

FILED JAN 19 2006

SENATE FILE 2050  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 3018)

Passed Senate, Date 2-1-06 Passed House, Date 2-22-06  
Vote: Ayes 47 Nays 1 Vote: Ayes 88 Nays 10  
Approved March 9, 2006

A BILL FOR

1 An Act relating to the Honey creek premier destination park bond  
2 program.

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

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SF 2050

1 Section 1. Section 463C.2, Code Supplement 2005, is  
2 amended by adding the following new subsections:

3 NEW SUBSECTION. 5A. "Gross revenues" means all income and  
4 receipts derived from the operation of the Honey creek premier  
5 destination park.

6 NEW SUBSECTION. 5B. "Net revenues" means gross revenues  
7 less operating expenses.

8 NEW SUBSECTION. 5C. "Operating expenses" means salaries,  
9 wages, costs of maintenance and operation, and costs of  
10 materials, supplies, insurance, and purchases made at  
11 wholesale, in connection with the operation of the Honey creek  
12 premier destination park, and all other items normally  
13 included as operating expenses under requirements of law or  
14 recognized accounting practices. "Operating expenses" does  
15 not include depreciation, costs of capital improvements or  
16 extensions, bond principal payments, or bond interest  
17 payments.

18 Sec. 2. Section 463C.11, subsection 1, Code Supplement  
19 2005, is amended to read as follows:

20 1. The Honey creek premier destination park bond fund is  
21 established as a separate and distinct fund in the state  
22 treasury consisting of Honey creek premier destination park  
23 revenues, any moneys appropriated by the general assembly to  
24 the fund, and any other moneys available to and obtained or  
25 accepted by the authority for placement in the fund. The  
26 moneys in the fund shall be used to develop the Honey creek  
27 premier destination park in the state by funding the  
28 development and construction of facilities in the park  
29 including but not limited to lodges, campgrounds, cabins, and  
30 golf courses. The treasurer of state is authorized to  
31 establish separate and distinct accounts within the Honey  
32 creek premier destination park bond fund in connection with  
33 the issuance of the authority's bonds in accordance with the  
34 trust indenture or resolution authorizing the bonds and the  
35 authority is authorized to determine which revenues and

1 accounts shall be pledged as security for the bonds. Amounts  
2 deposited in the Honey creek premier destination park bond  
3 fund shall be deposited in the separate and distinct accounts  
4 as set forth in the trust indenture or resolution authorizing  
5 the bonds. The authority is authorized to pledge and use the  
6 gross net revenues from the Honey creek premier destination  
7 park ~~to-and for payment of the bonds. Revenues may also be~~  
8 ~~used for the payment of insurance, other credit enhancements,~~  
9 ~~and other financing arrangements. -- Operating expenses of the~~  
10 ~~Honey creek premier destination park may be paid from the~~  
11 ~~revenues to the extent the revenues exceed the amount~~  
12 ~~determined by the authority to be necessary for debt service~~  
13 ~~on the bonds.~~

14 Sec. 3. Section 463C.12, subsections 1 and 8, Code  
15 Supplement 2005, are amended to read as follows:

16 1. The authority may issue taxable or tax-exempt bonds, or  
17 a combination thereof, for the purpose of funding the Honey  
18 creek premier destination park bond fund established in  
19 section 463C.11 and for the purpose of refunding any bonds  
20 issued under this section. The authority may issue bonds in  
21 principal amounts which, in the opinion of the board, are  
22 necessary to provide sufficient funds for the Honey creek  
23 premier destination park bond fund established in section  
24 463C.11, the payment of interest on the bonds, the  
25 establishment of reserves to secure the bonds, the costs of  
26 issuance of the bonds, other expenditures of the authority  
27 incident to and necessary or convenient to carry out the bond  
28 issue for the fund, and all other expenditures of the board  
29 necessary or convenient to administer the fund; provided,  
30 however, excluding the issuance of refunding bonds, the board  
31 shall issue bonds issued pursuant to this section ~~shall not be~~  
32 ~~issued in an aggregate principal amount which exceeds result~~  
33 in the deposit of net bond proceeds of not more than twenty-  
34 eight million dollars credited to the Honey creek premier  
35 destination park bond fund.

1 8. ~~All~~ Tax-exempt bonds issued by the authority in  
2 connection with the program, which are exempt from taxation  
3 for federal tax purposes, are also exempt from taxation by the  
4 state of Iowa and the interest on the these bonds is exempt  
5 from state income taxes and state inheritance and estate  
6 taxes.

7 Sec. 4. Section 463C.13, subsection 3, Code Supplement  
8 2005, is amended to read as follows:

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

25 a. ten Ten percent of the outstanding stated principal  
26 amount of bonds secured in whole or in part by the bond  
27 reserve fund.

28 b. The maximum annual debt service on the issue of bonds.

29 c. One hundred twenty-five percent of the average annual  
30 debt service on the issue of bonds.

