

CHAPTER 181**HIGHER EDUCATION LOAN AUTHORITY***S.F. 410*

AN ACT relating to the Iowa higher education loan authority by eliminating the limit on the amount of its obligations that may be outstanding for purposes of funding capital projects and allowing the authority to issue tuition anticipation notes and obligations to finance projects to be leased to an institution.

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

Section 1. Section 261A.34, subsection 3, Code 1997, is amended to read as follows:

3. "Project" means any property located within the state, constructed or acquired before or after July 1, 1985 that may be used or will be useful in connection with the instruction, feeding, or recreation of students, the conducting of research, administration, or other work of an institution, or any combination of the foregoing. "Project" includes, but is not limited to, any academic facility, administrative facility, assembly hall, athletic facility, instructional facility, laboratory, library, maintenance facility, student health facility, recreational facility, research facility, student union, or other facility suitable for the use of an institution. "Project" also means the refunding or refinancing of outstanding obligations, mortgages, or advances, including advances from an endowment or similar fund, originally issued, made, or given by the institution to finance the cost of a project. "Project" also includes a project that is to be leased by the authority to an institution.

Sec. 2. Section 261A.36, Code 1997, is amended to read as follows:

261A.36 ISSUANCE OF OBLIGATIONS.

The authority may issue obligations of the authority for any of its corporate purposes as provided for in this division including the issuing of obligations to finance projects to be leased by the authority to an institution, and fund or refund the obligations pursuant to this division.

Sec. 3. Section 261A.37, Code 1997, is amended to read as follows:

261A.37 LOANS AUTHORIZED.

The authority may make loans to an institution for the cost of a project or in anticipation of the receipt of tuition by the institution in accordance with an agreement between the authority and the institution, except that a loan for the cost of a project shall not exceed the total cost of the project, as determined by the institution and approved by the authority and except that loans in anticipation of the receipt of tuition shall not exceed the anticipated amount of tuition to be received by the institution in the one-year period following the date of the loan. The authority may lease projects to institutions under the terms of lease agreements determined by the institution and the authority, except that the term of the lease shall not exceed the estimated useful economic life of the project.

Sec. 4. Section 261A.38, Code 1997, is amended to read as follows:

261A.38 ISSUANCE OF OBLIGATIONS — CONDITIONS.

The authority may issue obligations and make loans to an institution or may issue obligations to finance projects to be leased by the authority to an institution and refund, refinance or reimburse outstanding obligations, indebtedness, mortgages, or advances, including advances from an endowment or any similar fund, issued, made, or given by the institution, whether before or after July 1, 1985, for the cost of a project, when the authority finds that the financing prescribed in this section is in the public interest, and either alleviates a financial hardship upon the institution, results in a lesser cost of education, or enables the institution to offer greater security for a loan or loans to finance a new project or projects or to effect savings in interest costs or more favorable amortization terms.

Sec. 5. Section 261A.42, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The authority may provide by resolution for the issuance of obligations for the purpose of paying, refinancing, or reimbursing all or part of the cost of a project. ~~The authority shall not have outstanding at any one time obligations issued pursuant to this division in an aggregate principal amount exceeding one hundred fifty million dollars.~~ Except to the extent payable from payments to be made on federally guaranteed securities as provided in section 261A.45, the principal of and the interest on the obligations shall be payable solely out of the revenue of the authority derived from the project to which they relate and from other facilities pledged or made available for this purpose by the institution for whose benefit the obligations were issued. The obligations of each issue shall be dated, shall bear interest at rate or rates, without regard to any limit contained in any other statute or law of the state, and shall mature at times not exceeding forty years from the date of issuance, all as determined by the authority; and may be made redeemable before maturity at the prices and under terms fixed by the authority in the authorizing resolution.

Approved May 26, 1997

CHAPTER 182

SCHOOL DISTRICT FINANCING — PHYSICAL PLANT AND EQUIPMENT LEVY

S.F. 531

AN ACT relating to the increase in the physical plant and equipment levy.

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

Section 1. Section 298.2, subsection 1, Code 1997, is amended to read as follows:

1. A physical plant and equipment levy of not exceeding one dollar and sixty-seven cents per thousand dollars of assessed valuation in the district is established except as otherwise provided in this subsection. The physical plant and equipment levy consists of the regular physical plant and equipment levy of not exceeding thirty-three cents per thousand dollars of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding ~~sixty-seven~~ one dollar and thirty-four cents per thousand dollars of assessed valuation in the district. However, the voter-approved physical plant and equipment levy may consist of a combination of a physical plant and equipment property tax levy and a physical plant and equipment income surtax as provided in subsection 3 with the maximum amount levied and imposed limited to an amount that could be raised by a ~~sixty-seven~~ one dollar and thirty-four cent property tax levy. The levy limitations of this subsection are subject to subsection 5.

Sec. 2. Section 298.2, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. If the electors of a school district have authorized a voter-approved physical plant and equipment levy not exceeding sixty-seven cents per thousand dollars of assessed valuation in the district prior to July 1, 1997, the levy shall continue for the period authorized under the voter-approved levy, and the maximum levy that can be authorized by the electors under the voter-approved levy on or after July 1, 1997, under this section, is an additional sixty-seven cents for a period to coincide with the period for which the initial physical plant and equipment levy in the district was approved.