption of the bonds, the
3 payment of interest on the bonds, or the payments of any
4 redemption premium required to be paid when the bonds are
5 redeemed prior to maturity.

6 b. Moneys in a bond reserve fund shall not be withdrawn
7 from it at any time in an amount that will reduce the amount
8 of the fund to less than the bond reserve fund requirement
9 established for the fund, as provided in this subsection,
10 except for the purpose of making, with respect to bonds
11 secured in whole or in part by the fund, payment when due of
12 principal, interest, redemption premiums, and the sinking fund
13 payments with respect to the bonds for the payment of which
14 other moneys of the treasurer of state are not available.

15 Any income or interest earned by, or incremental to, a bond
16 reserve fund due to the investment of it may be transferred by
17 the treasurer of state to other funds or accounts to the
18 extent the transfer does not reduce the amount of that bond
19 reserve fund below the bond reserve fund requirement for it.

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

34 d. To assure the continued solvency of any bonds secured
35 by the bond reserve fund, provision is made in paragraph "a"

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

17 Sec. 4. NEW SECTION. 12.93 PLEDGES.

18 1. It is the intention of the general assembly that a
19 pledge made in respect of bonds shall be valid and binding
20 from the time the pledge is made, that the moneys or property
21 so pledged and received after the pledge by the treasurer of
22 state shall immediately be subject to the lien of the pledge
23 without physical delivery or further act, and that the lien of
24 the pledge shall be valid and binding as against all parties
25 having claims of any kind in tort, contract, or otherwise
26 against the treasurer of state whether or not the parties have
27 notice of the lien.

28 2. The moneys set aside in a fund or funds pledged for any
29 series or issue of bonds shall be held for the sole benefit of
30 the series or issue separate and apart from moneys pledged for
31 another series or issue of bonds of the treasurer of state.
32 Bonds may be issued in series under one or more resolutions or
33 trust indentures and may be fully open-ended, thus providing
34 for the unlimited issuance of additional series, or partially
35 open-ended, limited as to additional series.

1 Sec. 5. NEW SECTION. 12.94 LIMITATIONS.

2 Bonds issued pursuant to section 12.91 are not debts of the
3 state, or of any political subdivision of the state, and do
4 not constitute a pledge of the faith and credit of the state
5 or a charge against the general credit or general fund of the
6 state. The issuance of any bonds pursuant to section 12.91 by
7 the treasurer of state does not directly, indirectly, or
8 contingently obligate the state or a political subdivision of
9 the state to apply moneys, or to levy or pledge any form of
10 taxation whatever, to the payment of the bonds. Bonds issued
11 under section 12.91 are payable solely and only from the "grow
12 Iowa values fund" and the sources and special fund and
13 accounts provided in section 12.92.

14 Sec. 6. NEW SECTION. 12.95 CONSTRUCTION.

15 Sections 12.91 through 12.94, being necessary for the
16 welfare of this state and its inhabitants, shall be liberally
17 construed to effect their purposes.

18 Sec. 7. Section 15G.108, Code Supplement 2003, is amended
19 to read as follows:

20 15G.108 GROW IOWA VALUES FUND.

21 A grow Iowa values fund is created and established as a
22 separate and distinct fund in the state treasury ~~under the~~
23 ~~control of the grow Iowa values board consisting of moneys~~
24 ~~appropriated to the grow Iowa values board.~~ Moneys in the
25 fund are not subject to section 8.33. Notwithstanding section
26 12C.7, interest or earnings on moneys in the fund shall be
27 credited to the fund. Moneys in the fund shall not be subject
28 to appropriation for any purposes by the general assembly
29 other than as provided in this Act and 2003 Iowa Acts, First
30 Extraordinary Session, chapter 2. The treasurer of state
31 shall act as custodian of the fund and disburse moneys
32 contained in the fund as directed by the grow Iowa values
33 board, including automatic disbursements of moneys received
34 pursuant to the terms of bond indentures and documents and
35 security provisions to trustees. The fund shall be

1 administered by the grow Iowa values board, which shall make
2 expenditures from the fund consistent with this chapter and
3 pertinent Acts of the general assembly. Any financial
4 assistance provided using moneys from the fund may be provided
5 over a period of time of more than one year. Payments of
6 interest, repayments of moneys loaned pursuant to this
7 chapter, and recaptures of grants or loans shall be deposited
8 in the fund.

9 Sec. 8. Section 15G.110, Code Supplement 2003, is amended
10 to read as follows:

11 15G.110 FUTURE CONSIDERATION.

