

# 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

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

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1 1 Section 1. Section 8.57, subsection 6, paragraph e,  
2 subparagraph (1), Code 2009, is amended to read as follows:  
3 (1) Notwithstanding provisions to the contrary in sections  
4 99D.17 and 99F.11, for the fiscal year beginning July 1, 2000,  
5 and for each fiscal year thereafter, not more than a total of  
6 sixty million dollars shall be deposited in the general fund  
7 of the state in any fiscal year pursuant to sections 99D.17  
8 and 99F.11. The next fifteen million dollars of the moneys  
9 directed to be deposited in the general fund of the state in a  
10 fiscal year pursuant to sections 99D.17 and 99F.11 shall be  
11 deposited in the vision Iowa fund created in section 12.72 for  
12 the fiscal year beginning July 1, 2000, and for each fiscal  
13 year through the fiscal year beginning July 1, 2019. The next  
14 five million dollars of the moneys directed to be deposited in  
15 the general fund of the state in a fiscal year pursuant to  
16 sections 99D.17 and 99F.11 shall be deposited in the school  
17 infrastructure fund created in section 12.82 for the fiscal  
18 year beginning July 1, 2000, and for each fiscal year  
19 thereafter until the principal and interest on all bonds  
20 issued by the treasurer of state pursuant to section 12.81 are  
21 paid, as determined by the treasurer of state. The next

~~22 fifty-six million dollars of the moneys directed to be  
23 deposited in the general fund of the state in a fiscal year  
24 pursuant to sections 99D.17 and 99F.11 shall be deposited in  
25 the Iowa jobs bond fund created in section 12.88 for the  
26 fiscal year beginning July 1, 2009, and for each fiscal year  
27 through the fiscal year beginning July 1, 2028. The total  
28 moneys in excess of the moneys deposited in the general fund  
29 of the state, the vision Iowa fund, and the school  
30 infrastructure fund, and the Iowa jobs bond fund in a fiscal  
31 year shall be deposited in the rebuild Iowa infrastructure  
32 fund and shall be used as provided in this section,  
33 notwithstanding section 8.60.~~

1 34 Sec. 2. NEW SECTION. 12.87 GENERAL AND SPECIFIC BONDING  
1 35 POWERS == PUBLIC CONSTRUCTION PROJECTS == IOWA JOBS BOND

2 1 PROGRAM.  
2 2 1. The treasurer of state shall issue bonds to be used in  
2 3 the development and completion of public construction projects  
2 4 in the state including multimodal transportation projects  
2 5 including trails, transit, rail, and aviation projects,  
2 6 housing projects, water quality and wastewater improvement  
2 7 projects, road and highway projects with an emphasis on public  
2 8 safety and rehabilitation of deficient bridges, and for  
2 9 purposes of the Iowa jobs bond program established in section  
2 10 16.192. The treasurer of state shall have all of the powers  
2 11 which are necessary to issue and secure bonds and carry out  
2 12 the purposes of the Iowa jobs bond fund created in section  
2 13 12.88. The treasurer of state shall issue bonds in principal  
2 14 amounts which are necessary to provide sufficient funds for  
2 15 the Iowa jobs bond fund, the payment of interest on the bonds,  
2 16 the establishment of reserves to secure the bonds, the costs  
2 17 of issuance of the bonds, other expenditures of the treasurer  
2 18 of state incident to and necessary or convenient to carry out

2 19 the bond issues for the fund, and all other expenditures of  
2 20 the treasurer of state necessary or convenient to administer  
2 21 the fund; provided, however, excluding the issuance of  
2 22 refunding bonds, bonds issued pursuant to this section shall  
2 23 be issued in two or three phases in amounts which provide  
2 24 aggregate net proceeds of not more than seven hundred fifty  
2 25 million dollars.

2 26 2. The moneys set aside in a fund or funds pledged for any  
2 27 series or issue of bonds or notes shall be held for the sole  
2 28 benefit of the series or issue separate and apart from moneys  
2 29 pledged for another series or issue of bonds or notes of the  
2 30 treasurer of state.

2 31 3. The bonds are investment securities and negotiable  
2 32 instruments within the meaning of and for purposes of the  
2 33 uniform commercial code, chapter 554.

2 34 4. Bonds issued under this section are payable solely and  
2 35 only out of the moneys, assets, or revenues of the Iowa jobs  
3 1 bond fund and any bond reserve funds established pursuant to  
3 2 section 12.88, all of which may be deposited with trustees or  
3 3 depositories in accordance with bond or security documents and  
3 4 pledged by the treasurer of state to the payment thereof.  
3 5 Bonds issued under this section shall contain on their face a  
3 6 statement that the bonds do not constitute an indebtedness of  
3 7 the state. The treasurer of state shall not pledge the credit  
3 8 or taxing power of this state or any political subdivision of  
3 9 this state or make bonds issued pursuant to this section  
3 10 payable out of any moneys except those in the Iowa jobs bond  
3 11 fund.

3 12 5. The proceeds of bonds issued by the treasurer of state  
3 13 and not required for immediate disbursement may be deposited  
3 14 with a trustee or depository as provided in the bond documents  
3 15 and invested or reinvested in any investment as directed by  
3 16 the treasurer of state and specified in the trust indenture,  
3 17 resolution, or other instrument pursuant to which the bonds  
3 18 are issued without regard to any limitation otherwise provided  
3 19 by law.

3 20 6. The bonds shall be:

3 21 a. In a form, issued in denominations, executed in a  
3 22 manner, and payable over terms and with rights of redemption,  
3 23 and be subject to such other terms and conditions as  
3 24 prescribed in the trust indenture, resolution, or other  
3 25 instrument authorizing their issuance.

3 26 b. Negotiable instruments under the laws of the state and  
3 27 may be sold at prices, at public or private sale, and in a  
3 28 manner, as prescribed by the treasurer of state. Chapters  
3 29 73A, 74, 74A, and 75 do not apply to the sale or issuance of  
3 30 the bonds.

3 31 c. Subject to the terms, conditions, and covenants  
3 32 providing for the payment of the principal, redemption  
3 33 premiums, if any, interest, and other terms, conditions,  
3 34 covenants, and protective provisions safeguarding payment, not  
3 35 inconsistent with this section and as determined by the trust  
4 1 indenture, resolution, or other instrument authorizing their  
4 2 issuance.