31 EXPLANATION

32 This bill relates to the issuance of bonds by the Honey  
33 creek premier destination park authority.

34 The bill defines "gross revenues" to mean all income and  
35 receipts derived from the operation of the Honey creek premier

1 destination park. The bill defines "net revenues" to mean  
2 "gross revenues" less "operating expenses". The bill defines  
3 "operating expenses" to mean salaries, wages, costs of  
4 maintenance and operation, and costs of materials, supplies,  
5 insurance, and purchases made at wholesale, in connection with  
6 the operation of the Honey creek destination park and all  
7 other items normally included as operating expenses under  
8 requirements of law or recognized accounting practices. The  
9 bill provides that "operating expenses" does not include  
10 depreciation, costs of capital improvements or extensions,  
11 bond principal payments, or bond interest payments.

12 The bill authorizes the Honey creek premier destination  
13 park authority to use net, not gross, revenues from the park  
14 for payment of the bonds issued.

15 The bill authorizes the authority to issue bonds which  
16 result in the deposit of net bond proceeds of not more than  
17 \$28 million credited to the Honey creek premier destination  
18 park bond fund. Currently, the bond authority is authorized  
19 to issue bonds that do not exceed an aggregate principal of  
20 \$28 million.

21 The bill provides that the authority may issue taxable or  
22 tax-exempt bonds, or a combination thereof. The bill provides  
23 that tax-exempt bonds issued by the authority, which are  
24 exempt from taxation for federal tax purposes, are also exempt  
25 from taxation by the state of Iowa and interest on these bonds  
26 is exempt from state income taxes and state inheritance and  
27 estate taxes.

28 The bill provides that the authority shall not issue bonds  
29 secured by the bond reserve fund unless the bond reserve fund  
30 equals an amount of money of not more than the lesser of 10  
31 percent of the stated principal amount of bonds secured in  
32 whole or in part by the bond reserve fund; or the maximum  
33 annual debt service on the issue of bonds; or 125 percent of  
34 the average annual debt service on the issue of bonds.  
35 Currently, the bond reserve fund must equal not more than 10

1 percent of the outstanding principal amount of bonds secured  
2 in whole or in part by the bond reserve fund.

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SENATE FILE 2056

S-5001

- 1 Amend Senate File 2056 as follows:  
2 1. Page 3, by inserting after line 30, the  
3 following:  
4 "Sec. \_\_\_\_\_. EFFECTIVE DATE. This Act, being deemed  
5 of immediate importance, takes effect upon enactment."  
6 2. Title page, line 2, by inserting after the  
7 word "program" the following: "and providing an  
8 effective date".  
9 3. By renumbering as necessary.

By JEFF ANGELO  
ROBERT E. DVORSKY

S-5001 FILED JANUARY 31, 2006

Angelo co-chair  
Warnstadt co-chair  
Dvorsky  
Kettering

Succeeded By  
(SF) / HF 2056

SSB# 3018  
Appropriations

SENATE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CO-CHAIRPERSONS ANGELO  
and DVORSKY)

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

**A BILL FOR**

1 An Act relating to the Honey creek premier destination park bond  
2 program.

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1 Section 1. Section 463C.2, Code Supplement 2005, is  
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8 NEW SUBSECTION. 5C. "Operating expenses" means salaries,  
9 wages, costs of maintenance and operation, and costs of  
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25 accepted by the authority for placement in the fund. The  
26 moneys in the fund shall be used to develop the Honey creek  
27 premier destination park in the state by funding the  
28 development and construction of facilities in the park  
29 including but not limited to lodges, campgrounds, cabins, and  
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33 the issuance of the authority's bonds in accordance with the  
34 trust indenture or resolution authorizing the bonds and the  
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3 fund shall be deposited in the separate and distinct accounts  
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5 the bonds. The authority is authorized to pledge and use the  
6 gross net revenues from the Honey creek premier destination  
7 park ~~to-and~~ for payment of the bonds. ~~Revenues-may-also-be~~  
8 ~~used-for-the-payment-of-insurance, other-credit-enhancements,~~  
9 ~~and-other-financing-arrangements.---Operating-expenses-of-the~~  
10 ~~Honey-creek-premier-destination-park-may-be-paid-from-the~~  
11 ~~revenues-to-the-extent-the-revenues-exceed-the-amount~~  
12 ~~determined-by-the-authority-to-be-necessary-for-debt-service~~  
13 ~~on-the-bonds.~~

14 Sec. 3. Section 463C.12, subsections 1 and 8, Code  
15 Supplement 2005, are amended to read as follows:

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17 a combination thereof, for the purpose of funding the Honey  
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25 establishment of reserves to secure the bonds, the costs of  
26 issuance of the bonds, other expenditures of the authority  
27 incident to and necessary or convenient to carry out the bond  
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29 necessary or convenient to administer the fund; provided,  
30 however, excluding the issuance of refunding bonds, the board  
31 shall issue bonds ~~issued~~ pursuant to this section ~~shall-not-be~~  
32 ~~issued-in-an-aggregate-principal-amount~~ which exceeds result  
33 in the deposit of net bond proceeds of not more than twenty-  
34 eight million dollars credited to the Honey creek premier  
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16 amount which, together with the amount then in the bond  
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19 this section, the term "bond reserve fund requirement" means,  
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21 as provided in the trust indenture, resolution, or other  
22 instrument of the authority authorizing the bonds with respect  
23 to which the bond reserve fund is established, equal to not  
24 more than the lesser of any of the following:

25 a. ten Ten percent of the outstanding principal amount of  
26 bonds secured in whole or in part by the bond reserve fund.

