

Senate Study Bill 1253

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 programs, funds, authority, and duties of the
2 Iowa finance authority.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1303DP 82
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1 1 Section 1. Section 8A.201, subsection 4, Code 2007, is
1 2 amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. h. The Iowa finance authority, including
1 4 the title guaranty division.
1 5 Sec. 2. Section 15.108, subsection 11, paragraph b,
1 6 subparagraph (3), Code 2007, is amended to read as follows:
1 7 (3) Establish programs which assist communities or local
1 8 entities in developing housing to meet a range of community
1 9 needs, including ~~programs to assist homeless shelter~~
~~1 10 operations and~~ programs to assist in the development of
1 11 housing to enhance economic development opportunities in the
1 12 community.
1 13 Sec. 3. Section 15.349, Code 2007, is amended to read as
1 14 follows:
1 15 15.349 SHELTER ASSISTANCE FUND.
1 16 A shelter assistance fund is created as a revolving fund in
1 17 the state treasury under the control of the ~~department~~
1 18 authority consisting of any moneys appropriated by the general
1 19 assembly and received under section 428A.8 for purposes of the
1 20 rehabilitation, expansion, or costs of operations of group
1 21 home shelters for the homeless and domestic violence shelters.
1 22 Of the moneys in the fund, not less than five hundred
1 23 forty-six thousand dollars shall be spent annually on homeless
1 24 shelter projects. Notwithstanding section 8.33, all moneys in
1 25 the shelter assistance fund which remain unexpended or
1 26 unobligated at the close of the fiscal year shall not revert
1 27 to the general fund of the state but shall remain available
1 28 for expenditure for subsequent fiscal years.
1 29 Sec. 4. Section 16.1, subsections 3 and 5, Code 2007, are
1 30 amended to read as follows:
1 31 3. "Bond" means a bond issued by the authority pursuant to
1 32 sections 16.26 to 16.30, and includes a note or other
~~1 33 instrument evidencing a debt authorized or referred to in this~~
~~1 34 chapter.~~
1 35 5. "Cost" as applied to ~~Iowa small business economic~~
~~2 1 development~~ loan program projects means the cost of
2 2 acquisition, construction, or both including the cost of
2 3 acquisition of all land, rights-of-way, property rights,
2 4 easements, franchise rights, and interests required for
2 5 acquisition, construction, or both. It also means the cost of
2 6 demolishing or removing structures on acquired land, the cost
2 7 of access roads to private property, including the cost of
2 8 land or easements, and the cost of all machinery, furnishings,
2 9 and equipment, financing charges, and interest prior to and
2 10 during construction and for no more than the greater of
2 11 eighteen months or the period authorized to be capitalized
~~2 12 under applicable provisions of the Internal Revenue Code after~~
2 13 completion of construction. Cost also means the cost of
2 14 engineering, legal expenses, plans, specifications, surveys,
2 15 estimates of cost and revenues, as well as other expenses
2 16 incidental to determining the feasibility or practicability of
2 17 acquiring or constructing a project. It also means other
2 18 expenses incidental to the acquisition or construction of the
2 19 project, the financing of the acquisition or construction,

2 20 including the amount authorized in the resolution of the
2 21 ~~authority providing for the issuance of bonds, to be paid into~~
2 22 ~~any special funds from the proceeds of the bonds, and the~~
2 23 ~~financing of the placing of a project in operation to be paid~~
2 24 ~~into any special funds from the proceeds of bonds issued for~~
2 25 ~~the project, and the financing of the placing of a project in~~
2 26 ~~operation. It also means all grants, payments, and amounts~~
2 27 ~~necessary to pay or refund outstanding bonds and all costs for~~
2 28 ~~which federally tax-exempt bonds may be issued under the~~
2 29 ~~Internal Revenue Code.~~

2 30 Sec. 5. Section 16.1, subsections 11 and 12, Code 2007,
2 31 are amended by striking the subsections.

2 32 Sec. 6. Section 16.1, Code 2007, is amended by adding the
2 33 following new subsections:

2 34 NEW SUBSECTION. 14. "Goals" means legislative goals and
2 35 policies as articulated in this chapter.

3 1 NEW SUBSECTION. 14A. "Guiding principles" means the
3 2 principles provided in section 16.4 which shall be considered
3 3 for amplification and interpretation of the goals of the
3 4 authority.

3 5 Sec. 7. Section 16.1, subsections 20 and 21, Code 2007,
3 6 are amended by striking the subsections and inserting in lieu
3 7 thereof the following:

3 8 20. "Internal Revenue Code" means the Internal Revenue
3 9 Code of the United States as it may exist at the time of its
3 10 applicability to the provisions of this chapter.

3 11 21. "Legislative findings" or "findings" means the
3 12 findings established by the general assembly with respect to
3 13 the authority as provided in this chapter.

3 14 Sec. 8. Section 16.1, subsection 29, Code 2007, is amended
3 15 to read as follows:

3 16 29. "Note" means a bond anticipation note or a housing
3 17 development fund note issued by the authority pursuant to this
3 18 chapter. "Note" also includes bonds.

3 19 Sec. 9. Section 16.1, Code 2007, is amended by adding the
3 20 following new subsections:

3 21 NEW SUBSECTION. 29B. "Powers" means all of the general
3 22 and specific powers of the authority as provided in this
3 23 chapter and shall be broadly and liberally interpreted to
3 24 authorize the authority to act in accordance with the goals of
3 25 the authority and in a manner consistent with the legislative
3 26 findings and guiding principles which are reasonably
3 27 necessary.

3 28 NEW SUBSECTION. 29C. "Programs" means any program
3 29 administered by the authority or any program in which the
3 30 authority is directed or authorized to participate pursuant to
3 31 any statute, executive order, or interagency agreement, or any
3 32 other program participation or administration of which the
3 33 authority finds useful and convenient to further the goals and
3 34 purposes of the authority. "Program" shall include but not be
3 35 limited to all of the following:

- 4 1 a. The housing assistance payments program.
- 4 2 b. The rent supplements program.
- 4 3 c. The emergency housing fund program.
- 4 4 d. The special housing assistance program.
- 4 5 e. The single-family housing program.
- 4 6 f. The multifamily housing program.
- 4 7 g. The title guaranty program.
- 4 8 h. The housing improvement fund program.
- 4 9 i. The economic development loan program.
- 4 10 j. The Iowa economic development bond bank program.
- 4 11 k. The sewage treatment and drinking facilities financing

4 12 program.
4 13 l. The Iowa tank assistance bond program.
4 14 m. The residential treatment facilities program.
4 15 n. The E=911 program.
4 16 o. The community college dormitory program.
4 17 p. The prison infrastructure program.
4 18 q. The wastewater treatment financial assistance program.
4 19 r. Any other program established by the authority which
4 20 the authority finds useful and convenient to further goals of
4 21 the authority and which is consistent with the legislative
4 22 findings. Such additional programs shall be administered in
4 23 accordance with the guiding principles of the authority after
4 24 such notice and hearing as is determined to be reasonable by
4 25 the authority under the circumstances. Such additional
4 26 programs shall be administered in accordance with rules, if
4 27 any, which the authority determines useful and convenient to
4 28 adopt pursuant to chapter 17A.

4 29 Sec. 10. Section 16.1, subsection 30, Code 2007, is
4 30 amended by striking the subsection and inserting in lieu

4 31 thereof the following:

4 32 30. "Project" means any of the following:

4 33 a. Real or personal property connected with a facility to
4 34 be acquired, constructed, financed, refinanced, improved, or
4 35 equipped pursuant to one or more of the programs.

5 1 b. Refunds, loans, refinancings, grants, or other
5 2 assistance or programs which the authority finds useful and
5 3 convenient to carry out and further the goals of the authority
5 4 and the Iowa economic development bond program. In
5 5 furtherance thereof and not in limitation, "project" shall
5 6 include projects for which bonds or notes may be issued by a
5 7 city or a county pursuant to any power so long as the
5 8 authority finds it is consistent with the goals and
5 9 legislative findings of the authority and the Iowa economic
5 10 development bond program.

5 11 c. Any project for which tax exempt financing is
5 12 authorized by the Internal Revenue Code which the authority
5 13 finds furthers the goals of the authority and is consistent
5 14 with the legislative findings.

5 15 Sec. 11. Section 16.1, subsections 33, 34, 35, and 36,
5 16 Code 2007, are amended by striking the subsections.

5 17 Sec. 12. Section 16.1, unnumbered paragraph 2, Code 2007,
5 18 is amended to read as follows:

5 19 The authority ~~shall~~ may establish by rule further
5 20 definitions applicable to this chapter, and clarification of
5 21 the definitions in this section, as it deems convenient and
5 22 necessary including any rules necessary to assure eligibility
5 23 for funds available under federal housing laws, or to assure
5 24 compliance with federal tax laws relating to the issuance of
5 25 tax exempt ~~mortgage subsidy~~ bonds pursuant to the Internal
5 26 Revenue Code } 103A, ~~or relating to the issuance of tax exempt~~
~~5 27 residential rental property bonds for qualified residential~~
~~5 28 housing under Internal Revenue Code } 103, or relating to the~~
5 29 allowance of low income credits under Internal Revenue Code }
5 30 42.

5 31 Sec. 13. Section 16.2, subsection 1, Code 2007, is amended
5 32 to read as follows:

5 33 1. The Iowa finance authority is established, and
5 34 constituted a public instrumentality and agency of the state
5 35 exercising public and essential governmental functions, to
6 1 undertake programs which assist in attainment of adequate
6 2 housing for low or moderate income families, elderly families,
6 3 and families which include one or more persons with
6 4 disabilities, and to undertake the ~~Iowa homesteading program,~~
~~6 5 the small business loan program, the export business finance~~
~~6 6 program, and other various~~ finance programs. The powers of
6 7 the authority are vested in and shall be exercised by a board
6 8 of nine members appointed by the governor subject to
6 9 confirmation by the senate. No more than five members shall
6 10 belong to the same political party. As far as possible the
6 11 governor shall include within the membership persons who
6 12 represent community and housing development industries,
6 13 housing finance industries, the real estate sales industry,
6 14 elderly families, minorities, lower income families, very low
6 15 income families, families which include persons with
6 16 disabilities, average taxpayers, local government, business
6 17 ~~and international trade~~ interests, and any other person
6 18 specially interested in community housing, finance, or small
6 19 business, ~~or export business development.~~

~~6 20 A title guaranty division is created within the authority.~~
~~6 21 The powers of the division relating to the issuance of title~~
~~6 22 guaranties are vested in and shall be exercised by a division~~
~~6 23 board of five members appointed by the governor subject to~~
~~6 24 confirmation by the senate. The membership of the board shall~~
~~6 25 include an attorney, an abstractor, a real estate broker, a~~
~~6 26 representative of a mortgage lender, and a representative of~~
~~6 27 the housing development industry. The executive director of~~
~~6 28 the authority shall appoint an attorney as director of the~~
~~6 29 title guaranty division who shall serve as an ex officio~~
~~6 30 member of the board. The appointment of and compensation for~~
~~6 31 the division director are exempt from the merit system~~
~~6 32 provisions of chapter 8A, subchapter IV.~~

6 33 a. Members of the board of the division shall be appointed
6 34 by the governor for staggered terms of six years beginning and
6 35 ending as provided in section 69.19. A person shall not serve
7 1 on the division board while serving on the authority board. A
7 2 person appointed to fill a vacancy shall serve only for the
7 3 unexpired portion of the term. A member is eligible for
7 4 reappointment. A member of the division board may be removed
7 5 from office by the governor for misfeasance, malfeasance or
7 6 willful neglect of duty or for other just cause, after notice

~~7 7 and hearing, unless notice and hearing is expressly waived in
7 8 writing.~~

~~7 9 b. Three members of the board shall constitute a quorum.
7 10 An affirmative vote of a majority of the appointed members is
7 11 necessary for any substantive action taken by the division.~~

~~7 12 c. Members of the board are entitled to receive a per diem
7 13 as specified in section 7E.6 for each day spent in performance
7 14 of duties as members and shall be reimbursed for all actual
7 15 and necessary expenses incurred in the performance of duties
7 16 as members.~~

~~7 17 d. Members of the board and the director shall give bond
7 18 as required for public officers in chapter 64.~~

~~7 19 e. Meetings of the board shall be held at the call of the
7 20 chair of the board or on written request of two members.~~

~~7 21 f. Members shall elect a chair and vice chair annually and
7 22 other officers as they determine. The director shall serve as
7 23 secretary to the board.~~

~~7 24 g. The net earnings of the division, beyond that necessary
7 25 for reserves, backing, guaranties issued or to otherwise
7 26 implement the public purposes and programs authorized, shall
7 27 not inure to the benefit of any person other than the state
7 28 and are subject to subsection 8.~~

7 29 Sec. 14. NEW SECTION. 16.2A TITLE GUARANTY DIVISION.

7 30 1. A title guaranty division is created within the
7 31 authority. The powers of the division relating to the
7 32 issuance of title guaranties are vested in and shall be
7 33 exercised by a division board of five members appointed by the
7 34 governor subject to confirmation by the senate. The
7 35 membership of the board shall include an attorney, an
8 1 abstractor, a real estate broker, a representative of a
8 2 mortgage lender, and a representative of the housing
8 3 development industry. The executive director of the authority
8 4 shall appoint an attorney as director of the title guaranty
8 5 division, who shall serve as an ex officio member of the
8 6 board. The appointment of and compensation for the division
8 7 director are exempt from the merit system provisions of
8 8 chapter 8A, subchapter IV.

8 9 2. Members of the board of the division shall be appointed
8 10 by the governor for staggered terms of six years beginning and
8 11 ending as provided in section 69.19. A person shall not serve
8 12 on the division board while serving on the authority board. A
8 13 person appointed to fill a vacancy shall serve only for the
8 14 unexpired portion of the term. A member is eligible for
8 15 reappointment. A member of the division board may be removed
8 16 from office by the governor for misfeasance, malfeasance, or
8 17 willful neglect of duty or for other just cause, after notice
8 18 and hearing, unless notice and hearing is expressly waived in
8 19 writing.

8 20 3. Three members of the board shall constitute a quorum.
8 21 An affirmative vote of a majority of the appointed members is
8 22 necessary for any substantive action taken by the division.

8 23 4. Members of the board are entitled to receive a per diem
8 24 as specified in section 7E.6 for each day spent in performance
8 25 of duties as members and shall be reimbursed for all actual
8 26 and necessary expenses incurred in the performance of duties
8 27 as members.

8 28 5. Members of the board and the director shall give bond
8 29 as required for public officers in chapter 64.

8 30 6. Meetings of the board shall be held at the call of the
8 31 chair of the board or on written request of two members.

8 32 7. Members shall elect a chair and vice chair annually and
8 33 other officers as they determine. The director shall serve as
8 34 secretary to the board.

8 35 8. The net earnings of the division, beyond that necessary
9 1 for reserves, backing, guaranties issued, or to otherwise
9 2 implement the public purposes and programs authorized, shall
9 3 not inure to the benefit of any person other than the state
9 4 and are subject to section 16.2, subsection 8.

9 5 Sec. 15. Section 16.3, Code 2007, is amended by adding the
9 6 following new subsections:

9 7 NEW SUBSECTION. 16. Economic development and expansion of
9 8 business, industry, and farming in the state is dependent upon
9 9 the availability of financing of the development and expansion
9 10 at affordable interest rates.

9 11 NEW SUBSECTION. 17. The pooling of private financing
9 12 enhances the marketability of the obligations involved and
9 13 increases access to other state, regional, and national credit
9 14 markets.

9 15 NEW SUBSECTION. 18. The creation of an Iowa economic
9 16 development bond bank program as provided in section 16.102
9 17 will make the pooling of private financing available to small

9 18 businesses, farmers, agricultural landowners and operators,
9 19 and commercial, industrial, and other business enterprises at
9 20 favorable interest rates with reduced marketing costs.

9 21 NEW SUBSECTION. 19. All of the purposes stated in this
9 22 section are public purposes and uses for which public moneys
9 23 may be borrowed, expended, advanced, loaned, or granted.

9 24 Sec. 16. NEW SECTION. 16.3A CONFLICTS OF INTEREST.

9 25 1. If a member or employee of the authority other than the
9 26 executive director of the authority has an interest, either
9 27 direct or indirect, in a contract to which the authority is,
9 28 or is to be, a party, or in a mortgage lender requesting a
9 29 loan from, or offering to sell mortgage loans to, the
9 30 authority, the interest shall be disclosed to the authority in
9 31 writing and shall be set forth in the minutes of the
9 32 authority. The member or employee having the interest shall
9 33 not participate in any action of the authority with respect to
9 34 that contract or mortgage lender.

9 35 A violation of a provision of this subsection is misconduct
10 1 in office under section 721.2. However, a resolution of the
10 2 authority is not invalid because of a vote cast by a member in
10 3 violation of this subsection unless the vote was decisive in
10 4 the passage of the resolution.

10 5 For the purposes of this subsection, "action of the
10 6 authority with respect to that contract or mortgage lender"
10 7 means only an action directly affecting a separate contract or
10 8 mortgage lender, and does not include an action which benefits
10 9 the general public or which affects all or a substantial
10 10 portion of the contracts or mortgage lenders included in a
10 11 program of the authority.

10 12 2. Nothing in this section shall be deemed to limit the
10 13 right of a member, officer, or employee of the authority to
10 14 acquire an interest in bonds or notes of the authority or to
10 15 limit the right of a member or employee other than the
10 16 executive director to have an interest in a bank or other
10 17 financial institution in which the funds of the authority are,
10 18 or are to be, deposited or which is, or is to be, acting as
10 19 trustee or paying agent under a trust indenture to which the
10 20 authority is a party.

10 21 3. The executive director shall not have an interest in a
10 22 bank or other financial institution in which the funds of the
10 23 authority are, or are to be, deposited or which is, or is to
10 24 be, acting as trustee or paying agent under a trust indenture
10 25 to which the authority is a party. The executive director
10 26 shall not receive, in addition to fixed salary or
10 27 compensation, any money or valuable thing, either directly or
10 28 indirectly, or through any substantial interest in any other
10 29 corporation or business unit, for negotiating, procuring,
10 30 recommending, or aiding in any purchase or sale of property,
10 31 or loan, made by the authority, nor shall the executive
10 32 director be pecuniarily interested, either as principal,
10 33 coprincipal, agent, or beneficiary, either directly or
10 34 indirectly, or through any substantial interest in any other
10 35 corporation or business unit, in any such purchase, sale, or
11 1 loan.

11 2 Sec. 17. Section 16.4, unnumbered paragraph 1, Code 2007,
11 3 is amended to read as follows:

11 4 In the performance of its duties and implementation of its
11 5 powers, and in the selection of specific programs and projects
11 6 to receive its assistance, the authority shall be guided by
11 7 the following precatory principles:

11 8 Sec. 18. Section 16.4, subsections 1, 2, 3, and 5, Code
11 9 2007, are amended to read as follows:

11 10 1. The authority shall not become an owner of real
11 11 property constituting a project under any program, except on a
11 12 temporary basis where necessary in order to implement its
11 13 programs, protect its investments by means of foreclosure or
11 14 other means, or to facilitate transfer of real property for
11 15 the use of low or moderate income families.

11 16 2. The authority shall strive to function in cooperation
11 17 with local governmental units and local or regional housing
11 18 agencies, and in fulfillment of local or regional housing
11 19 plans, and to that end shall provide technical assistance to
11 20 local governmental units and local or regional agencies in
11 21 need of that assistance.

11 22 3. ~~A When feasible, a~~ local contributing effort ~~shall may~~
11 23 be required of each project assisted by the authority. ~~As~~
~~11 24 used in this subsection, "project" includes one or more~~
~~11 25 programs authorized under the provisions of this chapter.~~ The
11 26 local contribution may be provided by local governmental units
11 27 or by local or regional agencies, public or private. ~~Unless~~
~~11 28 otherwise specified in this chapter, the~~ The percentage and

11 29 type of local contribution shall be determined by the
11 30 authority, and may include, but should not be limited to, cash
11 31 match, land contribution, tax abatement, or ancillary
11 32 facilities. The authority shall seek to encourage ingenuity
11 33 and creativity in local effort.

11 34 5. The authority shall seek to encourage cooperative
11 35 housing efforts at the local level, both with respect to the
12 1 cooperation of public bodies with private enterprise and civic
12 2 groups, and with respect to the formation of regional or
12 3 multicounty units engaged in housing.

12 4 Sec. 19. Section 16.4, subsection 6, unnumbered paragraph
12 5 1, Code 2007, is amended to read as follows:
12 6 ~~Wherever~~ With respect to programs relating to housing,
12 7 ~~wherever~~ practicable, the authority shall give preference to
12 8 the following types of programs:

12 9 Sec. 20. Section 16.4, subsection 8, Code 2007, is amended
12 10 by striking the subsection.

12 11 Sec. 21. Section 16.5, Code 2007, is amended to read as
12 12 follows:

12 13 16.5 GENERAL POWERS.

12 14 1. The authority has ~~all of the general~~ any and all powers
12 15 ~~needed~~ necessary and convenient to carry out its purposes and
12 16 duties, and exercise its specific powers, including but not
12 17 limited to the power to:

12 18 ~~1- a.~~ a. Issue its negotiable bonds and notes as provided in
12 19 ~~sections 16.26 to 16.30 this chapter~~ in order to finance its
12 20 programs.

12 21 ~~2- b.~~ b. Sue and be sued in its own name.

12 22 ~~3- c.~~ c. Have and alter a corporate seal.

12 23 ~~4- d.~~ d. Make and alter bylaws for its management consistent
12 24 with the provisions of this chapter.

12 25 ~~5- e.~~ e. Make and execute agreements, contracts, and other
12 26 instruments of any and all types on such terms and conditions
12 27 as the authority may find necessary or convenient to the
12 28 purposes of the authority, with any public or private entity,
12 29 including but not limited to contracts for goods and services.

12 30 All political subdivisions, public housing agencies, other
12 31 public agencies and state departments and agencies may enter
12 32 into contracts and otherwise ~~co-operate~~ cooperate with the
12 33 authority.

12 34 ~~f.~~ f. By rule, the board shall adopt procedures relating to
12 35 competitive bidding, including the identification of those
13 1 circumstances under which competitive bidding by the
13 2 authority, either formally or informally, shall be required.
13 3 In any bidding process, the authority may administer its own
13 4 bidding and procurement or may utilize the services of the
13 5 department of administrative services or any other agency.
13 6 Except when such rules apply, the authority and all contracts
13 7 made by it in carrying out its public and essential
13 8 governmental functions with respect to any of its programs
13 9 shall be exempt from the provisions and requirements of all
13 10 laws or rules of the state which require competitive bids in
13 11 connection with the letting of such contracts.

13 12 ~~6- g.~~ g. Acquire, hold, improve, mortgage, lease, and
13 13 dispose of real and personal property, including, but not
13 14 limited to, the power to sell at public or private sale, with
13 15 or without public bidding, any such property, mortgage loan,
13 16 or other obligation held by it.

13 17 ~~7- h.~~ h. Procure insurance against any loss in connection
13 18 with its operations and property interests.

13 19 ~~8- i.~~ i. Fix and collect fees and charges for its services.

13 20 ~~9- j.~~ j. Subject to an agreement with bondholders or
13 21 noteholders, invest or deposit moneys of the authority in a
13 22 manner determined by the authority, notwithstanding chapter
13 23 12B or 12C.

13 24 ~~10- k.~~ k. Accept appropriations, gifts, grants, loans, or
13 25 other aid from public or private entities. A record of all
13 26 gifts or grants, stating the type, amount and donor, shall be
13 27 clearly set out in the authority's annual report along with
13 28 the record of other receipts.

13 29 ~~11- l.~~ l. Provide technical assistance and counseling
13 30 related to the authority's purposes, to public and private
13 31 entities.

13 32 ~~12- m.~~ m. In cooperation with other local, state, or federal
13 33 governmental agencies, conduct research studies, develop
13 34 estimates of unmet housing needs, and gather and compile data
13 35 useful to facilitate decision making and enter into agreements
14 1 to carry out programs within or without the state which the
14 2 authority finds to be consistent with the goals of the
14 3 authority.

14 4 ~~13- n.~~ n. Cooperate in the development of, and initiate

14 5 housing demonstration projects.

14 6 ~~14. o.~~ Contract with architects, engineers, attorneys,
14 7 accountants, housing construction and finance experts, and
14 8 other advisors. However, the authority may enter into
14 9 contracts or agreements for such services with local, state,
14 10 or federal governmental agencies.

14 11 ~~15. p.~~ Through the title guaranty division, make and
14 12 issue title guaranties on Iowa real property in a form
14 13 acceptable to the secondary market, to fix and collect the
14 14 charges for the guaranties and to procure reinsurance against
14 15 any loss in connection with the guaranties.

14 16 ~~q. Own or acquire intellectual property rights including~~
14 17 ~~but not limited to copyrights, trademarks, service marks, and~~
14 18 ~~patents, and enforce the rights of the authority with respect~~
14 19 ~~to such intellectual property rights.~~

14 20 ~~16. r.~~ Provide moneys to the shelter assistance fund
14 21 created in section 15.349.

14 22 ~~17. s.~~ Make, alter, and repeal rules consistent with the
14 23 provisions of this chapter, and subject to chapter 17A.

14 24 ~~18. t.~~ Establish one or more funds within the state
14 25 treasury under the control of the authority and invest moneys
14 26 of the authority therein. Notwithstanding section 8.33 or
14 27 12C.7, or any other provision to the contrary, moneys invested
14 28 by the treasurer of state pursuant to this subsection shall
14 29 not revert to the general fund of the state and interest
14 30 accrued on the moneys shall be moneys of the authority and
14 31 shall not be credited to the general fund. For purposes of
14 32 this ~~subsection paragraph~~, the treasurer of state shall enter
14 33 into an agreement with the authority to carry out the
14 34 provisions of this ~~subsection paragraph~~.

14 35 ~~u. Select projects to receive assistance by the exercise~~
15 1 ~~of diligence and care and apply customary and acceptable~~
15 2 ~~business and lending standards in the selection and subsequent~~
15 3 ~~implementation of such projects.~~

15 4 ~~v. Exercise generally all powers typically exercised by~~
15 5 ~~private enterprises engaged in business pursuits unless the~~
15 6 ~~exercise of such a power would violate the terms of this~~
15 7 ~~chapter or the Constitution of the State of Iowa.~~

15 8 ~~2. Notwithstanding any other provision of law, any~~
15 9 ~~purchase or lease of real property, other than on a temporary~~
15 10 ~~basis, when necessary in order to implement the programs of~~
15 11 ~~the authority, protect the investments of the authority by~~
15 12 ~~means of foreclosure or other means, or to facilitate the~~
15 13 ~~transfer of real property for the use of low or moderate~~
15 14 ~~income families, shall require written notice from the~~
15 15 ~~authority to the government oversight standing committees of~~
15 16 ~~the general assembly and the prior approval of the executive~~
15 17 ~~council.~~

15 18 ~~3. The powers enumerated in this section are cumulative of~~
15 19 ~~and in addition to those powers enumerated elsewhere in this~~
15 20 ~~chapter and no such powers limit or restrict any other powers~~
15 21 ~~of the authority.~~

15 22 ~~4. Notwithstanding any other provision of law, the~~
15 23 ~~authority may elect whether to utilize any or all of the goods~~
15 24 ~~or services available from other state agencies in the conduct~~
15 25 ~~of its affairs. Departments, boards, commissions, or other~~
15 26 ~~agencies of the state shall provide reasonable assistance and~~
15 27 ~~services to the authority upon the request of the executive~~
15 28 ~~director.~~

15 29 Sec. 22. NEW SECTION. 16.5C SPECIFIC PROGRAM POWERS.
15 30 In addition to the general powers of the authority, the
15 31 authority shall have all powers convenient and necessary to
15 32 carry out its programs, including but not limited to the power
15 33 to:

15 34 1. Make property improvement loans and mortgage loans,
15 35 including but not limited to mortgage loans insured,
16 1 guaranteed, or otherwise secured by the federal government or
16 2 by private mortgage insurers, to housing sponsors to provide
16 3 financing of adequate housing for low or moderate income
16 4 families, elderly families, families which include one or more
16 5 persons with disabilities, child foster care facilities, and
16 6 health care facilities.

16 7 2. Provide down payment grants on behalf of low and
16 8 moderate income families to nonprofit sponsors to defray all
16 9 or part of the down payment on real property that is
16 10 transferred by such sponsors to such families under the terms
16 11 of the lease-purchase program.

16 12 3. Make grants and temporary loans, at interest rates and
16 13 on terms as determined convenient and necessary by the
16 14 authority, to defray the local contribution requirement for
16 15 housing sponsors who apply for rent supplement assistance, to

16 16 defray temporary housing costs that result from displacement
16 17 by natural or other disaster, and to defray a portion of the
16 18 expenses required to develop and initiate housing which deals
16 19 creatively with housing problems of low or moderate income
16 20 families, elderly families, and families which include one or
16 21 more persons with disabilities.

16 22 4. Make temporary loans, at interest rates and on terms as
16 23 determined convenient and necessary by the authority, to
16 24 defray development costs for housing for low or moderate
16 25 income families including but not limited to payments for
16 26 options on sites; deposits on contracts and payments for
16 27 purchase; legal and organizational expenses including attorney
16 28 fees, project manager, clerical, and other staff salaries,
16 29 office rent, and other additional expenses; payment of fees
16 30 for preliminary feasibility studies and advances for planning,
16 31 engineering, and architectural work; expenses for tenant
16 32 surveys and market analysis; and necessary application and
16 33 other fees.

16 34 5. Make or participate in the making of property
16 35 improvement loans or mortgage loans for rehabilitation or
17 1 preservation of existing dwellings. The authority may issue
17 2 housing assistance fund notes payable solely from the housing
17 3 assistance fund.

17 4 6. Renegotiate a mortgage loan or loan to a mortgage
17 5 lender in default; waive a default or consent to the
17 6 modification of the terms of a mortgage loan or a loan to a
17 7 mortgage lender; forgive or forbear all or part of a mortgage
17 8 loan or a loan to a mortgage lender; and commence, prosecute,
17 9 and enforce a judgment in any action, including but not
17 10 limited to a foreclosure action, to protect or enforce any
17 11 right conferred upon the authority by law, mortgage loan
17 12 agreement, contract or other agreement, and in connection with
17 13 any such action, bid for and purchase the property or acquire
17 14 or take possession of it, complete, administer, and pay the
17 15 principal of and interest on any obligations incurred in
17 16 connection with the property, and dispose of and otherwise
17 17 deal with the property in a manner as the authority deems
17 18 advisable to protect its interests.

17 19 7. Designate areas of economic distress for purposes of
17 20 section 103A(k)(3)(A)(i) of the Internal Revenue Code.

17 21 8. Purchase, and make advance commitments to purchase,
17 22 residential mortgage loans from mortgage lenders at prices and
17 23 upon terms and conditions it determines consistent with its
17 24 goals and legislative findings. However, the total purchase
17 25 price for all residential mortgage loans which the authority
17 26 commits to purchase from a mortgage lender at any one time
17 27 shall not exceed the total of the unpaid principal balances of
17 28 the residential mortgage loans purchased. Mortgage lenders
17 29 are authorized to sell residential mortgage loans to the
17 30 authority in accordance with this section and the rules of the
17 31 authority. The authority may charge a mortgage lender a
17 32 commitment fee or other fees as set by rule as a condition for
17 33 the authority purchasing residential mortgage loans.

17 34 9. Sell or make advanced commitments to sell residential
17 35 mortgage loans in the organized or unorganized secondary
18 1 mortgage market. The authority may issue and sell securities
18 2 that are secured by residential mortgage loans held by the
18 3 authority. The authority may aggregate the residential
18 4 mortgage loans sold in the secondary market or used as
18 5 security on the mortgage-backed securities. The amount of
18 6 mortgage-backed securities sold shall not exceed the principal
18 7 of the mortgages retained by the authority as security.

18 8 10. File a lien on property where appropriate, convenient,
18 9 and necessary in carrying out a program.

18 10 Sec. 23. Section 16.10, subsection 1, Code 2007, is
18 11 amended to read as follows:

18 12 1. Moneys declared by the authority to be surplus moneys
18 13 which are not required to service bonds and notes issued by
18 14 the authority, to pay administrative expenses of the
18 15 authority, or to accumulate necessary operating or loss
18 16 reserves, shall be used by the authority to provide grants,
18 17 subsidies, and services to lower income families and very low
18 18 income families through the programs authorized in this
18 19 chapter ~~or to provide funds for the residential mortgage~~
~~18 20 interest reduction program established pursuant to section~~
~~18 21 16.81 and consistent with legislative findings and guiding~~
18 22 principles. In addition, the authority may use such surplus
18 23 moneys to provide assistance to the local housing assistance
18 24 program established in sections 15.351 through 15.354 for
18 25 purposes of providing assistance to low and moderate income
18 26 families. Surplus moneys shall not be used for infrastructure

18 27 or administration purposes under the local housing assistance
18 28 program.

18 29 Sec. 24. Section 16.15, subsection 1, Code 2007, is
18 30 amended to read as follows:

18 31 ~~1-~~ The authority shall participate in the housing
18 32 assistance payments program under section 8 of the United
18 33 States Housing Act of 1937, as amended by section 201 of the
18 34 Housing and Community Development Act of 1974, Pub. L. No.
18 35 93=383, codified at 42 U.S.C. } 1437 et seq. ~~The purpose of~~
~~19 1 participation is to enable the authority to obtain, on behalf~~
~~19 2 of the state of Iowa, set-asides of contract authorization~~
~~19 3 reserved by the United States secretary of housing and urban~~
~~19 4 development for public housing agencies, to enter into annual~~
~~19 5 contributions contracts, to otherwise expedite use of the~~
~~19 6 program through the use of state housing finance funds, and to~~
~~19 7 encourage new construction and substantial rehabilitation of~~
~~19 8 housing suitable for assistance under the program. Assistance~~
~~19 9 may be provided for existing housing units made available by~~
~~19 10 owners for the program, as well as for newly constructed~~
~~19 11 housing units. Maximum rents shall be established by the~~
~~19 12 authority in conformity with federal law.~~

19 13 Sec. 25. Section 16.15, subsections 2, 3, 4, 5, 6, 7, and
19 14 8, Code 2007, are amended by striking the subsections.

19 15 Sec. 26. Section 16.40, Code 2007, is amended by striking
19 16 the section and inserting in lieu thereof the following:

19 17 16.40 HOUSING ASSISTANCE FUND.

19 18 1. A housing assistance fund is created within the
19 19 authority. The moneys in the fund shall be used by the
19 20 authority to protect, preserve, create, and improve access to
19 21 safe and affordable housing. The authority shall establish
19 22 programs utilizing the fund by administrative rules adopted
19 23 pursuant to chapter 17A and provide the requirements for the
19 24 proper administration of the programs.

19 25 2. Moneys in the fund, including moneys which are annually
19 26 appropriated to the authority, may be allocated for any use
19 27 authorized by this chapter unless otherwise specified.

19 28 3. The authority may use moneys in the fund to provide
19 29 financial assistance to a housing sponsor or an individual in
19 30 the form of a loan, loan guarantee, grant, or interest
19 31 subsidy, or by other means under the general powers of the
19 32 authority.

19 33 4. Moneys in the fund may be used for but are not limited
19 34 to the following purposes:

19 35 a. Home ownership programs including all of the following:

20 1 (1) Authority bond issues and loans to facilitate and
20 2 ensure equal access across the state to funds for first-time
20 3 homebuyers programs.

20 4 (2) Home ownership incentive programs not restricted to
20 5 first-time homebuyers, including down payment and closing
20 6 costs assistance.

20 7 (3) Programs for home maintenance and repair, new
20 8 construction, acquisition, and rehabilitation.

20 9 (4) Support for home ownership education and counseling
20 10 programs.

20 11 b. Rental programs, including rental subsidy,
20 12 rehabilitation, preservation, new construction, and
20 13 acquisition.

20 14 c. Programs that provide a continuum of housing services,
20 15 including construction, operation, and maintenance of homeless
20 16 shelters, domestic violence shelters, and transitional housing
20 17 and supportive services to lower income and very low-income
20 18 families.

20 19 d. Technical assistance programs that increase the
20 20 capacity of for-profit and nonprofit housing entities.

20 21 5. Notwithstanding section 8.33, moneys in the housing
20 22 assistance fund at the end of each fiscal year shall not
20 23 revert to the general fund or any other fund but shall remain
20 24 in the housing assistance fund for expenditure for subsequent
20 25 fiscal years.

20 26 6. The authority may establish, by rule adopted pursuant
20 27 to chapter 17A, an annual administration fee to be charged to
20 28 the housing assistance fund. The annual fee shall not exceed
20 29 four percent of the moneys, loans, or other assets held in the
20 30 fund.

20 31 7. During each regular session of the general assembly,
20 32 the authority shall present to the appropriate joint
20 33 appropriations subcommittee a report concerning the total
20 34 estimated resources to be available for expenditure under this
20 35 section for the next fiscal year and the amount the authority
21 1 proposes to allocate to each program created pursuant to this
21 2 section.

21 3 Sec. 27. Section 16.53, Code 2007, is amended to read as
21 4 follows:

21 5 16.53 RESIDENTIAL REVERSE ANNUITY MORTGAGE MODEL PROGRAM.

21 6 The authority ~~shall~~ may develop a model reverse annuity
21 7 mortgage conforming to the requirements of this chapter, and
21 8 ~~shall~~ may offer reverse annuity mortgages to qualified
21 9 participants.

21 10 Sec. 28. Section 16.73, unnumbered paragraph 1, Code 2007,
21 11 is amended to read as follows:

21 12 The authority ~~shall~~ may adopt rules pursuant to chapter 17A
21 13 relating to the purchase and sale of residential mortgage
21 14 loans and the sale of mortgage-backed securities. The rules
21 15 ~~shall~~ may provide ~~at least~~ for the following:

21 16 Sec. 29. Section 16.91, subsection 1, Code 2007, is
21 17 amended to read as follows:

21 18 1. The authority through the title guaranty division shall
21 19 initiate and operate a program in which the division shall
21 20 offer guaranties of real property titles in this state. The
21 21 terms, conditions and form of the guaranty contract shall be
21 22 forms approved by the division board. The division shall fix
21 23 a charge for the guaranty in an amount sufficient to permit
21 24 the program to operate on a self-sustaining basis, including
21 25 payment of administrative costs and the maintenance of an
21 26 adequate reserve against claims under the title guaranty
21 27 program. A title guaranty fund is created in the office of
21 28 the treasurer of state. Funds collected under this program
21 29 shall be placed in the title guaranty fund and are available
21 30 to pay all claims, necessary reserves and all administrative
21 31 costs of the title guaranty program. Moneys in the fund shall
21 32 not revert to the general fund and interest on the moneys in
21 33 the fund shall be transferred to the department of economic
21 34 development for deposit in the local housing assistance
21 35 program fund established in section 15.354 and shall not
22 1 accrue to the general fund. If the authority board in
22 2 consultation with the division board determines that there are
22 3 surplus funds in the title guaranty fund after providing for
22 4 adequate reserves and operating expenses of the division, the
22 5 surplus funds shall be transferred to the housing ~~program~~
22 6 assistance fund created pursuant to section 16.40.

22 7 Sec. 30. Section 16.100, Code 2007, is amended by striking
22 8 the section and inserting in lieu thereof the following:

22 9 16.100 IOWA COUNCIL ON HOMELESSNESS.

22 10 1. An Iowa council on homelessness is established
22 11 consisting of twelve members. For administrative purposes,
22 12 the council is located within the authority. Members of the
22 13 council shall consist of the administrative head, or the
22 14 administrative head's designee, of all of the following:

- 22 15 a. The department of economic development.
- 22 16 b. The department of education.
- 22 17 c. The department of human services.
- 22 18 d. The department of justice.
- 22 19 e. The department of human rights, division of community
22 20 action agencies.
- 22 21 f. The department of elder affairs.
- 22 22 g. The department of public health.
- 22 23 h. The department of corrections.
- 22 24 i. The department of workforce development.
- 22 25 j. The department of public safety.
- 22 26 k. The department of veterans affairs.
- 22 27 l. The Iowa finance authority.

22 28 2. The executive director of the Iowa finance authority,
22 29 or the executive director's designee, shall serve as
22 30 chairperson of the council, and shall provide staff support
22 31 and resources as necessary to carry out the mission and
22 32 purpose of the council. The director of the department of
22 33 economic development, or the director's designee, shall serve
22 34 as vice chairperson. Through the council, each council member
22 35 shall designate one or more representatives of their agency
23 1 that shall evaluate the policies, programs, and statutes and
23 2 regulations of their respective agencies to determine whether
23 3 any policies, programs, or statutes and regulations should be
23 4 revised or modified or whether resources could be more
23 5 efficiently coordinated with other agencies to support the
23 6 goals of addressing the needs of the homeless and eliminating
23 7 homelessness.

23 8 3. The council shall seek varying levels of participation
23 9 from consumers, advocacy organizations, providers, and
23 10 relevant federal and local agency representatives and others
23 11 to facilitate collaboration across the state to address the
23 12 needs of the homeless and alleviate and prevent homelessness.

23 13 4. The council shall draw upon existing resources to

23 14 identify and prioritize efforts to prevent individuals and
23 15 families from becoming homeless and to eliminate the barriers
23 16 that keep people homeless. The council shall engage in
23 17 planning activities to ensure the resources of each member
23 18 agency are utilized in the most efficient and effective manner
23 19 to support the goals of addressing the needs of the homeless
23 20 and eliminating homelessness. The council shall identify and
23 21 utilize federal and other funding opportunities to address and
23 22 alleviate homelessness within the state. The council shall
23 23 work to identify causes and effects of homelessness in the
23 24 state, develop recommendations to address homelessness, and
23 25 foster greater awareness among policymakers and the general
23 26 public.

23 27 5. The council shall, on an annual basis, advise the
23 28 office of the governor and the Iowa finance authority on
23 29 workable strategies to eliminate homelessness in the state and
23 30 for developing a well-coordinated and seamless service
23 31 delivery system to prevent and alleviate homelessness.

23 32 6. The council shall meet at least six times per year.
23 33 The council shall oversee the completion of a report on
23 34 homelessness in Iowa once every two calendar years. The
23 35 council shall, on an annual basis, oversee the completion of
24 1 the state's continuum of care application for funding under
24 2 the federal McKinney-Vento Homeless Assistance Act, 42 U.S.C.
24 3 } 11301 et seq.

24 4 Sec. 31. Section 16.102, unnumbered paragraph 1, Code
24 5 2007, is amended to read as follows:

24 6 The authority ~~shall~~ may assist the development and
24 7 expansion of family farming, soil conservation, housing, and
24 8 business in the state through the establishment of the Iowa
24 9 economic development bond bank program. The authority may
24 10 issue its bonds or notes, or series of bonds or notes for the
24 11 purpose of defraying the cost of one or more projects and make
24 12 secured and unsecured loans for the acquisition and
24 13 construction of projects on terms the authority determines.
24 14 For purposes of this section, projects shall include any of
24 15 the following:

24 16 Sec. 32. Section 16.102, subsection 1, Code 2007, is
24 17 amended by striking the subsection.

24 18 Sec. 33. Section 16.106, Code 2007, is amended to read as
24 19 follows:

24 20 16.106 ADOPTION OF RULES.

24 21 The board of directors of the authority shall adopt rules
24 22 pursuant to chapter 17A to implement sections ~~16.101~~ 16.102
24 23 through 16.105.

24 24 Sec. 34. Section 16A.2, subsection 7, Code 2007, is
24 25 amended by striking the subsection.

24 26 Sec. 35. Section 331.361, subsection 4, Code 2007, is
24 27 amended to read as follows:

24 28 4. The board shall not dispose of real property by gift
24 29 except for a public purpose, as determined by the board, in
24 30 accordance with other state law. ~~However, the board may~~
24 31 ~~dispose of real property for use in an Iowa homesteading~~
24 32 ~~program under section 16.14 for a nominal consideration.~~

24 33 Sec. 36. Section 364.7, subsection 3, Code 2007, is
24 34 amended to read as follows:

24 35 3. A city may not dispose of real property by gift except
25 1 to a governmental body for a public purpose. ~~However, a city~~
25 2 ~~may dispose of real property for use in an Iowa homesteading~~
25 3 ~~program under section 16.14 for a nominal consideration,~~
25 4 ~~including but not limited to property in an urban renewal~~
25 5 ~~area.~~

25 6 Sec. 37. Section 403A.3, subsection 10, Code 2007, is
25 7 amended to read as follows:

25 8 10. To ~~co-operate~~ cooperate with the Iowa finance
25 9 authority, to participate in any of its programs, to use any
25 10 of the funds available to the municipality for the uses of
25 11 this chapter to contribute to such programs in which it
25 12 participates, and to comply with the provisions of ~~sections~~
25 13 ~~16.1 to 16.36~~ chapter 16 and the rules of the Iowa finance
25 14 authority promulgated thereunder.

25 15 Sec. 38. Section 422.7, subsection 12, paragraph c,
25 16 unnumbered paragraph 6, Code 2007, is amended to read as
25 17 follows:

25 18 For purposes of this subsection, "small business" means
25 19 ~~small business as defined in section 16.1, subsection 36,~~
25 20 ~~except that it shall also include the operation of a farm a~~
25 21 ~~profit or nonprofit business, including but not limited to an~~
25 22 ~~individual, partnership, corporation, joint venture,~~
25 23 ~~association, or cooperative, to which the following apply:~~

25 24 (1) It is not an affiliate or subsidiary of a business

25 25 dominant in its field of operation.
25 26 (2) It has either twenty or fewer full-time equivalent
25 27 positions or not more than the equivalent of three million
25 28 dollars in annual gross revenues as computed for the preceding
25 29 fiscal year or as the average of the three preceding fiscal
25 30 years.

25 31 (3) It does not include the practice of a profession.
25 32 "Small business" includes an employee-owned business which
25 33 has been an employee-owned business for less than three years
25 34 or which meets the conditions of subparagraphs (1) through
25 35 (3).

26 1 For purposes of this definition, "dominant in its field of
26 2 operation" means having more than twenty full-time equivalent
26 3 positions and more than three million dollars in annual gross
26 4 revenues, and "affiliate or subsidiary of a business dominant
26 5 in its field of operation" means a business which is at least
26 6 twenty percent owned by a business dominant in its field of
26 7 operation, or by partners, officers, directors, majority
26 8 stockholders, or their equivalents, of a business dominant in
26 9 that field of operation.

26 10 The department may, by resolution, waive any or all of the
26 11 requirements of paragraph "b" in connection with a loan to a
26 12 small business, as defined under applicable federal law and
26 13 regulations that have been enacted or adopted by April 1,
26 14 1983, in which federal assistance, insurance, or guaranties
26 15 are sought.

26 16 Sec. 39. Section 422.35, subsection 6, paragraph c,
26 17 unnumbered paragraph 4, Code 2007, is amended to read as
26 18 follows:

26 19 For purposes of this subsection, "small business" means
26 20 ~~small business as defined in section 16.1, subsection 36,~~
26 21 ~~except that it shall also include the operation of a farm a~~
26 22 ~~profit or nonprofit business, including but not limited to an~~
26 23 ~~individual, partnership, corporation, joint venture,~~
26 24 ~~association, or cooperative, to which the following apply:~~

26 25 (1) It is not an affiliate or subsidiary of a business
26 26 dominant in its field of operation.

26 27 (2) It has either twenty or fewer full-time equivalent
26 28 positions or not more than the equivalent of three million
26 29 dollars in annual gross revenues as computed for the preceding
26 30 fiscal year or as the average of the three preceding fiscal
26 31 years.

26 32 (3) It does not include the practice of a profession.
26 33 "Small business" includes an employee-owned business which
26 34 has been an employee-owned business for less than three years
26 35 or which meets the conditions of subparagraphs (1) through
27 1 (3).

27 2 For purposes of this definition, "dominant in its field of
27 3 operation" means having more than twenty full-time equivalent
27 4 positions and more than three million dollars in annual gross
27 5 revenues, and "affiliate or subsidiary of a business dominant
27 6 in its field of operation" means a business which is at least
27 7 twenty percent owned by a business dominant in its field of
27 8 operation, or by partners, officers, directors, majority
27 9 stockholders, or their equivalents, of a business dominant in
27 10 that field of operation.

27 11 The department may, by resolution, waive any or all of the
27 12 requirements of paragraph "b" in connection with a loan to a
27 13 small business, as defined under applicable federal law and
27 14 regulations that have been enacted or adopted by April 1,
27 15 1983, in which federal assistance, insurance, or guaranties
27 16 are sought.