4 3 7. The bonds are securities in which public officers and  
4 4 bodies of this state; political subdivisions of this state;  
4 5 insurance companies and associations and other persons  
4 6 carrying on an insurance business; banks, trust companies,  
4 7 savings associations, savings and loan associations, and  
4 8 investment companies; administrators, guardians, executors,  
4 9 trustees, and other fiduciaries; and other persons authorized  
4 10 to invest in bonds or other obligations of the state, may  
4 11 properly and legally invest funds, including capital, in their  
4 12 control or belonging to them.

4 13 8. Bonds must be authorized by a trust indenture,  
4 14 resolution, or other instrument of the treasurer of state.

4 15 9. Neither the resolution, trust agreement, nor any other  
4 16 instrument by which a pledge is created needs to be recorded  
4 17 or filed under the Iowa uniform commercial code, chapter 554,  
4 18 to be valid, binding, or effective.

4 19 10. Bonds issued under the provisions of this section are  
4 20 declared to be issued for a general public and governmental  
4 21 purpose and all bonds issued under this section shall be  
4 22 exempt from taxation by the state of Iowa and the interest on  
4 23 the bonds shall be exempt from the state income tax and the  
4 24 state inheritance tax.

4 25 11. Subject to the terms of any bond documents, moneys in  
4 26 the Iowa jobs bond fund may be expended for administration  
4 27 expenses.

4 28 12. The treasurer of state shall issue bonds for the  
4 29 purpose of refunding any bonds or notes issued pursuant to

4 30 this section then outstanding, including the payment of any  
4 31 redemption premiums thereon and any interest accrued or to  
4 32 accrue to the date of redemption of the outstanding bonds or  
4 33 notes. Until the proceeds of bonds issued for the purpose of  
4 34 refunding outstanding bonds or notes are applied to the  
4 35 purchase or retirement of outstanding bonds or notes or the  
5 1 redemption of outstanding bonds or notes, the proceeds may be  
5 2 placed in escrow and be invested and reinvested in accordance  
5 3 with the provisions of this section. The interest, income,  
5 4 and profits earned or realized on an investment may also be  
5 5 applied to the payment of the outstanding bonds or notes to be  
5 6 refunded by purchase, retirement, or redemption. After the  
5 7 terms of the escrow have been fully satisfied and carried out,  
5 8 any balance of proceeds and interest earned or realized on the  
5 9 investments may be returned to the treasurer of state for  
5 10 deposit in the Iowa jobs bond fund established in section  
5 11 12.88. All refunding bonds shall be issued and secured and  
5 12 subject to the provisions of this chapter in the same manner  
5 13 and to the same extent as other bonds issued pursuant to this  
5 14 section.

5 15 13. Bonds or notes issued pursuant to this section are not  
5 16 debts of the state, nor of any political subdivision of the  
5 17 state, and do not constitute a pledge of the faith and credit  
5 18 of the state or a charge against the general credit or general  
5 19 fund of the state. The issuance of any bonds or notes  
5 20 pursuant to this section by the treasurer of state does not  
5 21 directly, indirectly, or contingently obligate the state or a  
5 22 political subdivision of the state to apply moneys from, or to  
5 23 levy or pledge any form of taxation whatever to, the payment  
5 24 of the bonds or notes. Bonds and notes issued under this  
5 25 section are payable solely and only from the sources and  
5 26 special fund provided in section 12.88.

5 27 Sec. 3. NEW SECTION. 12.88 IOWA JOBS BOND FUND.

5 28 1. An Iowa jobs bond fund is created and established as a  
5 29 separate and distinct fund in the state treasury. The moneys  
5 30 in the fund are appropriated, as provided in this Act, to the  
5 31 departments of administrative services, corrections,  
5 32 education, natural resources, transportation, and veterans  
5 33 affairs, the department for the blind, Iowa finance authority,  
5 34 Iowa state fair, and the state board of regents and to the  
5 35 Iowa jobs board for purposes of the Iowa jobs bond program  
6 1 established in section 8A.382. The treasurer of state shall  
6 2 act as custodian of the fund and disburse moneys contained in  
6 3 the fund, including automatic disbursements of funds received  
6 4 pursuant to the terms of bond indentures and documents and  
6 5 security provisions to trustees.

6 6 2. Revenue for the Iowa jobs bond fund shall include but  
6 7 is not limited to the following, which shall be deposited with  
6 8 the treasurer of state or the treasurer of state's designee as  
6 9 provided by any bond or security documents and credited to the  
6 10 fund:

6 11 a. The proceeds of bonds issued to capitalize and pay the  
6 12 costs of the fund and investment earnings on the proceeds.

6 13 b. Interest attributable to investment of moneys in the  
6 14 fund or an account of the fund.

6 15 c. Moneys in the form of a devise, gift, bequest,  
6 16 donation, federal or other grant, reimbursement, repayment,  
6 17 judgment, transfer, payment, or appropriation from any source  
6 18 intended to be used for the purposes of the fund.

6 19 3. Moneys in the Iowa jobs bond fund are not subject to  
6 20 section 8.33. Notwithstanding section 12C.7, subsection 2,  
6 21 interest or earnings on moneys in the fund shall be credited  
6 22 to the fund.

6 23 4. a. The treasurer of state may create and establish one  
6 24 or more special funds, to be known as bond reserve funds, to  
6 25 secure one or more issues of bonds or notes issued pursuant to  
6 26 section 12.87. The treasurer of state shall pay into each  
6 27 bond reserve fund any moneys appropriated and made available  
6 28 by the state or the treasurer of state for the purpose of the  
6 29 fund, any proceeds of sale of notes or bonds to the extent  
6 30 provided in the resolutions authorizing their issuance, and  
6 31 any other moneys which may be available to the treasurer of  
6 32 state for the purpose of the fund from any other sources. All  
6 33 moneys held in a bond reserve fund, except as otherwise  
6 34 provided in this chapter, shall be used as required solely for  
6 35 the payment of the principal of bonds secured in whole or in  
7 1 part by the fund or of the sinking fund payments with respect  
7 2 to the bonds, the purchase or redemption of the bonds, the  
7 3 payment of interest on the bonds, or the payments of any  
7 4 redemption premium required to be paid when the bonds are  
7 5 redeemed prior to maturity.

7 6 b. Moneys in a bond reserve fund shall not be withdrawn  
7 7 from the fund at any time in an amount that will reduce the  
7 8 amount of the fund to less than the bond reserve fund  
7 9 requirement established for the fund, as provided in this  
7 10 subsection, except for the purpose of making, with respect to  
7 11 bonds secured in whole or in part by the fund, payment when  
7 12 due of principal, interest, redemption premiums, and the  
7 13 sinking fund payments with respect to the bonds for the  
7 14 payment of which other moneys of the treasurer of state are  
7 15 not available. Any income or interest earned by, or  
7 16 incremental to, a bond reserve fund due to the investment of  
7 17 moneys in the bond reserve fund may be transferred by the  
7 18 treasurer of state to other funds or accounts to the extent  
7 19 the transfer does not reduce the amount of that bond reserve  
7 20 fund below the established bond reserve fund requirement.  
7 21 c. The treasurer of state shall not at any time issue  
7 22 bonds, secured in whole or in part by a bond reserve fund if,  
7 23 upon the issuance of the bonds, the amount in the bond reserve  
7 24 fund will be less than the bond reserve fund requirement for  
7 25 the fund, unless the treasurer of state at the time of  
7 26 issuance of the bonds deposits in the fund from the proceeds  
7 27 of the bonds issued or from other sources an amount which,  
7 28 together with the amount then in the fund, will not be less  
7 29 than the bond reserve fund requirement for the fund. For the  
7 30 purposes of this subsection, the term "bond reserve fund  
7 31 requirement" means, as of any particular date of computation,  
7 32 an amount of moneys, as provided in the resolutions  
7 33 authorizing the bonds with respect to which the fund is  
7 34 established.

7 35 d. To assure the continued solvency of any bonds secured  
8 1 by the bond reserve fund, provision is made in paragraph "c"  
8 2 for the accumulation in each bond reserve fund of an amount  
8 3 equal to the bond reserve fund requirement for the fund. In  
8 4 order further to assure maintenance of the bond reserve funds,  
8 5 the treasurer of state shall, on or before January 1 of each  
8 6 calendar year, make and deliver to the governor the treasurer  
8 7 of state's certificate stating the sum, if any, required to  
8 8 restore each bond reserve fund to the bond reserve fund  
8 9 requirement for that fund. Within thirty days after the  
8 10 beginning of the session of the general assembly next  
8 11 following the delivery of the certificate, the governor shall  
8 12 submit to both houses printed copies of a budget including the  
8 13 sum, if any, required to restore each bond reserve fund to the  
8 14 bond reserve fund requirement for that fund. Any sums  
8 15 appropriated by the general assembly and paid to the treasurer  
8 16 of state pursuant to this subsection shall be deposited by the  
8 17 treasurer of state in the applicable bond reserve fund.

8 18 5. If the revenue source identified in section 8.57,  
8 19 subsection 6, is determined to be insufficient to secure the  
8 20 bonds issued pursuant to section 12.87, the treasurer of  
8 21 state, after consultation with the governor, is authorized to  
8 22 issue and sell annual appropriation bonds on behalf of the  
8 23 state to provide funds for the development and completion of  
8 24 the public construction projects specified in section 12.87,  
8 25 subsection 1.

8 26 Sec. 4. NEW SECTION. 12.89 PLEDGES.

8 27 It is the intention of the general assembly that a pledge  
8 28 made in respect of bonds or notes shall be valid and binding  
8 29 from the time the pledge is made, that the money or property  
8 30 so pledged and received after the pledge by the treasurer of  
8 31 state shall immediately be subject to the lien of the pledge  
8 32 without physical delivery or further act, and that the lien of  
8 33 the pledge shall be valid and binding as against all parties  
8 34 having claims of any kind in tort, contract, or otherwise  
8 35 against the treasurer of state whether or not the parties have  
9 1 notice of the lien.

9 2 Sec. 5. NEW SECTION. 12.90 CONSTRUCTION.

9 3 Sections 12.87 through 12.89, being necessary for the  
9 4 welfare of this state and its inhabitants, shall be liberally  
9 5 construed to effect its purposes.

9 6 Sec. 6. Section 16.26, Code 2009, is amended by adding the  
9 7 following new subsection:

9 8 NEW SUBSECTION. 10. All bonds or notes issued by the  
9 9 authority in connection with the authority's single-family and  
9 10 multi-family programs shall be exempt from taxation by the  
9 11 state of Iowa and the interest on the bonds shall be exempt  
9 12 from the state income tax.

9 13 Sec. 7. NEW SECTION. 16.191 IOWA JOBS BOARD.

9 14 1. An Iowa jobs board is established consisting of eleven  
9 15 members and is located for administrative purposes within the  
9 16 Iowa finance authority. The executive director of the Iowa