27 b. The maximum annual debt service on the issue of bonds.

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29 debt service on the issue of bonds.

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23 exempt from taxation for federal tax purposes, are also exempt  
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29 equals an amount of money of not more than the lesser of 10  
30 percent of the outstanding principal amount of bonds secured  
31 in whole or in part by the bond reserve fund; or the maximum  
32 annual debt service on the issue of bonds; or 125 percent of  
33 the average annual debt service on the issue of bonds.  
34 Currently, the bond reserve fund must equal not more than 10  
35 percent of the outstanding principal amount of bonds secured

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

- 1 in whole or in part by the bond reserve fund.
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SENATE FILE 2056

AN ACT

RELATING TO THE HONEY CREEK PREMIER DESTINATION PARK BOND PROGRAM AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 463C.2, Code Supplement 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. "Gross revenues" means all income and receipts derived from the operation of the Honey creek premier destination park.

NEW SUBSECTION. 5B. "Net revenues" means gross revenues less operating expenses.

NEW SUBSECTION. 5C. "Operating expenses" means salaries, wages, costs of maintenance and operation, and costs of materials, supplies, insurance, and purchases made at wholesale, in connection with the operation of the Honey creek premier destination park, and all other items normally included as operating expenses under requirements of law or recognized accounting practices. "Operating expenses" does not include depreciation, costs of capital improvements or extensions, bond principal payments, or bond interest payments.

Sec. 2. Section 463C.11, subsection 1, Code Supplement 2005, is amended to read as follows:

1. The Honey creek premier destination park bond fund is established as a separate and distinct fund in the state treasury consisting of Honey creek premier destination park revenues, any moneys appropriated by the general assembly to the fund, and any other moneys available to and obtained or accepted by the authority for placement in the fund. The

moneys in the fund shall be used to develop the Honey creek premier destination park in the state by funding the development and construction of facilities in the park including but not limited to lodges, campgrounds, cabins, and golf courses. The treasurer of state is authorized to establish separate and distinct accounts within the Honey creek premier destination park bond fund in connection with the issuance of the authority's bonds in accordance with the trust indenture or resolution authorizing the bonds and the authority is authorized to determine which revenues and accounts shall be pledged as security for the bonds. Amounts deposited in the Honey creek premier destination park bond fund shall be deposited in the separate and distinct accounts as set forth in the trust indenture or resolution authorizing the bonds. The authority is authorized to pledge and use the gross net revenues from the Honey creek premier destination park to and for payment of the bonds. ~~Revenues may also be used for the payment of insurance, other credit enhancements, and other financing arrangements. Operating expenses of the Honey creek premier destination park may be paid from the revenues to the extent the revenues exceed the amount determined by the authority to be necessary for debt service on the bonds.~~

Sec. 3. Section 463C.12, subsections 1 and 8, Code Supplement 2005, are amended to read as follows:

1. The authority may issue taxable or tax-exempt bonds, or a combination thereof, for the purpose of funding the Honey creek premier destination park bond fund established in section 463C.11 and for the purpose of refunding any bonds issued under this section. The authority may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the Honey creek premier destination park bond fund established in section 463C.11, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of

issuance of the bonds, other expenditures of the authority incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, the board shall issue bonds issued pursuant to this section shall not be issued in an aggregate principal amount which exceeds result in the deposit of net bond proceeds of not more than twenty-eight million dollars credited to the Honey creek premier destination park bond fund.

8. ~~All~~ Tax-exempt bonds issued by the authority in connection with the program, which are exempt from taxation for federal tax purposes, are also exempt from taxation by the state of Iowa and the interest on the these bonds is exempt from state income taxes and state inheritance and estate taxes.

Sec. 4. Section 463C.13, subsection 3, Code Supplement 2005, is amended to read as follows:

3. The authority 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 bond reserve fund, unless the authority at the time of issuance of the bonds deposits in the bond reserve fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the bond reserve fund, will not be less than the bond reserve fund requirement for the bond reserve fund. For the purposes of this section, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the trust indenture, resolution, or other instrument of the authority authorizing the bonds with respect to which the bond reserve fund is established, equal to not more than the lesser of any of the following:

a. ten Ten percent of the outstanding stated principal amount of bonds secured in whole or in part by the bond reserve fund.

b. The maximum annual debt service on the issue of bonds.

c. One hundred twenty-five percent of the average annual debt service on the issue of bonds.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

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JOHN P. KIBBIE  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2056, Eighty-first General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor