Senate Study Bill 1305

SENATE/HOUSE FILE ______
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date ____________ Passed House, Date ____________
Vote: Ayes ______ Nays ________ Vote: Ayes ______ Nays ________
Approved ____________________________

A BILL FOR

An Act creating an Iowa jobs bond program, an Iowa jobs board, an Iowa jobs bond fund, authorizing the issuance of tax=exempt bonds, making and revising appropriations, and providing an effective date.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
TLSB 1692XL 83
rh/rj/8

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Section 1. Section 8.57, subsection 6, paragraph e, subparagraph (1), Code 2009, is amended to read as follows:

(1) Notwithstanding provisions to the contrary in sections 99D.17 and 99F.11, for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter, not more than a total of sixty million dollars shall be deposited in the general fund of the state in any fiscal year pursuant to sections 99D.17 and 99F.11. The next fifteen million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the vision Iowa fund created in section 12.72 for the fiscal year beginning July 1, 2000, and for each fiscal year through the fiscal year beginning July 1, 2019. The next five million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the school infrastructure fund created in section 12.82 for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter until the principal and interest on all bonds issued by the treasurer of state pursuant to section 12.81 are paid, as determined by the treasurer of state. The next fifty=six million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the Iowa jobs bond fund created in section 12.88 for the fiscal year beginning July 1, 2009, and for each fiscal year through the fiscal year beginning July 1, 2028. The total moneys in excess of the moneys deposited in the general fund of the state, the vision Iowa fund, ~~and~~ the school infrastructure fund, and the Iowa jobs bond fund in a fiscal year shall be deposited in the rebuild Iowa infrastructure fund and shall be used as provided in this section, notwithstanding section 8.60.

Sec. 2. NEW SECTION. 12.87 GENERAL AND SPECIFIC BONDING POWERS == PUBLIC CONSTRUCTION PROJECTS == IOWA JOBS BOND PROGRAM.

1. The treasurer of state shall issue bonds to be used in the development and completion of public construction projects in the state including multimodal transportation projects including trails, transit, rail, and aviation projects, housing projects, water quality and wastewater improvement projects, road and highway projects with an emphasis on public safety and rehabilitation of deficient bridges, and for purposes of the Iowa jobs bond program established in section 16.192. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the Iowa jobs bond fund created in section 12.88. The treasurer of state shall issue bonds in principal amounts which are necessary to provide sufficient funds for the Iowa jobs bond fund, 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 treasurer of state incident to and necessary or convenient to carry out

the bond issues for the fund, and all other expenditures of the treasurer of state necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, bonds issued pursuant to this section shall be issued in two or three phases in amounts which provide aggregate net proceeds of not more than seven hundred fifty million dollars.

2. The moneys set aside in a fund or funds pledged for any series or issue of bonds or notes shall be held for the sole benefit of the series or issue separate and apart from moneys pledged for another series or issue of bonds or notes of the treasurer of state.

3. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.

4. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the Iowa jobs bond fund and any bond reserve funds established pursuant to section 12.88, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the treasurer of state to the payment thereof. Bonds issued under this section shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the Iowa jobs bond fund.

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

6. The bonds shall be:

a. In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

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

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

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

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

9. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

10. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance tax.

11. Subject to the terms of any bond documents, moneys in the Iowa jobs bond fund may be expended for administration expenses.

12. The treasurer of state shall issue bonds for the purpose of refunding any bonds or notes issued pursuant to

this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the treasurer of state for deposit in the Iowa jobs bond fund established in section 12.88. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

13. Bonds or notes issued pursuant to this section are not debts of the state, nor of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds or notes pursuant to this section by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or pledge any form of taxation whatever to, the payment of the bonds or notes. Bonds and notes issued under this section are payable solely and only from the sources and special fund provided in section 12.88.

Sec. 3. NEW SECTION. 12.88 IOWA JOBS BOND FUND.

1. An Iowa jobs bond fund is created and established as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated, as provided in this Act, to the departments of administrative services, corrections, education, natural resources, transportation, and veterans affairs, the department for the blind, Iowa finance authority, Iowa state fair, and the state board of regents and to the Iowa jobs board for purposes of the Iowa jobs bond program established in section 8A.382. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund, including automatic disbursements of funds received pursuant to the terms of bond indentures and documents and security provisions to trustees.

2. Revenue for the Iowa jobs bond fund shall include but is not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided by any bond or security documents and credited to the fund:

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

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

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

3. Moneys in the Iowa jobs bond fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. a. The treasurer of state may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds or notes issued pursuant to section 12.87. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer of state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer of state for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

b. Moneys in a bond reserve fund shall not be withdrawn from the fund at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys of the treasurer of state are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of moneys in the bond reserve fund may be transferred by the treasurer of state to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the established bond reserve fund requirement.

c. The treasurer of state 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 fund, unless the treasurer of state at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of moneys, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

d. To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "c" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer of state shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer of state's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer of state pursuant to this subsection shall be deposited by the treasurer of state in the applicable bond reserve fund.

5. If the revenue source identified in section 8.57, subsection 6, is determined to be insufficient to secure the bonds issued pursuant to section 12.87, the treasurer of state, after consultation with the governor, is authorized to issue and sell annual appropriation bonds on behalf of the state to provide funds for the development and completion of the public construction projects specified in section 12.87, subsection 1.

Sec. 4. <u>NEW SECTION</u>. 12.89 PLEDGES.

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

Sec. 5. <u>NEW SECTION</u>. 12.90 CONSTRUCTION.

Sections 12.87 through 12.89, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

Sec. 6. Section 16.26, Code 2009, is amended by adding the following new subsection:

<u>NEW SUBSECTION</u>. 10. All bonds or notes issued by the authority in connection with the authority's single=family and multi=family programs shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax.

Sec. 7. <u>NEW SECTION</u>. 16.191 IOWA JOBS BOARD.

1. An Iowa jobs board is established consisting of eleven members and is located for administrative purposes within the Iowa finance authority. The executive director of the Iowa

finance authority shall provide office space, staff assistance, and necessary supplies and equipment for the board. The executive director shall budget funds to pay the compensation and expenses of the board. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

2. The membership of the board shall be appointed as follows:

a. Five members of the general public.

b. The director of the department of economic development or the director's designee.

c. The executive director of the rebuild Iowa office or the director's designee.

d. The executive director of the Iowa finance authority or the director's designee.

e. The director of the department of workforce development or the director's designee.

f. The director of the office of energy independence or the director's designee.

g. The director of transportation or the director's designee.

3. All public member appointments, shall comply with sections 69.16 and 69.16A, and shall be subject to confirmation by the senate. All appointed members of the board shall have demonstrable experience or expertise in the field of public financing, architecture, engineering, or major facility development or construction.

4. All public members of the board shall be from geographically diverse areas of this state.

5. The chairperson and vice chairperson of the board shall be designated by the governor from the board members listed in subsection 2, paragraph "a". In case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

6. The public members shall be appointed to three=year staggered terms and the terms shall commence and end as provided by section 69.19. If a vacancy occurs, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

7. A majority of the board constitutes a quorum.

Sec. 8. NEW SECTION. 16.192 IOWA JOBS BOND PROGRAM.

1. The Iowa jobs board established in section 16.191 shall administer an Iowa jobs bond program to assist in the development and completion of new public construction projects relating to disaster relief and mitigation and to local infrastructure.

2. A city, county, school district, community college, institution of higher learning under the control of the state board of regents, or a public organization in this state may submit an application to the board for financial assistance for a project under the program. For purposes of this subsection, "public organization" means a nonprofit economic development organization or other nonprofit organization that sponsors or supports community or tourism attractions and activities. The financial assistance from the fund shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, pledges, and credit enhancements and financing instruments. The board shall consider the following criteria in prioritizing eligible projects:

a. Project readiness including how quickly the project can be started and the estimated time the project will take to be completed.

b. The total number and quality of jobs to be created by the project.

c. Contributions of the project to the lasting imprint on this state.

d. Amounts of federal, state, and private sources of any leveraged funds.

e. The ability of the project to fund depreciation costs.

f. Contributions of the project to sustainability and energy efficiency.

g. The benefits of the project to areas distressed by high unemployment.

3. a. The total amount of allocations for disaster relief and mitigation projects and public building projects shall not exceed one hundred twenty=five million dollars.

b. The total amount of allocations for local infrastructure, broadband technology, and alternative energy infrastructure projects shall not exceed seventy=five million dollars.

c. Any portion of an amount allocated for projects that remain unexpended or unencumbered one year after the allocation has been made may be reallocated to another project category, at the discretion of the board. The board shall ensure that all net proceeds be expended within three years from when the allocation was made.

4. The board shall develop the appropriate level of transparency regarding project fund allocations and shall ensure that funds obligated under this section are coordinated with other federal program funds received by the state, and that projects receiving funds are located in geographically diverse areas.

Sec. 9. 2008 Iowa Acts, chapter 1179, section 18, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the ~~FY 2009 tax=exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund~~ Iowa jobs bond fund pursuant to section ~~12E.12, subsection 1, paragraph "b", subparagraph (1A)~~ 12.88, ~~as~~ if enacted ~~in this Act~~ by the Eighty=third General Assembly, 2009 Session, to the following departments and agencies for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

Sec. 10. 2008 Iowa Acts, chapter 1179, section 18, subsection 1, paragraphs b through k, are amended to read as follows:

b. For renovations to the capitol complex utility tunnel system:
.... $ ~~4,763,078~~
1,000,000

c. For costs associated with capitol interior and exterior restoration:
.... $ 6,900,000

d. For upgrades to the electrical distribution system serving the capitol complex:
.... $ ~~4,470,000~~
850,000

e. For heating, ventilating, and air conditioning improvements in the Hoover state office building:
.... $ 1,500,000

f. For costs associated with the central energy plant addition and improvements:
.... $ 623,000

g. For building security and firewall protection in the Hoover state office building:
.... $ 165,000

h. For projects related to major repairs and major maintenance for state buildings and facilities under the purview of the department:
.... $ 15,000,000

Of the amount appropriated in this lettered paragraph, up to $1,000,000 may be used for demolition purposes.

i. For the purchase of Mercy capitol hospital:
.... $ ~~3,400,000~~
3,950,000

It is the intent of the general assembly that the department will use other appropriations made or other funds available to the department for the acquisition of buildings to complete the purchase of this building.

j. For capital improvements at the civil commitment unit for a sexual offenders facility at Cherokee:
.... $ 829,000

k. For costs associated with the restoration and renovation, including major repairs and major maintenance, at the governor's mansion at Terrace Hill:
.... $ 769,543

Sec. 11. 2008 Iowa Acts, chapter 1179, section 18, subsections 2 through 9, are amended to read as follows:

2. DEPARTMENT FOR THE BLIND

For costs associated with the renovation of dormitory buildings:
.... $ 869,748

3. DEPARTMENT OF CORRECTIONS

a. For expansion of the community=based corrections facility at Sioux City:
.... $ 5,300,000

b. For expansion of the community=based corrections

facility at Ottumwa:
.... $ 4,100,000

c. For expansion of the community=based corrections facility at Waterloo:
.... $ 6,000,000

d. For expansion of the community=based corrections facility at Davenport:
.... $ 2,100,000

e. For expansion, including land acquisition, of the community=based corrections facility at Des Moines:
.... $ 18,100,000

It is the intent of the general assembly that the funds appropriated in paragraphs "a" through ~~"c"~~ "e" be used to expand the number of beds available through new construction and remodeling and not for replacement of existing facilities.

~~d.~~ f. For expansion of the Iowa correctional facility for women at Mitchellville:
.... $ 47,500,000

~~e.~~ g. For the remodeling of kitchens at the correctional facilities at Mount Pleasant and Rockwell City:
.... $ 12,500,000

4. DEPARTMENT OF EDUCATION

For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the community colleges:
.... $ 2,000,000

The moneys appropriated in this subsection shall be allocated to the community colleges based upon the distribution formula established in section 260C.18C.

5. DEPARTMENT OF NATURAL RESOURCES

a. For infrastructure improvements for a state river recreation area located in a county with a population between 21,900 and 22,100:
.... $ 750,000

b. For the construction and installation of an angled well, pumps, and piping to connect the existing infrastructure from the new well to a lake located in a county with a population between 87,500 and 88,000:
.... $ 500,000

Moneys appropriated in this lettered paragraph are contingent upon receipt of matching funds from a state taxing authority surrounding such lake.