9 17 finance authority shall provide office space, staff  
9 18 assistance, and necessary supplies and equipment for the  
9 19 board. The executive director shall budget funds to pay the  
9 20 compensation and expenses of the board. In performing its  
9 21 functions, the board is performing a public function on behalf  
9 22 of the state and is a public instrumentality of the state.  
9 23 2. The membership of the board shall be appointed as  
9 24 follows:  
9 25 a. Five members of the general public.  
9 26 b. The director of the department of economic development  
9 27 or the director's designee.  
9 28 c. The executive director of the rebuild Iowa office or  
9 29 the director's designee.  
9 30 d. The executive director of the Iowa finance authority or  
9 31 the director's designee.  
9 32 e. The director of the department of workforce development  
9 33 or the director's designee.  
9 34 f. The director of the office of energy independence or  
9 35 the director's designee.  
10 1 g. The director of transportation or the director's  
10 2 designee.  
10 3 3. All public member appointments, shall comply with  
10 4 sections 69.16 and 69.16A, and shall be subject to  
10 5 confirmation by the senate. All appointed members of the  
10 6 board shall have demonstrable experience or expertise in the  
10 7 field of public financing, architecture, engineering, or major  
10 8 facility development or construction.  
10 9 4. All public members of the board shall be from  
10 10 geographically diverse areas of this state.  
10 11 5. The chairperson and vice chairperson of the board shall  
10 12 be designated by the governor from the board members listed in  
10 13 subsection 2, paragraph "a". In case of the absence or  
10 14 disability of the chairperson and vice chairperson, the  
10 15 members of the board shall elect a temporary chairperson by a  
10 16 majority vote of those members who are present and voting.  
10 17 6. The public members shall be appointed to three-year  
10 18 staggered terms and the terms shall commence and end as  
10 19 provided by section 69.19. If a vacancy occurs, a successor  
10 20 shall be appointed to serve the unexpired term. A successor  
10 21 shall be appointed in the same manner and subject to the same  
10 22 qualifications as the original appointment to serve the  
10 23 unexpired term.  
10 24 7. A majority of the board constitutes a quorum.  
10 25 Sec. 8. NEW SECTION. 16.192 IOWA JOBS BOND PROGRAM.  
10 26 1. The Iowa jobs board established in section 16.191 shall  
10 27 administer an Iowa jobs bond program to assist in the  
10 28 development and completion of new public construction projects  
10 29 relating to disaster relief and mitigation and to local  
10 30 infrastructure.  
10 31 2. A city, county, school district, community college,  
10 32 institution of higher learning under the control of the state  
10 33 board of regents, or a public organization in this state may  
10 34 submit an application to the board for financial assistance  
10 35 for a project under the program. For purposes of this  
11 1 subsection, "public organization" means a nonprofit economic  
11 2 development organization or other nonprofit organization that  
11 3 sponsors or supports community or tourism attractions and  
11 4 activities. The financial assistance from the fund shall be  
11 5 provided only from funds, rights, and assets legally available  
11 6 to the board and shall be in the form of grants, loans,  
11 7 forgivable loans, pledges, and credit enhancements and  
11 8 financing instruments. The board shall consider the following  
11 9 criteria in prioritizing eligible projects:  
11 10 a. Project readiness including how quickly the project can  
11 11 be started and the estimated time the project will take to be  
11 12 completed.  
11 13 b. The total number and quality of jobs to be created by  
11 14 the project.  
11 15 c. Contributions of the project to the lasting imprint on  
11 16 this state.  
11 17 d. Amounts of federal, state, and private sources of any  
11 18 leveraged funds.  
11 19 e. The ability of the project to fund depreciation costs.  
11 20 f. Contributions of the project to sustainability and  
11 21 energy efficiency.  
11 22 g. The benefits of the project to areas distressed by high  
11 23 unemployment.  
11 24 3. a. The total amount of allocations for disaster relief  
11 25 and mitigation projects and public building projects shall not  
11 26 exceed one hundred twenty-five million dollars.  
11 27 b. The total amount of allocations for local

11 28 infrastructure, broadband technology, and alternative energy  
11 29 infrastructure projects shall not exceed seventy-five million  
11 30 dollars.

11 31 c. Any portion of an amount allocated for projects that  
11 32 remain unexpended or unencumbered one year after the  
11 33 allocation has been made may be reallocated to another project  
11 34 category, at the discretion of the board. The board shall  
11 35 ensure that all net proceeds be expended within three years  
12 1 from when the allocation was made.

12 2 4. The board shall develop the appropriate level of  
12 3 transparency regarding project fund allocations and shall  
12 4 ensure that funds obligated under this section are coordinated  
12 5 with other federal program funds received by the state, and  
12 6 that projects receiving funds are located in geographically  
12 7 diverse areas.

12 8 Sec. 9. 2008 Iowa Acts, chapter 1179, section 18,  
12 9 unnumbered paragraph 1, is amended to read as follows:

12 10 There is appropriated from the ~~FY 2009 tax-exempt bond~~  
~~12 11 proceeds restricted capital funds account of the tobacco~~  
~~12 12 settlement trust fund Iowa jobs bond fund~~ pursuant to section  
12 13 ~~12E.12, subsection 1, paragraph "b", subparagraph (1A) 12.88,~~  
12 14 ~~as if enacted in this Act by the Eighty-third General~~  
12 15 ~~Assembly, 2009 Session,~~ to the following departments and  
12 16 agencies for the fiscal year beginning July 1, 2008, and  
12 17 ending June 30, 2009, the following amounts, or so much  
12 18 thereof as is necessary, to be used for the purposes  
12 19 designated:

12 20 Sec. 10. 2008 Iowa Acts, chapter 1179, section 18,  
12 21 subsection 1, paragraphs b through k, are amended to read as  
12 22 follows:

12 23 b. For renovations to the capitol complex utility tunnel  
12 24 system:

12 25 ..... \$ 4,763,078  
12 26 ..... 1,000,000

12 27 c. For costs associated with capitol interior and exterior  
12 28 restoration:

12 29 ..... \$ 6,900,000

12 30 d. For upgrades to the electrical distribution system  
12 31 serving the capitol complex:

12 32 ..... \$ 4,470,000  
12 33 ..... 850,000

12 34 e. For heating, ventilating, and air conditioning  
12 35 improvements in the Hoover state office building:

13 1 ..... \$ 1,500,000

13 2 f. For costs associated with the central energy plant  
13 3 addition and improvements:

13 4 ..... \$ 623,000

13 5 g. For building security and firewall protection in the  
13 6 Hoover state office building:

13 7 ..... \$ 165,000

13 8 h. For projects related to major repairs and major  
13 9 maintenance for state buildings and facilities under the  
13 10 purview of the department:

13 11 ..... \$ 15,000,000

13 12 Of the amount appropriated in this lettered paragraph, up  
13 13 to \$1,000,000 may be used for demolition purposes.

13 14 i. For the purchase of Mercy capitol hospital:

13 15 ..... \$ 3,400,000  
13 16 ..... 3,950,000

13 17 It is the intent of the general assembly that the  
13 18 department will use other appropriations made or other funds  
13 19 available to the department for the acquisition of buildings  
13 20 to complete the purchase of this building.

13 21 j. For capital improvements at the civil commitment unit  
13 22 for a sexual offenders facility at Cherokee:

13 23 ..... \$ 829,000

13 24 k. For costs associated with the restoration and  
13 25 renovation, including major repairs and major maintenance, at  
13 26 the governor's mansion at Terrace Hill:

13 27 ..... \$ 769,543

13 28 Sec. 11. 2008 Iowa Acts, chapter 1179, section 18,  
13 29 subsections 2 through 9, are amended to read as follows:

13 30 2. DEPARTMENT FOR THE BLIND

13 31 For costs associated with the renovation of dormitory  
13 32 buildings:

13 33 ..... \$ 869,748

13 34 3. DEPARTMENT OF CORRECTIONS

13 35 a. For expansion of the community-based corrections  
14 1 facility at Sioux City:

14 2 ..... \$ 5,300,000

14 3 b. For expansion of the community-based corrections

14 4 facility at Ottumwa:  
 14 5 ..... \$ 4,100,000  
 14 6 c. For expansion of the community-based corrections  
 14 7 facility at Waterloo:  
 14 8 ..... \$ 6,000,000  
 14 9 d. For expansion of the community-based corrections  
 14 10 facility at Davenport:  
 14 11 ..... \$ 2,100,000  
 14 12 e. For expansion, including land acquisition, of the  
 14 13 community-based corrections facility at Des Moines:  
 14 14 ..... \$ 18,100,000  
 14 15 It is the intent of the general assembly that the funds  
 14 16 appropriated in paragraphs "a" through "e" be used to  
 14 17 expand the number of beds available through new construction  
 14 18 and remodeling and not for replacement of existing facilities.  
 14 19 d- f. For expansion of the Iowa correctional facility for  
 14 20 women at Mitchellville:  
 14 21 ..... \$ 47,500,000  
 14 22 e- g. For the remodeling of kitchens at the correctional  
 14 23 facilities at Mount Pleasant and Rockwell City:  
 14 24 ..... \$ 12,500,000  
 14 25 4. DEPARTMENT OF EDUCATION  
 14 26 For major renovation and major repair needs, including  
 14 27 health, life, and fire safety needs, and for compliance with  
 14 28 the federal Americans With Disabilities Act, for state  
 14 29 buildings and facilities under the purview of the community  
 14 30 colleges:  
 14 31 ..... \$ 2,000,000  
 14 32 The moneys appropriated in this subsection shall be  
 14 33 allocated to the community colleges based upon the  
 14 34 distribution formula established in section 260C.18C.  
 14 35 5. DEPARTMENT OF NATURAL RESOURCES  
 15 1 a. For infrastructure improvements for a state river  
 15 2 recreation area located in a county with a population between  
 15 3 21,900 and 22,100:  
 15 4 ..... \$ 750,000  
 15 5 b. For the construction and installation of an angled  
 15 6 well, pumps, and piping to connect the existing infrastructure  
 15 7 from the new well to a lake located in a county with a  
 15 8 population between 87,500 and 88,000:  
 15 9 ..... \$ 500,000  
 15 10 Moneys appropriated in this lettered paragraph are  
 15 11 contingent upon receipt of matching funds from a state taxing  
 15 12 authority surrounding such lake.  
 15 13 e. For the construction of the cabins, activity building,  
 15 14 picnic shelters, and other costs associated with the opening  
 15 15 of the Honey creek premier destination park:  
 15 16 ..... \$ 4,900,000  
 15 17 The department shall not obligate any funding under this  
 15 18 appropriation without approval from the department of  
 15 19 management. The department shall provide quarterly updates to  
 15 20 the Honey creek premier destination park authority and the  
 15 21 legislative services agency on the obligation and spending of  
 15 22 this appropriation.  
 15 23 In light of this appropriation, the department shall not  
 15 24 request additional appropriations for funding the construction  
 15 25 of future additional amenities at the Honey creek destination  
 15 26 park beyond the fiscal year ending June 30, 2009. In the  
 15 27 event that the chairperson of the authority delivers a  
 15 28 certificate to the governor, pursuant to section 463C.13,  
 15 29 stating the amounts necessary to restore bond reserve funds,  
 15 30 it is the general assembly's intent upon consideration of the  
 15 31 governor's request to first seek refunding from the  
 15 32 department's budget.  
 15 33 d- c. For implementation of lake projects that have  
 15 34 established watershed improvement initiatives and community  
 15 35 support in accordance with the department's annual lake  
 16 1 restoration plan and report, notwithstanding section 8.57,  
 16 2 subsection 6, paragraph "c":  
 16 3 ..... \$ 8,600,000  
 16 4 (1) It is the intent of the general assembly that the  
 16 5 department of natural resources shall implement the lake  
 16 6 restoration annual report and plan submitted to the joint  
 16 7 appropriations subcommittee on transportation, infrastructure,  
 16 8 and capitals and the legislative services agency on December  
 16 9 26, 2006, pursuant to section 456A.33B. The lake restoration  
 16 10 projects that are recommended by the department to receive  
 16 11 funding for fiscal year 2007=2008 and that satisfy the  
 16 12 criteria in section 456A.33B, including local commitment of  
 16 13 funding for the projects, shall be funded in the amounts  
 16 14 provided in the report.