12 Not later than February 1, 2007, the legislative services
13 agency shall prepare and deliver to the secretary of the
14 senate and the chief clerk of the house of representatives
15 identical bills that repeal the provisions of this chapter,
16 with the exception of sections 15G.101, 15G.102, 15G.103, and
17 15G.108. It is the intent of this section that the general
18 assembly shall bring the bill to a vote in either the senate
19 or the house of representatives expeditiously. It is further
20 the intent of this chapter that if the bill is approved by the
21 first house in which it is considered, it shall expeditiously
22 be brought to a vote in the second house.

23 Sec. 9. Section 99G.39, subsection 3, paragraph a, Code
24 Supplement 2003, is amended to read as follows:

25 a. Notwithstanding subsection 1, if gaming revenues under
26 sections 99D.17 and 99F.11 are insufficient in a fiscal year
27 to meet the total amount of such revenues directed to be
28 deposited in the grow Iowa values fund, the vision Iowa fund,
29 and the school infrastructure fund during the fiscal year
30 pursuant to section 8.57, subsection 5, paragraph "e", the
31 difference shall be paid from lottery revenues prior to
32 deposit of the lottery revenues in the general fund. If
33 lottery revenues are insufficient during the fiscal year to
34 pay the difference, the remaining difference shall be paid
35 from lottery revenues in subsequent fiscal years as such

1 revenues become available.

2 Sec. 10. 2003 Iowa Acts, First Extraordinary Session,
3 chapter 1, section 114, is amended to read as follows:

4 SEC. 114. The divisions of this Act designated the grow
5 Iowa values board and fund, with the exception of sections
6 15G.101, 15G.102, 15G.103, and 15G.108, Code Supplement 2003,
7 the value-added agricultural products and processes financial
8 assistance program, the endow Iowa grants, the technology
9 transfer advisors, the Iowa economic development loan and
10 credit guarantee fund, the economic development assistance and
11 data collection, the cultural and entertainment districts, the
12 workforce issues, and the university-based research
13 utilization program, are repealed effective June 30, 2010.

14 Sec. 11. AVIATION ASSISTANCE PROGRAMS.

15 1. There is appropriated from the grow Iowa values fund
16 created in section 15G.108 to the state department of
17 transportation for the fiscal period beginning July 1, 2004,
18 and ending June 30, 2009, the following amounts, or so much
19 thereof as is necessary, to be used for the purpose
20 designated:

21 For aviation assistance programs:

22	FY 2004-2005	\$ 8,000,000
23	FY 2005-2006	\$ 8,000,000
24	FY 2006-2007	\$ 8,000,000
25	FY 2007-2008	\$ 8,000,000
26	FY 2008-2009	\$ 8,000,000

27 2. Notwithstanding section 8.33, moneys appropriated in
28 this section that remain unencumbered or unobligated at the
29 end of a fiscal year shall not revert but shall remain
30 available for expenditure for the purpose designated during
31 the succeeding fiscal year.

32 EXPLANATION

33 This bill relates to the funding of aviation assistance
34 programs through the issuance of tax-exempt bonds.

35 The bill amends a provision in Code section 8.57, which

1 provides for the annual deposit of gambling revenues in the
2 general fund of the state and other funds. Currently, the
3 first \$60 million of gambling revenues is deposited in the
4 general fund of the state and the remaining moneys are
5 deposited in the vision Iowa fund, the school infrastructure
6 fund, and the rebuild Iowa infrastructure fund. The bill
7 provides that for the fiscal period beginning July 1, 2004,
8 and ending June 30, 2020, \$56 million will be deposited in the
9 general fund of the state, \$4 million will be deposited in the
10 grow Iowa values fund, and the deposits for the vision Iowa
11 fund, the school infrastructure fund, and the rebuild Iowa
12 infrastructure fund remain unchanged. The deposits return to
13 the manner in which they are currently distributed in the
14 fiscal year beginning July 1, 2020. The bill provides that if
15 gambling revenues directed to be deposited in the grow Iowa
16 values fund, the vision Iowa fund, and the school
17 infrastructure fund are insufficient to fully fund the
18 required deposits in a fiscal year, the difference shall be
19 paid from lottery revenues.

20 The bill allows the treasurer of state to issue bonds for
21 the purpose of funding the grow Iowa values fund. The bill
22 amends Code section 15G.108 relating to the grow Iowa values
23 fund due to the funding of the fund through the issuance of
24 bonds. The bill provides that the treasurer of state may
25 issue bonds in principal amounts which are necessary to
26 provide sufficient funds for the grow Iowa values fund, the
27 payment of interest on the bonds, the establishment of
28 reserves to secure the bonds, the costs of issuance of the
29 bonds, other expenditures incident to and necessary or
30 convenient to carry out the bond issue, and all other
31 expenditures of the grow Iowa values board necessary or
32 convenient to administer the fund.