~~c. For the construction of the cabins, activity building, picnic shelters, and other costs associated with the opening of the Honey creek premier destination park:~~
~~.. $ 4,900,000~~

~~The department shall not obligate any funding under this appropriation without approval from the department of management. The department shall provide quarterly updates to the Honey creek premier destination park authority and the legislative services agency on the obligation and spending of this appropriation.~~

~~In light of this appropriation, the department shall not request additional appropriations for funding the construction of future additional amenities at the Honey creek destination park beyond the fiscal year ending June 30, 2009. In the event that the chairperson of the authority delivers a certificate to the governor, pursuant to section 463C.13, stating the amounts necessary to restore bond reserve funds, it is the general assembly's intent upon consideration of the governor's request to first seek refunding from the department's budget.~~

~~d.~~ c. For implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report, notwithstanding section 8.57, subsection 6, paragraph "c":
.... $ 8,600,000

(1) It is the intent of the general assembly that the department of natural resources shall implement the lake restoration annual report and plan submitted to the joint appropriations subcommittee on transportation, infrastructure, and capitals and the legislative services agency on December 26, 2006, pursuant to section 456A.33B. The lake restoration projects that are recommended by the department to receive funding for fiscal year 2007=2008 and that satisfy the criteria in section 456A.33B, including local commitment of funding for the projects, shall be funded in the amounts provided in the report.

Of the amounts appropriated in this lettered paragraph, at least the following amounts shall be allocated as follows:

(a) For clear lake in Cerro Gordo county:
.... $ 3,000,000

(b) For storm lake in Buena Vista county:
.... $ 1,000,000

(c) For carter lake in Pottawattamie county:
.... $ 200,000

(2) Of the moneys appropriated in this lettered paragraph, $200,000 shall be used for the purposes of supporting a low head dam public hazard improvement program. The moneys shall be used to provide grants to local communities, including counties and cities, for projects approved by the department.

(a) The department shall award grants to dam owners including counties, cities, state agencies, cooperatives, and individuals, to support projects approved by the department.

(b) The department shall require each dam owner applying for a project grant to submit a project plan for the expenditure of the moneys, and file a report with the department regarding the project, as required by the department.

(c) The funds can be used for signs, posts, and related cabling, and the department shall only award money on a matching basis, pursuant to the dam owner contributing at least 20 cents for every 80 cents awarded by the department, in order to finance the project. For the remainder of the funds, including any balance of money not awarded for signs, posts, and related cabling, the department shall only award moneys to a dam owner on a matching basis. A dam owner shall contribute one dollar for each dollar awarded by the department in order to finance a project.

6. STATE BOARD OF REGENTS

For infrastructure, deferred maintenance, and equipment related to Iowa public radio:
.... $ 2,000,000

7. IOWA STATE FAIR

For infrastructure improvements to the Iowa state fairgrounds including but not limited to the construction of an agricultural exhibition center on the Iowa state fairgrounds:
.... $ ~~5,000,000~~
8,000,000

8. DEPARTMENT OF TRANSPORTATION

a. For deposit into the public transit infrastructure grant fund created in section 324A.6A:
.... $ 2,200,000

b. For infrastructure improvements at the commercial service airports within the state:
.... $ 1,500,000

Fifty percent of the funds appropriated in this lettered paragraph shall be allocated equally between each commercial air service airport, forty percent of the funds shall be allocated based on the percentage that the number of enplaned passengers at each commercial air service airport bears to the total number of enplaned passengers in the state during the previous fiscal year, and ten percent of the funds shall be allocated based on the percentage that the air cargo tonnage at each commercial air service airport bears to the total air cargo tonnage in the state during the previous fiscal year. In order for a commercial air service airport to receive funding under this lettered paragraph, the airport shall be required to submit applications for funding of specific projects to the department for approval by the state transportation commission.

9. DEPARTMENT OF VETERANS AFFAIRS

~~a.~~ For matching funds for the construction of resident living areas at the Iowa veterans home and related improvements associated with the Iowa veterans home comprehensive plan:
.... $ 20,555,329

~~b. To build a memorial plaza that honors veterans from the Dubuque area:~~
~~.. $ 100,000~~

Sec. 12. 2008 Iowa Acts, chapter 1179, sections 19 and 20, are amended to read as follows:

SEC. 19. TAX=EXEMPT STATUS == USE OF APPROPRIATIONS. Payment of moneys from the appropriations in this division of this Act shall be made in a manner that does not adversely affect the tax=exempt status of any outstanding bonds issued by the ~~tobacco settlement authority~~ treasurer of state.