16 15 Of the amounts appropriated in this lettered paragraph, at  
 16 16 least the following amounts shall be allocated as follows:  
 16 17 (a) For clear lake in Cerro Gordo county:  
 16 18 ..... \$ 3,000,000  
 16 19 (b) For storm lake in Buena Vista county:  
 16 20 ..... \$ 1,000,000  
 16 21 (c) For carter lake in Pottawattamie county:  
 16 22 ..... \$ 200,000  
 16 23 (2) Of the moneys appropriated in this lettered paragraph,  
 16 24 \$200,000 shall be used for the purposes of supporting a low  
 16 25 head dam public hazard improvement program. The moneys shall  
 16 26 be used to provide grants to local communities, including  
 16 27 counties and cities, for projects approved by the department.  
 16 28 (a) The department shall award grants to dam owners  
 16 29 including counties, cities, state agencies, cooperatives, and  
 16 30 individuals, to support projects approved by the department.  
 16 31 (b) The department shall require each dam owner applying  
 16 32 for a project grant to submit a project plan for the  
 16 33 expenditure of the moneys, and file a report with the  
 16 34 department regarding the project, as required by the  
 16 35 department.  
 17 1 (c) The funds can be used for signs, posts, and related  
 17 2 cabling, and the department shall only award money on a  
 17 3 matching basis, pursuant to the dam owner contributing at  
 17 4 least 20 cents for every 80 cents awarded by the department,  
 17 5 in order to finance the project. For the remainder of the  
 17 6 funds, including any balance of money not awarded for signs,  
 17 7 posts, and related cabling, the department shall only award  
 17 8 moneys to a dam owner on a matching basis. A dam owner shall  
 17 9 contribute one dollar for each dollar awarded by the  
 17 10 department in order to finance a project.  
 17 11 6. STATE BOARD OF REGENTS  
 17 12 For infrastructure, deferred maintenance, and equipment  
 17 13 related to Iowa public radio:  
 17 14 ..... \$ 2,000,000  
 17 15 7. IOWA STATE FAIR  
 17 16 For infrastructure improvements to the Iowa state  
 17 17 fairgrounds including but not limited to the construction of  
 17 18 an agricultural exhibition center on the Iowa state  
 17 19 fairgrounds:  
 17 20 ..... \$ 5,000,000  
 17 21 ..... 8,000,000  
 17 22 8. DEPARTMENT OF TRANSPORTATION  
 17 23 a. For deposit into the public transit infrastructure  
 17 24 grant fund created in section 324A.6A:  
 17 25 ..... \$ 2,200,000  
 17 26 b. For infrastructure improvements at the commercial  
 17 27 service airports within the state:  
 17 28 ..... \$ 1,500,000  
 17 29 Fifty percent of the funds appropriated in this lettered  
 17 30 paragraph shall be allocated equally between each commercial  
 17 31 air service airport, forty percent of the funds shall be  
 17 32 allocated based on the percentage that the number of enplaned  
 17 33 passengers at each commercial air service airport bears to the  
 17 34 total number of enplaned passengers in the state during the  
 17 35 previous fiscal year, and ten percent of the funds shall be  
 18 1 allocated based on the percentage that the air cargo tonnage  
 18 2 at each commercial air service airport bears to the total air  
 18 3 cargo tonnage in the state during the previous fiscal year.  
 18 4 In order for a commercial air service airport to receive  
 18 5 funding under this lettered paragraph, the airport shall be  
 18 6 required to submit applications for funding of specific  
 18 7 projects to the department for approval by the state  
 18 8 transportation commission.  
 18 9 9. DEPARTMENT OF VETERANS AFFAIRS  
 18 10 a. For matching funds for the construction of resident  
 18 11 living areas at the Iowa veterans home and related  
 18 12 improvements associated with the Iowa veterans home  
 18 13 comprehensive plan:  
 18 14 ..... \$ 20,555,329  
 18 15 ~~b. To build a memorial plaza that honors veterans from the~~  
 18 16 ~~Dubuque area:~~  
 18 17 ~~..... \$ 100,000~~  
 18 18 Sec. 12. 2008 Iowa Acts, chapter 1179, sections 19 and 20,  
 18 19 are amended to read as follows:  
 18 20 SEC. 19. TAX=EXEMPT STATUS == USE OF APPROPRIATIONS.  
 18 21 Payment of moneys from the appropriations in this division of  
 18 22 this Act shall be made in a manner that does not adversely  
 18 23 affect the tax=exempt status of any outstanding bonds issued  
 18 24 by the ~~tobacco settlement authority~~ treasurer of state.  
 18 25 SEC. 20. REVERSION. Notwithstanding section 8.33, moneys

18 26 appropriated in this division of this Act for the fiscal year  
18 27 beginning July 1, 2008, and ending June 30, 2009, shall not  
18 28 revert at the close of the fiscal year for which they are  
18 29 appropriated but shall remain available for the purposes  
18 30 designated until the close of the fiscal year that begins July  
18 31 1, ~~2011~~ 2012, or until the project for which the appropriation  
18 32 was made is completed, whichever is earlier.  
18 33 Sec. 13. APPROPRIATIONS == IOWA JOBS BOND FUND. There is  
18 34 appropriated from the Iowa jobs bond fund pursuant to section  
18 35 12.88, if enacted by the Eighty-third General Assembly, 2009  
19 1 Session, to the following departments and agencies for the  
19 2 fiscal year beginning July 1, 2008, and ending June 30, 2009,  
19 3 the following amounts, or so much thereof as is necessary, to  
19 4 be used for the purposes designated:  
19 5 1. DEPARTMENT OF TRANSPORTATION  
19 6 a. For multimodal transportation projects including  
19 7 trails, transit, rail, and aviation projects:  
19 8 ..... \$ 50,000,000  
19 9 b. For road and highway projects with an emphasis on road  
19 10 safety and the rehabilitation of deficient bridges:  
19 11 ..... \$200,000,000  
19 12 Of the amount appropriated in this lettered paragraph,  
19 13 fifty percent shall be allocated for state highway and road  
19 14 projects through the state transportation commission's  
19 15 application process to reduce structurally deficient or  
19 16 functionally obsolete bridges and to improve highway safety,  
19 17 twenty percent shall be allocated to cities, twenty percent  
19 18 shall be allocated to counties to support local roads not  
19 19 eligible for disaster aid and to improve highway safety, and  
19 20 ten percent shall be allocated for road flood recovery efforts  
19 21 for assisting local governments to rebuild local roads damaged  
19 22 by natural disasters.  
19 23 2. IOWA FINANCE AUTHORITY  
19 24 a. For water quality and wastewater improvement projects:  
19 25 ..... \$100,000,000  
19 26 The Iowa finance authority shall establish and administer a  
19 27 water quality financial assistance program. The purpose of  
19 28 the program shall be to provide additional financial  
19 29 assistance to communities receiving loans from the Iowa water  
19 30 pollution control works and drinking water facilities  
19 31 financing program pursuant to section 16.131. The program  
19 32 shall be administered in accordance with rules adopted by the  
19 33 authority pursuant to chapter 17A.  
19 34 b. For deposit into the housing assistance fund created in  
19 35 section 16.40:  
20 1 ..... \$ 10,000,000  
20 2 Funds in this lettered paragraph shall be allocated with  
20 3 the same funding formula used in the state jumpstart housing  
20 4 programs to the same administering entities under contract for  
20 5 the state jumpstart housing programs. Administering entities  
20 6 may recover reasonable costs.  
20 7 For purposes of this lettered paragraph, program funds are  
20 8 limited to federal emergency management agency=registered  
20 9 homeowners that can demonstrate unmet needs for financial  
20 10 assistance to the satisfaction of the administering agency.  
20 11 Funds may be used for down payment assistance, interim  
20 12 mortgage assistance, and home repairs.  
20 13 The state jumpstart housing program income limits do not  
20 14 apply for purposes of this lettered paragraph. Including the  
20 15 state jumpstart housing programs and the flex housing fund for  
20 16 disaster recovery, an aggregate limit of \$50,000 per homeowner  
20 17 plus a limit of \$10,000 per homeowner for energy efficiency  
20 18 repairs applies to establish a maximum aggregate limit of  
20 19 \$60,000 per homeowner.  
20 20 c. For deposit into the housing trust fund created in  
20 21 section 16.181:  
20 22 ..... \$ 15,000,000  
20 23 For purposes of this lettered paragraph, to ensure all Iowa  
20 24 communities have reasonable access to funds in the housing  
20 25 trust fund, local housing trust funds formed along the  
20 26 boundaries set out in chapter 28H shall be eligible to  
20 27 participate in the flex housing fund for economic stimulus.  
20 28 Counties that are not included in a council of governments  
20 29 region shall be included in the same region used for the  
20 30 purposes of the community development block grant program for  
20 31 purposes of participating in programs established under this  
20 32 lettered paragraph. In addition, Iowa cities that receive an  
20 33 allocation under the community development block grant program  
20 34 are eligible to participate in programs established under this  
20 35 lettered paragraph.  
21 1 ..... \$ 25,000,000