27 17 Sec. 40. Section 446.7, unnumbered paragraph 2, Code 2007,
27 18 is amended to read as follows:

27 19 Parcels against which the county holds a tax sale
27 20 certificate or a municipality holds a tax sale certificate
27 21 acquired under section 446.19, parcels of municipal and
27 22 political subdivisions of the state of Iowa, ~~parcels held by a~~
27 23 ~~city or county agency or the Iowa finance authority for use in~~
27 24 ~~an Iowa homesteading project,~~ or parcels of the state or its
27 25 agencies, shall not be offered or sold at tax sale and a tax
27 26 sale of those parcels is void from its inception. When taxes
27 27 are owing against parcels owned or claimed by a municipal or
27 28 political subdivision of the state of Iowa, ~~parcels held by a~~
27 29 ~~city or county agency or the Iowa finance authority for use in~~
27 30 ~~an Iowa homesteading project,~~ or parcels of the state or its
27 31 agencies, the treasurer shall give notice to the appropriate
27 32 governing body which shall then pay the total amount due. If
27 33 the governing body fails to pay the total amount due, the
27 34 board of supervisors shall abate the total amount due.

27 35 Sec. 41. Section 446.19A, subsection 3, Code 2007, is

28 1 amended to read as follows:

28 2 3. If after the date that a parcel is sold pursuant to
28 3 this chapter, or after the date that a parcel is sold under
28 4 section 446.18, ~~or 446.38, or 446.39~~, the parcel assessed as
28 5 residential property or as commercial multifamily housing
28 6 property is identified as abandoned or as a vacant lot
28 7 pursuant to a verified statement filed with the county
28 8 treasurer by a city or county in the form set forth in
28 9 subsection 2, a city or county may require the assignment of
28 10 the tax sale certificate that had been issued for such parcel
28 11 by paying to the holder of such certificate the total amount
28 12 due on the date the assignment of the certificate is made to
28 13 the county or city and recorded with the county treasurer. If
28 14 a certificate holder fails to assign the certificate of
28 15 purchase to the city or county, the county treasurer is
28 16 authorized to issue a duplicate certificate of purchase, which
28 17 shall take the place of the original certificate, and assign
28 18 the duplicate certificate to the city or county. If the
28 19 certificate is not assigned by the county or city pursuant to
28 20 subsection 4, the county or city, whichever is applicable, is
28 21 liable for the tax sale interest that was due the certificate
28 22 holder pursuant to section 447.1, as of the date of
28 23 assignment.

28 24 Sec. 42. Section 447.9, subsection 1, Code 2007, is
28 25 amended to read as follows:

28 26 1. After one year and nine months from the date of sale,
28 27 or after nine months from the date of a sale made under
28 28 section 446.18 ~~or 446.39~~, or after three months from the date
28 29 of a sale made under section 446.19A or 446.19B, the holder of
28 30 the certificate of purchase may cause to be served upon the
28 31 person in possession of the parcel, and also upon the person
28 32 in whose name the parcel is taxed, a notice signed by the
28 33 certificate holder or the certificate holder's agent or
28 34 attorney, stating the date of sale, the description of the
28 35 parcel sold, the name of the purchaser, and that the right of
29 1 redemption will expire and a deed for the parcel be made
29 2 unless redemption is made within ninety days from the
29 3 completed service of the notice. The notice shall be served
29 4 by both regular mail and certified mail to the person's last
29 5 known address and such service is deemed completed when the
29 6 notice by certified mail is deposited in the mail and
29 7 postmarked for delivery. The ninety-day redemption period
29 8 begins as provided in section 447.12. When the notice is
29 9 given by a county as a holder of a certificate of purchase the
29 10 notice shall be signed by the county treasurer or the county
29 11 attorney, and when given by a city, it shall be signed by the
29 12 city officer designated by resolution of the council. When
29 13 the notice is given by the Iowa finance authority or a city or
29 14 county agency holding the parcel as part of an Iowa
29 15 homesteading project, it shall be signed on behalf of the
29 16 agency or authority by one of its officers, as authorized in
29 17 rules of the agency or authority.

29 18 Sec. 43. Section 447.12, Code 2007, is amended to read as
29 19 follows:

29 20 447.12 WHEN SERVICE DEEMED COMPLETE == PRESUMPTION.

29 21 Service is complete only after an affidavit has been filed
29 22 with the county treasurer, showing the making of the service,
29 23 the manner of service, the time when and place where made,
29 24 under whose direction the service was made, and costs incurred
29 25 as provided in section 447.13. Costs not filed with the
29 26 treasurer before a redemption is complete shall not be
29 27 collected by the treasurer. Costs shall not be filed with the
29 28 treasurer prior to the filing of the affidavit. The affidavit
29 29 shall be made by the holder of the certificate or by the
29 30 holder's agent or attorney, and in either of the latter cases
29 31 stating that the affiant is the agent or attorney of the
29 32 holder of the certificate. The affidavit shall be filed by
29 33 the treasurer and entered in the county system and is
29 34 presumptive evidence of the completed service of the notice.
29 35 The right of redemption shall not expire until ninety days
30 1 after service is complete. A redemption shall not be
30 2 considered valid unless received by the treasurer prior to the
30 3 close of business on the ninetieth day from the date of
30 4 completed service except in the case of a public bidder
30 5 certificate held by the county in which case the county may
30 6 accept a redemption at any time prior to the issuance of the
30 7 tax deed. However, if the ninetieth day falls on a Saturday,
30 8 Sunday, or a holiday, payment of the total redemption amount
30 9 must be received by the treasurer before the close of business
30 10 on the first business day following the ninetieth day. The
30 11 date of postmark of a redemption shall not be considered as

30 12 the day the redemption was received by the treasurer for
30 13 purposes of the ninety-day time period. ~~When the parcel is
30 14 held by a city or county, a city or county agency, or the Iowa
30 15 finance authority, for use in an Iowa homesteading project,
30 16 whether or not the parcel is the subject of a conditional
30 17 conveyance granted under the project, the affidavit shall be
30 18 made by the treasurer of the county or the county attorney, a
30 19 city officer designated by resolution of the council, or on
30 20 behalf of the agency or authority, by one of its officers as
30 21 authorized in rules of the agency or authority.~~

30 22 Sec. 44. Section 447.13, unnumbered paragraph 2, Code
30 23 2007, is amended to read as follows:

30 24 The county treasurer shall file the proof of service and
30 25 statement of costs and record these costs against the parcel.
30 26 The certificate holder or the holder's agent shall report in
30 27 writing to the treasurer the amount of authorized costs
30 28 incurred, and the treasurer shall file the statement. Costs
30 29 not filed with the treasurer before a redemption is complete
30 30 shall not be collected by the treasurer and may be recovered
30 31 through a court action against the parcel owner by the
30 32 certificate holder. ~~If the parcel is held by a city or
30 33 county, a city or county agency, or the Iowa finance
30 34 authority, for use in an Iowa homesteading project, whether or
30 35 not the parcel is the subject of a conditional conveyance
31 1 granted under the project, the costs incurred for repairs and
31 2 rehabilitation work required and undertaken in order to make
31 3 the parcel meet applicable building or housing code standards
31 4 shall be added to the amount necessary to redeem.~~

31 5 Sec. 45. Section 533.16, subsection 6, paragraph c, Code
31 6 2007, is amended to read as follows:

31 7 c. A credit union may make loans insured under the
31 8 provisions of Title XX, United States Code, section 1071 to
31 9 section 1087 or similar state programs, loans insured by the
31 10 federal housing administration under Title XII, United States
31 11 Code, section 1703, and loans to families of low or moderate
31 12 income as a part of programs authorized in ~~sections 16.1 to
31 13 16.36 chapter 16.~~

31 14 Sec. 46. Section 654.15, subsection 3, Code 2007, is
31 15 amended by striking the subsection.

31 16 Sec. 47. HOUSING ASSISTANCE FUND. Upon the creation of
31 17 the housing assistance fund pursuant to this Act, all of the
31 18 assets of the authority in the housing program fund created in
31 19 section 16.40, Code 2007, shall be transferred to the housing
31 20 assistance fund.

31 21 Sec. 48. Sections 6B.53, 16.5A, 16.5B, 16.11, 16.12,
31 22 16.13, 16.14, 16.16, 16.17, 16.18, 16.19, 16.22, 16.23, 16.24,
31 23 16.25, 16.29, 16.32, 16.35, 16.36, 16.38, 16.39, 16.43, 16.45,
31 24 16.61, 16.62, 16.63, 16.64, 16.65, 16.71, 16.72, 16.81, 16.82,
31 25 16.83, 16.84, 16.101, 16.121, 16.122, 16.123, 16.124, 16.125,
31 26 and 446.39, Code 2007, are repealed.

