

CHAPTER 1185**IOWA COMMUNITY LOAN DEVELOPMENT PROGRAM***H.F. 2400*

AN ACT relating to the Iowa community development loan program.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 28.120 LOAN REPAYMENTS.

1. Cities which have received loans under the former Iowa community development loan program, sections 7A.41 through 7A.49, Code 1985, are still obligated to repay borrowed funds to the state and to comply with terms and conditions of existing promissory notes.

2. After the effective date of this Act, loan repayments made by recipient cities are payable to the Iowa development commission or successor department in an amount and at the time required by existing promissory notes.

3. Loan agreements with cities receiving loans under the former Iowa community development loan program for projects which have not been completed as of the effective date of this Act shall be amended by substituting "Iowa development commission or successor department" for "office for planning and programming". The Iowa development commission or successor department shall assume the state's administrative responsibilities for these uncompleted projects.

4. All loan agreements and promissory notes with cities with completed projects shall, upon the effective date of this Act, be amended by substituting "Iowa development commission or successor department" for "office for planning and programming".

5. Loan repayments received by the Iowa development commission or successor department shall be deposited into a special account to be used at its discretion as matching funds to attract financial assistance from and to participate in programs with national rural development and finance corporations or as provided in subsection 6. Funds in this special account shall not revert to the state general fund at the end of any fiscal year. If the programs for which the funds in the special account are to be used are terminated or expire, the funds in the special account and funds that would be repaid, if any, to the special account shall be transferred or repaid to the community economic betterment account of the Iowa plan fund for economic development as established in 1985 Iowa Acts, chapter 33, section 301.

6. If the Iowa development commission or successor department determines that sufficient funds exist in the special account provided in subsection 5 for the purposes provided in subsection 5, up to twenty-five percent of the loan repayments for the fiscal year received by the Iowa development commission or successor department may be deposited in the revolving loan fund to operate the self-employment loan program as both were established in section 15.241 as enacted by Senate File 2175 of the Seventy-first General Assembly under the department of economic development. Funds in this revolving loan fund shall not revert to the state general fund at the end of any fiscal year. Loan repayments from the self-employment loan program shall be deposited in the revolving loan fund. Deposits of funds under this subsection may occur for the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989.

Sec. 2. Sections 7A.41 through 7A.49, Code 1985, are repealed.

Sec. 3. Upon the effective date of this Act, all funds remaining in the Iowa community development loan fund shall be transferred to the special account referred to in section 28.120, subsection 5.

Approved May 6, 1986