21 2 Moneys appropriated in this section shall be prioritized  
21 3 based upon project readiness including how quickly the project  
21 4 can be started and the estimated time the project will take to  
21 5 be completed, the total number and quality of jobs to be  
21 6 created by the project, contributions of the project to the  
21 7 lasting imprint on this state, contributions of the project to  
21 8 sustainability and energy efficiency, amounts of federal,  
21 9 state, and private sources of any leveraged funds, the ability  
21 10 of the project to fund depreciation costs, and the benefits of  
21 11 the project to areas distressed by high unemployment.

21 12 Sec. 14. EMERGENCY RULES. The Iowa jobs board created in  
21 13 section 16.191, if enacted in this Act, may adopt emergency  
21 14 rules under section 17A.4, subsection 3, and section 17A.5,  
21 15 subsection 2, paragraph "b", to implement the provisions of  
21 16 this Act and the rules shall be effective immediately upon  
21 17 filing unless a later date is specified in the rules. Any  
21 18 rules adopted in accordance with this section shall also be  
21 19 published as a notice of intended action as provided in  
21 20 section 17A.4.

21 21 Sec. 15. EFFECTIVE DATE. This Act, being deemed of  
21 22 immediate importance, takes effect upon enactment.

21 23 EXPLANATION

21 24 This bill authorizes the issuance of tax=exempt bonds,  
21 25 creates an Iowa jobs bond program, an Iowa jobs board, and an  
21 26 Iowa jobs bond fund, makes and revises appropriations, and  
21 27 provides for an immediate effective date.

21 28 The bill provides that the treasurer of state shall issue  
21 29 tax=exempt bonds to be used in the development and completion  
21 30 of public construction projects in the state including  
21 31 multimodal transportation projects including trails, transit,  
21 32 rail, and aviation projects, housing projects, water quality  
21 33 and wastewater improvement projects, road and highway projects  
21 34 with an emphasis on public safety and rehabilitation of  
21 35 deficient bridges, and for purposes of the Iowa jobs bond  
22 1 program created in the bill. The treasurer of state shall  
22 2 have all of the powers which are necessary to issue and secure  
22 3 bonds and carry out the purposes of the Iowa jobs bond fund  
22 4 created in the bill. The treasurer of state shall issue bonds  
22 5 in principal amounts which are necessary to provide sufficient  
22 6 funds for the Iowa jobs bond fund, the payment of interest on  
22 7 the bonds, the establishment of reserves to secure the bonds,  
22 8 the costs of issuance of the bonds, other expenditures of the  
22 9 treasurer of state incident to and necessary or convenient to  
22 10 carry out the bond issues for the fund, and all other  
22 11 expenditures of the treasurer of state necessary or convenient  
22 12 to administer the fund; provided, however, excluding the  
22 13 issuance of refunding bonds, bonds issued pursuant to this  
22 14 section may be issued in two or three phases in amounts which  
22 15 provide aggregate net proceeds of not more than \$750 million.

22 16 The bill provides that the money set aside in a fund or  
22 17 funds pledged for any series or issue of bonds or notes shall  
22 18 be held for the sole benefit of the series or issue separate  
22 19 and apart from moneys pledged for another series or issue of  
22 20 bonds or notes of the treasurer of state.

22 21 The bill provides that the bonds are investment securities  
22 22 and negotiable instruments within the meaning of and for  
22 23 purposes of the uniform commercial code, Code chapter 554.  
22 24 The bonds issued under the bill are payable solely and only  
22 25 out of the moneys, assets, or revenues of the Iowa jobs bond  
22 26 fund and any bond reserve funds, all of which may be deposited  
22 27 with trustees or depositories in accordance with bond or  
22 28 security documents and pledged by the treasurer of state to  
22 29 the payment thereof. Bonds issued under the bill shall  
22 30 contain on their face a statement that the bonds do not  
22 31 constitute an indebtedness of the state. The treasurer of  
22 32 state shall not pledge the credit or taxing power of the state  
22 33 or any political subdivision of this state or make bonds  
22 34 issued pursuant to this section payable out of any moneys  
22 35 except those in the Iowa jobs bond fund. The proceeds of  
23 1 bonds issued by the treasurer of state and not required for  
23 2 immediate disbursement may be deposited with a trustee or  
23 3 depository as provided in the bond documents and invested or  
23 4 reinvested in any investment as directed by the treasurer of  
23 5 state and specified in the trust indenture, resolution, or  
23 6 other instrument pursuant to which the bonds are issued  
23 7 without regard to any limitation otherwise provided by law.

