

House File 2396 - Introduced

HOUSE FILE 2396
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 629)

(COMPANION TO 5227SV BY
COMMITTEE ON ECONOMIC GROWTH)

A BILL FOR

1 An Act concerning the issuance of bonds authorized by the Iowa
2 finance authority relating to projects and bond issuers
3 regardless of location.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 16.1, subsection 32, paragraph a, Code
2 2016, is amended to read as follows:

3 a. Real or personal property connected with a facility to
4 be acquired, constructed, financed, refinanced, improved, or
5 equipped pursuant to one or more of the programs, including any
6 such property located outside of the state if the authority
7 has conclusively determined that the entity financing or
8 refinancing property located outside the state, or an affiliate
9 of such entity, is also engaged in the financing or refinancing
10 of property located within the state, or, alternatively, the
11 entity seeking the financing or refinancing, or an affiliate of
12 such entity, maintains a presence within the state.

13 Sec. 2. Section 16.5, subsection 1, paragraph a, Code 2016,
14 is amended to read as follows:

15 a. Issue its negotiable bonds and notes as provided in
16 this chapter in order to finance its programs. In addition,
17 the authority may issue bonds, notes, or other obligations for
18 public or private entities for the purpose of financing any
19 project regardless of location.

20 Sec. 3. Section 16.26, Code 2016, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 10. In connection with any financing
23 which involves an out-of-state issuer issuing bonds, notes,
24 or other obligations for facilities located in the state, the
25 authority is designated as the only governmental unit in the
26 state that may conduct the public hearing required by section
27 147(f) of the federal Internal Revenue Code, as defined in
28 section 422.3, and the governor of Iowa is designated as the
29 applicable elected representative pursuant to section 147(f) of
30 the federal Internal Revenue Code, as defined in section 422.3.

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill concerns the Iowa finance authority.
35 Code section 16.1(32)(a), defining "project" for purposes

1 of the Iowa finance authority programs, is amended to include
2 projects for property located outside of the state if the
3 entity seeking the financing of the project has some connection
4 to the state.

5 Code section 16.5, describing the general powers of the Iowa
6 finance authority, is amended to provide that the Iowa finance
7 authority can issue bonds, notes, or other obligations for
8 public or private entities for the purpose of financing any
9 project regardless of location.

10 Code section 16.26, concerning bonds and notes, is amended
11 to provide that for an out-of-state issuer issuing certain
12 bonds, notes, or other obligations, the authority is designated
13 as the governmental unit that may conduct the public hearing
14 required by the federal Internal Revenue Code and the governor
15 of Iowa is designated as the applicable elected representative
16 pursuant to the Internal Revenue Code.