

# House Study Bill 539

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED IOWA FINANCE  
AUTHORITY BILL)

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

## A BILL FOR

1 An Act relating to private activity bond allocation procedures.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
3 TLSB 5325XD 82  
4 md/rj/8

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1 1 Section 1. Section 7C.7, Code 2007, is amended to read as  
1 2 follows:  
1 3 7C.7 CERTIFICATION OF ALLOCATION.  
1 4 Upon the receipt of a completed application pursuant to  
1 5 section 7C.6, the governor's designee shall promptly certify  
1 6 to the political subdivision the amount of the state ceiling  
1 7 allocated to the bonds for the purpose or project with respect  
1 8 to which the application was submitted. The allocation shall  
1 9 remain valid for ~~thirty one hundred twenty~~ days from the date  
1 10 the allocation was certified, subject to the following  
1 11 conditions:

1 12 1. If the bonds are issued and delivered for the purpose  
1 13 or project within the ~~thirty-day one-hundred-twenty-day~~ period  
1 14 or the ~~forty-five day thirty-day~~ extension period provided in  
1 15 subsection 2, the political subdivision or its representative  
1 16 shall within ten days following the issuance and delivery of  
1 17 the bonds or not later than June 30 of that year, if the bonds  
1 18 were issued and delivered on or before that date, file with  
1 19 the governor's designee, in the form or manner the governor's  
1 20 designee may prescribe, a notification of the date of issuance  
1 21 and the delivery of the bonds, and the actual principal amount  
1 22 of bonds issued and delivered. The filing of the notification  
1 23 shall be done by actual delivery or by posting in a United  
1 24 States post office depository with correct first class postage  
1 25 paid. If the actual principal amount of bonds issued and  
1 26 delivered is less than the amount of the allocation, the  
1 27 amount of the allocation is automatically reduced to the  
1 28 actual principal amount of the bonds issued and delivered.

1 29 2. If the political subdivision does not reasonably expect  
1 30 to issue and deliver the bonds within the ~~thirty-day~~  
1 31 ~~one-hundred-twenty-day~~ period and evidence of an executed,  
1 32 valid and binding agreement to purchase the bonds is obtained  
1 33 from an entity with the legal ability to purchase and this  
1 34 agreement is filed with the governor's designee, the  
1 35 ~~thirty-day one-hundred-twenty-day~~ allocation period is  
2 1 automatically extended for an additional ~~forty-five thirty~~  
2 2 days. The allocation period shall not be extended beyond that  
2 3 additional ~~forty-five thirty~~ days.

2 4 3. The allocation is no longer valid unless the bonds are  
2 5 issued and delivered prior to December 24 or in the case of  
2 6 bonds described in section 7C.11 are issued and delivered  
2 7 prior to December 31 of the calendar year in which the  
2 8 allocation is certified, except as provided in section 7C.8.

2 9 Sec. 2. Section 7C.9, Code 2007, is amended to read as  
2 10 follows:

2 11 7C.9 NONBUSINESS DAYS.

2 12 If the expiration date of either the ~~thirty-day~~  
2 13 ~~one-hundred-twenty-day~~ period or the ~~forty-five day thirty-day~~  
2 14 extension period described in subsection 1 or 2 of section  
2 15 7C.7 is a Saturday, Sunday or any day on which the offices of  
2 16 the state, banking institutions or savings and loan  
2 17 associations in the state are authorized or required to close,  
2 18 the expiration date is extended to the first day thereafter  
2 19 which is not a Saturday, Sunday or other previously described  
2 20 day.

EXPLANATION

2 21  
2 22 A political subdivision that proposes to issue bonds for a  
2 23 particular project or purpose for which an allocation of the  
2 24 state ceiling is required and has not already been made, must  
2 25 submit an application to the governor's designee before  
2 26 issuance of the bonds. This bill increases the length of the  
2 27 validity period following certification of the allocation by  
2 28 the governor's designee from 30 days to 120 days. The bill  
2 29 also decreases the extension period from 45 days to 30 days in  
2 30 situations where the political subdivision does not reasonably  
2 31 expect to issue and deliver the bonds within the 120-day  
2 32 certification period and evidence of an executed, valid, and  
2 33 binding agreement to purchase the bonds is obtained from an  
2 34 entity with the legal ability to purchase and the agreement is  
2 35 filed with the governor's designee.

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