23 8 The bill also provides that bonds issued under the bill are  
23 9 declared to be issued for a general public and governmental  
23 10 purpose and all bonds issued under this section shall be  
23 11 exempt from taxation by the state of Iowa and the interest on  
23 12 the bonds shall be exempt from the state income tax and the

23 13 state inheritance tax.

23 14 The bill provides that bonds or notes issued pursuant to  
23 15 the bill are not debts of the state, nor of any political  
23 16 subdivision of the state, and do not constitute a pledge of  
23 17 the faith and credit of the state or a charge against the  
23 18 general credit or general fund of the state.

23 19 The bill creates the Iowa jobs board consisting of 11  
23 20 members located for administrative purposes within the Iowa  
23 21 finance authority. Board membership includes five members  
23 22 from the general public and the director of the department of  
23 23 economic development, the executive director of the rebuild  
23 24 Iowa office, the executive director of the Iowa finance  
23 25 authority, the director of the department of workforce  
23 26 development, the director of the office of energy  
23 27 independence, and the director of transportation. The board  
23 28 shall administer an Iowa jobs bond program to assist in the  
23 29 development and completion of new public construction projects  
23 30 relating to disaster relief and mitigation, public buildings,  
23 31 local infrastructure, broadband technology, and alternative  
23 32 energy infrastructure. The board shall prioritize project  
23 33 applications made to the board by a city, county, school  
23 34 district, community college, institution of higher learning  
23 35 under the state board of regents, or a public organization  
24 1 based on how quickly the project can be started and the time  
24 2 the project will take to be completed, the total number and  
24 3 quality of jobs to be created by the project, contributions of  
24 4 the project to the lasting imprint on this state,  
24 5 contributions of the project to sustainability and energy  
24 6 efficiency, amounts of federal, state, and private sources of  
24 7 any leveraged funds, and the ability of the project to fund  
24 8 depreciation costs, and the benefits of the project to areas  
24 9 distressed by high unemployment.

24 10 The bill creates an Iowa jobs bond fund as a separate and  
24 11 distinct fund in the state treasury. The moneys in the fund  
24 12 are appropriated to the departments of administrative  
24 13 services, corrections, education, natural resources,  
24 14 transportation, and veterans affairs, the department for the  
24 15 blind, Iowa finance authority, Iowa state fair, and the state  
24 16 board of regents and to the Iowa jobs board for purposes of  
24 17 the Iowa jobs bond program established in the bill. The  
24 18 treasurer of state shall act as custodian of the fund and  
24 19 disburse moneys contained in the fund. Revenue for the Iowa  
24 20 jobs bond fund shall include but is not limited to the  
24 21 proceeds of bonds issued to capitalize and pay the costs of  
24 22 the fund and investment earnings on the proceeds, interest  
24 23 attributable to investment of money in the fund or an account  
24 24 of the fund, moneys in the form of a devise, gift, bequest,  
24 25 donation, federal or other grant, reimbursement, repayment,  
24 26 judgment, transfer, payment, or appropriation from any source  
24 27 intended to be used for the purposes of the fund, all of which  
24 28 shall be deposited with the treasurer of state and credited to  
24 29 the fund. Moneys in the Iowa jobs bond fund are not subject  
24 30 to Code section 8.33. Interest or earnings on moneys in the  
24 31 fund shall be credited to the fund.

24 32 The bill also provides that the treasurer of state may  
24 33 create and establish one or more special funds, to be known as  
24 34 bond reserve funds, to secure one or more issues of bonds or  
24 35 notes issued under the bill. The bill also provides that, in  
25 1 order further to assure maintenance of the bond reserve funds,  
25 2 the treasurer shall, on or before January 1 of each calendar  
25 3 year, make and deliver to the governor the treasurer's  
25 4 certificate stating the sum, if any, required to restore each  
25 5 bond reserve fund to the bond reserve fund requirement for  
25 6 that fund. Within 30 days after the beginning of the session  
25 7 of the general assembly next following the delivery of the  
25 8 certificate, the governor shall submit to both houses printed  
25 9 copies of a budget including the sum, if any, required to  
25 10 restore each bond reserve fund to the bond reserve fund  
25 11 requirement for that fund. Any sums appropriated by the  
25 12 general assembly and paid to the treasurer pursuant to this  
25 13 subsection shall be deposited by the treasurer in the  
25 14 applicable bond reserve fund.

25 15 The bill allocates \$56 million annually for the fiscal year  
25 16 beginning July 1, 2009, and for each fiscal year through the  
25 17 fiscal year beginning July 1, 2028, from the state's wagering  
25 18 tax allocations in Code section 8.57 for deposit into the Iowa  
25 19 jobs bond fund created in the bill. This allocation is  
25 20 preceded by allocations from the state's wagering taxes to the  
25 21 general fund, the vision Iowa fund, and the school  
25 22 infrastructure fund.

25 23 The bill replaces the appropriations made for project

25 24 funding for FY 2008=2009 from the FY 2009 tax=exempt  
25 25 restricted capitals fund account established in Code section  
25 26 12E.12 with appropriations from the Iowa jobs bond fund  
25 27 created in Code section 12.88 of the bill for the departments  
25 28 of administrative services, corrections, education, natural  
25 29 resources, transportation, and veterans affairs, the  
25 30 department for the blind, Iowa state fair, and the state board  
25 31 of regents, and, except for certain appropriations made to the  
25 32 departments of administrative services, corrections, natural  
25 33 resources, and veterans affairs, appropriates moneys for the  
25 34 same fiscal year for the same departments and the same  
25 35 projects.  
26 1 The bill makes appropriations from the Iowa jobs bond fund  
26 2 created in the bill to the department of transportation for  
26 3 multimodal transportation projects including trails, transit,  
26 4 rails, and aviation projects, and for road and highway  
26 5 projects with an emphasis on road safety and the  
26 6 rehabilitation of deficient bridges, and to the Iowa finance  
26 7 authority for water quality and wastewater improvement  
26 8 projects, and for deposit in the housing assistance fund and  
26 9 for deposit in the housing trust fund for certain housing  
26 10 projects. The designated departments shall consider the same  
26 11 eligibility criteria for projects as previously described to  
26 12 be considered by the Iowa jobs board.  
26 13 The bill takes effect upon enactment.  
26 14 LSB 1692XL 83  
26 15 rh/rj/8.3