SEC. 20. REVERSION. Notwithstanding section 8.33, moneys appropriated in this division of this Act for the fiscal year beginning July 1, 2008, and ending June 30, 2009, shall not revert at the close of the fiscal year for which they are appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, ~~2011~~ 2012, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 13. APPROPRIATIONS == IOWA JOBS BOND FUND. There is appropriated from the Iowa jobs bond fund pursuant to section 12.88, if enacted by the Eighty=third General Assembly, 2009 Session, to the following departments and agencies for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF TRANSPORTATION

a. For multimodal transportation projects including trails, transit, rail, and aviation projects:

.... $ 50,000,000

b. For road and highway projects with an emphasis on road safety and the rehabilitation of deficient bridges:

.... $200,000,000

Of the amount appropriated in this lettered paragraph, fifty percent shall be allocated for state highway and road projects through the state transportation commission's application process to reduce structurally deficient or functionally obsolete bridges and to improve highway safety, twenty percent shall be allocated to cities, twenty percent shall be allocated to counties to support local roads not eligible for disaster aid and to improve highway safety, and ten percent shall be allocated for road flood recovery efforts for assisting local governments to rebuild local roads damaged by natural disasters.

2. IOWA FINANCE AUTHORITY

a. For water quality and wastewater improvement projects:

.... $100,000,000

The Iowa finance authority shall establish and administer a water quality financial assistance program. The purpose of the program shall be to provide additional financial assistance to communities receiving loans from the Iowa water pollution control works and drinking water facilities financing program pursuant to section 16.131. The program shall be administered in accordance with rules adopted by the authority pursuant to chapter 17A.

b. For deposit into the housing assistance fund created in section 16.40:

.... $ 10,000,000

Funds in this lettered paragraph shall be allocated with the same funding formula used in the state jumpstart housing programs to the same administering entities under contract for the state jumpstart housing programs. Administering entities may recover reasonable costs.

For purposes of this lettered paragraph, program funds are limited to federal emergency management agency=registered homeowners that can demonstrate unmet needs for financial assistance to the satisfaction of the administering agency. Funds may be used for down payment assistance, interim mortgage assistance, and home repairs.

The state jumpstart housing program income limits do not apply for purposes of this lettered paragraph. Including the state jumpstart housing programs and the flex housing fund for disaster recovery, an aggregate limit of $50,000 per homeowner plus a limit of $10,000 per homeowner for energy efficiency repairs applies to establish a maximum aggregate limit of $60,000 per homeowner.

c. For deposit into the housing trust fund created in section 16.181:

.... $ 15,000,000

For purposes of this lettered paragraph, to ensure all Iowa communities have reasonable access to funds in the housing trust fund, local housing trust funds formed along the boundaries set out in chapter 28H shall be eligible to participate in the flex housing fund for economic stimulus. Counties that are not included in a council of governments region shall be included in the same region used for the purposes of the community development block grant program for purposes of participating in programs established under this lettered paragraph. In addition, Iowa cities that receive an allocation under the community development block grant program are eligible to participate in programs established under this lettered paragraph.

.... $ 25,000,000

Moneys appropriated in this section shall be prioritized based upon project readiness including how quickly the project can be started and the estimated time the project will take to be completed, the total number and quality of jobs to be created by the project, contributions of the project to the lasting imprint on this state, contributions of the project to sustainability and energy efficiency, amounts of federal, state, and private sources of any leveraged funds, the ability of the project to fund depreciation costs, and the benefits of the project to areas distressed by high unemployment.

Sec. 14. EMERGENCY RULES. The Iowa jobs board created in section 16.191, if enacted in this Act, may adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 15. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

EXPLANATION

This bill authorizes the issuance of tax=exempt bonds, creates an Iowa jobs bond program, an Iowa jobs board, and an Iowa jobs bond fund, makes and revises appropriations, and provides for an immediate effective date.

The bill provides that the treasurer of state shall issue tax=exempt bonds to be used in the development and completion of public construction projects in the state including multimodal transportation projects including trails, transit, rail, and aviation projects, housing projects, water quality and wastewater improvement projects, road and highway projects with an emphasis on public safety and rehabilitation of deficient bridges, and for purposes of the Iowa jobs bond program created in the bill. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the Iowa jobs bond fund created in the bill. The treasurer of state shall issue bonds in principal amounts which are necessary to provide sufficient funds for the Iowa jobs bond fund, 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 treasurer of state incident to and necessary or convenient to carry out the bond issues for the fund, and all other expenditures of the treasurer of state necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, bonds issued pursuant to this section may be issued in two or three phases in amounts which provide aggregate net proceeds of not more than $750 million.

The bill provides that the money set aside in a fund or funds pledged for any series or issue of bonds or notes shall be held for the sole benefit of the series or issue separate and apart from moneys pledged for another series or issue of bonds or notes of the treasurer of state.

The bill provides that the bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, Code chapter 554. The bonds issued under the bill are payable solely and only out of the moneys, assets, or revenues of the Iowa jobs bond fund and any bond reserve funds, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the treasurer of state to the payment thereof. Bonds issued under the bill shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of the state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the Iowa jobs bond fund. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment as directed by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

The bill also provides that bonds issued under the bill are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance tax.

The bill provides that bonds or notes issued pursuant to the bill are not debts of the state, nor of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state.

The bill creates the Iowa jobs board consisting of 11 members located for administrative purposes within the Iowa finance authority. Board membership includes five members from the general public and the director of the department of economic development, the executive director of the rebuild Iowa office, the executive director of the Iowa finance authority, the director of the department of workforce development, the director of the office of energy independence, and the director of transportation. The board shall administer an Iowa jobs bond program to assist in the development and completion of new public construction projects relating to disaster relief and mitigation, public buildings, local infrastructure, broadband technology, and alternative energy infrastructure. The board shall prioritize project applications made to the board by a city, county, school district, community college, institution of higher learning under the state board of regents, or a public organization based on how quickly the project can be started and the time the project will take to be completed, the total number and quality of jobs to be created by the project, contributions of the project to the lasting imprint on this state, contributions of the project to sustainability and energy efficiency, amounts of federal, state, and private sources of any leveraged funds, and the ability of the project to fund depreciation costs, and the benefits of the project to areas distressed by high unemployment.

The bill creates an Iowa jobs bond fund as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated to the departments of administrative services, corrections, education, natural resources, transportation, and veterans affairs, the department for the blind, Iowa finance authority, Iowa state fair, and the state board of regents and to the Iowa jobs board for purposes of the Iowa jobs bond program established in the bill. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund. Revenue for the Iowa jobs bond fund shall include but is not limited to the proceeds of bonds issued to capitalize and pay the costs of the fund and investment earnings on the proceeds, interest attributable to investment of money in the fund or an account of the fund, moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund, all of which shall be deposited with the treasurer of state and credited to the fund. Moneys in the Iowa jobs bond fund are not subject to Code section 8.33. Interest or earnings on moneys in the fund shall be credited to the fund.

The bill also provides that the treasurer of state may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds or notes issued under the bill. The bill also provides that, in order further to assure maintenance of the bond reserve funds, the treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within 30 days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer pursuant to this subsection shall be deposited by the treasurer in the applicable bond reserve fund.

The bill allocates $56 million annually for the fiscal year beginning July 1, 2009, and for each fiscal year through the fiscal year beginning July 1, 2028, from the state's wagering tax allocations in Code section 8.57 for deposit into the Iowa jobs bond fund created in the bill. This allocation is preceded by allocations from the state's wagering taxes to the general fund, the vision Iowa fund, and the school infrastructure fund.

The bill replaces the appropriations made for project funding for FY 2008=2009 from the FY 2009 tax=exempt restricted capitals fund account established in Code section 12E.12 with appropriations from the Iowa jobs bond fund created in Code section 12.88 of the bill for the departments of administrative services, corrections, education, natural resources, transportation, and veterans affairs, the department for the blind, Iowa state fair, and the state board of regents, and, except for certain appropriations made to the departments of administrative services, corrections, natural resources, and veterans affairs, appropriates moneys for the same fiscal year for the same departments and the same projects.

The bill makes appropriations from the Iowa jobs bond fund created in the bill to the department of transportation for multimodal transportation projects including trails, transit, rails, and aviation projects, and for road and highway projects with an emphasis on road safety and the rehabilitation of deficient bridges, and to the Iowa finance authority for water quality and wastewater improvement projects, and for deposit in the housing assistance fund and for deposit in the housing trust fund for certain housing projects. The designated departments shall consider the same eligibility criteria for projects as previously described to be considered by the Iowa jobs board.

The bill takes effect upon enactment.

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