33 The bill provides that the bonds are payable solely and
34 only out of the moneys, assets, or revenues of the grow Iowa
35 values fund and any bond reserve funds. The bill provides

1 that the bonds shall contain on their face a statement that
2 the bonds do not constitute an indebtedness of the state and
3 that the treasurer of state shall not pledge the credit or
4 taxing power of this state or any political subdivision of
5 this state or make the bonds payable out of any moneys except
6 those in the grow Iowa values fund. The bill provides that
7 the proceeds of the bonds not required for immediate
8 disbursement may be deposited with a trustee or depository as
9 provided in the bond documents and invested or reinvested in
10 any investment as directed by the treasurer of state and
11 specified in the trust indenture, resolution, or other
12 instrument pursuant to which the bonds are issued without
13 regard to any limitation otherwise provided by law. The bill
14 provides certain requirements for the bonds, including the
15 form of the bonds, that the bonds must be negotiable
16 instruments under the laws of the state, and certain terms,
17 conditions, and covenants for the bonds. The bill provides
18 for who may invest in the bonds. The bill provides that the
19 bonds must be authorized by a trust indenture, resolution, or
20 other instrument of the treasurer of state. The bill provides
21 that neither the resolution, trust agreement, nor any other
22 instrument by which a pledge is created needs to be recorded
23 or filed under the Iowa uniform commercial code to be valid,
24 binding, or effective.

25 The bill provides that the bonds are declared to be issued
26 for a general public and governmental purpose and all bonds
27 issued under the bill's provisions shall be exempt from
28 taxation by the state of Iowa and the interest on the bonds
29 shall be exempt from the state income tax and the state
30 inheritance and estate tax. The bill provides that, subject
31 to the terms of any bond documents, moneys in the grow Iowa
32 values fund may be expended for administration expenses. The
33 bill provides that the treasurer of state may issue bonds for
34 the purpose of refunding any bonds or notes issued pursuant to
35 this section then outstanding, including the payment of any

1 redemption premiums thereon and any interest accrued or to
2 accrue to the date of redemption of the outstanding bonds or
3 notes.

4 The bill requires the treasurer of state to establish
5 accounts within the grow Iowa values fund as may be
6 appropriate. The bill defines what revenue for the grow Iowa
7 values fund shall be deposited with the treasurer of state or
8 the treasurer's designee as provided by any bond or security
9 documents and credited to the debt service account. The bill
10 provides that the treasurer of state may create and establish
11 one or more special funds, to be known as "bond reserve
12 funds", to secure one or more issues of bonds. The bill
13 provides that moneys in a bond reserve fund shall not be
14 withdrawn from it at any time in an amount that will reduce
15 the amount of the fund to less than the bond reserve fund
16 requirement established for the fund, except for the purpose
17 of making, with respect to bonds secured in whole or in part
18 by the fund, payment when due of principal, interest,
19 redemption premiums, and the sinking fund payments with
20 respect to the bonds for the payment of which other moneys of
21 the treasurer are not available. The bill provides that the
22 treasurer of state shall not at any time issue bonds, secured
23 in whole or in part by a bond reserve fund if, upon the
24 issuance of the bonds, the amount in the bond reserve fund
25 will be less than the bond reserve fund requirement for the
26 fund, unless the treasurer at the time of issuance of the
27 bonds deposits in the fund from the proceeds of the bonds
28 issued or from other sources an amount which, together with
29 the amount then in the fund, will not be less than the bond
30 reserve fund requirement for the fund. The bill provides for
31 the continued solvency of any bonds secured by a bond reserve
32 fund.

33 The bill provides that it is the intent of the general
34 assembly that a pledge made in respect of bonds shall be valid
35 and binding from the time the pledge is made, that the moneys

1 or property so pledged and received after the pledge by the
2 treasurer of state shall immediately be subject to the lien of
3 the pledge without physical delivery or further act, and that
4 the lien of the pledge shall be valid and binding as against
5 all parties having claims of any kind in tort, contract, or
6 otherwise against the treasurer of state whether or not the
7 parties have notice of the lien.

8 The bill provides that the bonds are not debts of the
9 state, or of any political subdivision of the state, and do
10 not constitute a pledge of the faith and credit of the state
11 or a charge against the general credit or general fund of the
12 state.

13 The bill appropriates from the grow Iowa values fund to the
14 department of transportation for the fiscal period beginning
15 July 1, 2004, and ending June 30, 2009, \$8 million per fiscal
16 year for use in aviation assistance programs.

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35