31 27 Sec. 49. TRANSITION == SHELTER ASSISTANCE FUND. The
31 28 department of economic development shall transfer the
31 29 administrative duties of the shelter assistance fund to the
31 30 Iowa finance authority. Any approved project or activity
31 31 originally approved by the department of economic development
31 32 under the main street program remains valid.

31 33 Sec. 50. CODE EDITOR'S DIRECTIVE. The Code editor shall
31 34 transfer section 15.349, as amended by this Act, to chapter 16
31 35 and make any necessary corrections to cross references that
32 1 result from the transfer.

32 2 EXPLANATION

32 3 This bill relates to programs, funds, authority, and duties
32 4 of the Iowa finance authority.

32 5 The bill excludes the Iowa finance authority under the term
32 6 "participating agency" for purposes of information technology
32 7 for the department of administrative services.

32 8 The bill transfers control and administrative authority of
32 9 the shelter assistance fund from the department of economic
32 10 development to the Iowa finance authority.

32 11 The bill reorganizes Code chapter 16 by moving provisions
32 12 relating to legislative findings for the Iowa economic
32 13 development bond bank program; the title guaranty division of
32 14 the authority; limitation of liability for members of the
32 15 authority and persons acting on behalf of the authority;
32 16 conflicts of interest for members, officers, and employees of
32 17 the authority; an exemption from competitive bidding; property
32 18 improvement loans and mortgage loans; lease-purchase
32 19 agreements; the emergency housing fund; special housing
32 20 assistance; housing assistance fund notes; powers relating to
32 21 loans; certain powers regarding the residential mortgage
32 22 marketing program; and liens under the residential mortgage

32 23 interest reduction program.
32 24 The bill creates new definitions of the terms "goals",
32 25 "guiding principles", "powers", "programs", and "projects".
32 26 The bill amends the term "bond" to include a note or other
32 27 instrument evidencing a debt authorized or referred to in Code
32 28 chapter 16. The bill amends the term "cost" to define what is
32 29 included under the term as used in the economic development
32 30 loan program.

32 31 The bill amends the competitive bidding provisions
32 32 applicable to the authority by providing that the board shall
32 33 adopt procedures relating to competitive bidding, including
32 34 the identification of those circumstances under which
32 35 competitive bidding by the authority shall be required. The
33 1 bill allows the authority to administer its own bidding and
33 2 procurement or to utilize the services of the department of
33 3 administrative services or any other agency.

33 4 The bill allows the authority to own or acquire
33 5 intellectual property rights and to enforce the rights of the
33 6 authority with respect to such intellectual property rights.
33 7 The bill allows the authority to select projects to receive
33 8 assistance by the exercise of diligence and care and to apply
33 9 customary and acceptable business and lending standards in the
33 10 selection and subsequent implementation of such projects. The
33 11 bill allows the authority to exercise generally all powers
33 12 typically exercised by private enterprises engaged in business
33 13 pursuits unless the exercise of such a power violates the law.
33 14 The bill provides that any purchase or lease of real property,
33 15 other than on a temporary basis, where necessary in order to
33 16 implement the programs of the authority, protect the
33 17 investments of the authority by means of foreclosure or other
33 18 means, or to facilitate the transfer of real property for the
33 19 use of low or moderate income families, shall require written
33 20 notice from the authority to the government oversight standing
33 21 committees of the general assembly and the prior approval of
33 22 the executive council. The bill provides that the authority
33 23 may elect whether to utilize any or all of the goods or
33 24 services available from other state agencies in the conduct of
33 25 its affairs.

33 26 The bill eliminates the housing program fund and creates a
33 27 housing assistance fund within the authority for purposes of
33 28 protecting, preserving, creating, and improving access to safe
33 29 and affordable housing. The bill requires the authority to
33 30 establish programs utilizing the fund by administrative rules
33 31 and provide the requirements for the proper administration of
33 32 the programs. The bill allows moneys in the fund, including
33 33 moneys which are annually appropriated to the authority, to be
33 34 allocated for any use authorized by Code chapter 16 unless
33 35 otherwise specified. The bill allows the authority to use
34 1 moneys in the fund to provide financial assistance to a
34 2 housing sponsor or an individual in the form of a loan, loan
34 3 guarantee, grant, or interest subsidy, or by other means under
34 4 the general powers of the authority. The bill allows moneys
34 5 in the fund to be used for home ownership programs, rental
34 6 programs, programs that provide a continuum of housing
34 7 services, and technical assistance programs that increase the
34 8 capacity of for-profit and nonprofit housing entities. The
34 9 bill allows the authority to establish an annual
34 10 administration fee to be charged to the housing assistance
34 11 fund which shall not exceed 4 percent of the moneys, loans, or
34 12 other assets held in the fund. The bill provides for a
34 13 biennial reporting requirement to the general assembly
34 14 regarding activities in the fund.

34 15 The bill allows the authority to develop a model reverse
34 16 annuity mortgage and allows the authority to offer such
34 17 mortgages to qualified participants. Currently, the authority
34 18 is required to develop such mortgages and is required to offer
34 19 such mortgages to qualified participants.

34 20 The bill allows the authority to adopt rules relating to
34 21 the purchase and sale of residential mortgage loans and the
34 22 sale of mortgage-backed securities. Currently, the authority
34 23 is required to adopt such rules.

34 24 The bill establishes an Iowa council on homelessness
34 25 consisting of 12 members. For administrative purposes, the
34 26 council is located within the authority. The bill requires
34 27 each council member to designate one or more representatives
34 28 of their agency that shall evaluate the policies, programs,
34 29 and statutes and regulations of their respective agencies to
34 30 determine whether any policies, programs, or statutes and
34 31 regulations should be revised or modified or whether resources
34 32 could be more efficiently coordinated with other agencies to
34 33 support the goals of addressing the needs of the homeless and

34 34 eliminating homelessness. The bill requires the council to
34 35 engage in planning activities to ensure the resources of each
35 1 member agency are utilized in the most efficient and effective
35 2 manner to support the goals of addressing the needs of the
35 3 homeless and eliminating homelessness. The council shall
35 4 identify and utilize federal and other funding opportunities
35 5 to address and alleviate homelessness within the state. The
35 6 bill requires the council to, on an annual basis, advise the
35 7 office of the governor and the Iowa finance authority on
35 8 workable strategies to eliminate homelessness in the state and
35 9 for developing a well-coordinated and seamless service
35 10 delivery system to prevent and alleviate homelessness.

35 11 The bill provides that the moneys and assets of the current
35 12 housing program fund would be transferred to the housing
35 13 assistance fund created by the bill.

35 14 The bill eliminates Code sections and subsections relating
35 15 to legislative findings for the Iowa economic development bond
35 16 bank program; certain nonprofit corporations created by or in
35 17 association with the Iowa finance authority; the housing
35 18 corporation board of directors; authorization to combine
35 19 programs; all provisions for property improvement loans and
35 20 mortgage loans except for the general authority to make such
35 21 loans; all provisions of the lease-purchase agreements program
35 22 except for the general authority to provide down payment
35 23 grants; the Iowa homesteading program; rent supplements; all
35 24 provisions for housing assistance for very low-income and
35 25 lower income families except for the general authority to
35 26 participate in the federal housing assistance payments
35 27 program; all provisions for property improvement loans and
35 28 mortgage loans for rehabilitation or preservation of certain
35 29 existing dwellings except for the general authority to make
35 30 such loans; all provisions regarding housing assistance fund
35 31 notes except for the general authority to issue such notes;
35 32 rules regarding loans to mortgage lenders and purchases of
35 33 mortgage loans; certification of amortization periods;
35 34 applicability of planning, zoning, and building laws; local
35 35 urban homesteading; limitations of certain loans; new
36 1 construction and housing rehabilitation requirements;
36 2 allocation of the state ceiling and qualified mortgage bonds;
36 3 the small business loan program; authority to establish a
36 4 residential mortgage marketing program; certain conditions of
36 5 purchase of a residential mortgage loan from a mortgage
36 6 lender; the residential mortgage interest reduction program;
36 7 all provisions of the housing improvement fund program except
36 8 for the homelessness advisory committee; and the export
36 9 business finance program.

36 10 The bill contains conforming amendments.

36 11 LSB 1303DP 82

36 12 tm:nh/je/5.3