

Barry, Chair  
Jacobs  
Falck

HSB 198  
APPROPRIATIONS

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON MILLAGE)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act repealing the linked investments for tomorrow Act.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Sections 12.31 through 12.43B, Code 2001, are  
2 repealed.

3 Sec. 2. Section 15.204, Code 2001, is repealed.

4 Sec. 3. CONTINUATION OF CURRENT AGREEMENTS. This Act  
5 shall not affect the terms or conditions of an investment  
6 agreement executed by the treasurer of state with an eligible  
7 lending institution that is in effect before the effective  
8 date of this Act. This Act shall not affect the terms or  
9 conditions of a loan agreement executed by an eligible lending  
10 institution with an eligible borrower that is in effect before  
11 the effective date of this Act.

12 EXPLANATION

13 This bill repeals the linked investments for tomorrow Act  
14 in Code chapter 12, which allows the treasurer of state to  
15 invest moneys of the state pooled money fund in certificates  
16 of deposit in eligible lending institutions. The state  
17 receives a lower interest rate as part of an investment  
18 agreement in which the lending institution loans moneys to  
19 eligible persons, under programs specified in the chapter, at  
20 a reduced rate of interest.

21 The bill provides that the bill would not affect the terms  
22 or conditions of an investment agreement executed by the  
23 treasurer of state with an eligible lending institution that  
24 is in effect before the effective date of the bill. The bill  
25 provides that the bill would not affect the terms or  
26 conditions of a loan agreement executed by an eligible lending  
27 institution with an eligible borrower that is in effect before  
28 the effective date of the bill.

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H. 4/9/02 Amend/Do Pass  
H. 8566

APR 19 2001  
APPROPRIATIONS CALENDAR

HOUSE FILE 729  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 198)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR.**

1 An Act relating to the linked investments for tomorrow Act and  
2 providing effective dates.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 729

1 Section 1. Section 12.34, subsection 1, Code 2001, is  
2 amended to read as follows:

3 1. The treasurer of state may invest up to the lesser of  
4 ~~one-hundred-eight~~ sixty million dollars or ten percent of the  
5 balance of the state pooled money fund in certificates of  
6 deposit in eligible lending institutions as provided in this  
7 division. The moneys invested pursuant to this section shall  
8 be used as follows:

9 a. The treasurer of state may invest up to ~~sixty-eight~~  
10 twenty million dollars to support programs provided in this  
11 division other than the traditional livestock producers linked  
12 investment loan program as provided in section 12.43A and the  
13 value-added agricultural linked investment loan program as  
14 provided in section 12.43B.

15 b. The treasurer of state shall invest the remaining  
16 amount as follows:

17 (1) At least twenty million dollars shall be invested in  
18 order to support the traditional livestock producers linked  
19 investment loan program as provided in section 12.43A.

20 (2) At least twenty million dollars shall be invested in  
21 order to support the value-added agricultural linked  
22 investment loan program as provided in section 12.43B.

23 Sec. 2. NEW AGREEMENTS RESTRICTED. Beginning on the  
24 effective date of this Act, the treasurer of state shall not  
25 execute a new investment agreement with an eligible lending  
26 institution and an eligible lending institution shall not  
27 execute a new loan agreement with an eligible borrower until  
28 the first July 1 of any year following a determination by the  
29 treasurer of state that the balance of outstanding loans under  
30 all of the linked investment loan programs is less than sixty  
31 million dollars.

32 Sec. 3. REPORT TO GENERAL ASSEMBLY. Within sixty days  
33 after receiving notice from the treasurer of state of a  
34 determination by the treasurer of state that the balance of  
35 outstanding loans under all of the linked investment loan

1 programs is less than seventy million dollars, the department  
2 of economic development shall submit a report to the general  
3 assembly recommending three new linked investment loan  
4 programs which would complement the promotion of targeted  
5 industries listed in section 15.329, subsection 2. The report  
6 shall also include a recommendation of three current linked  
7 investment loan programs that should be discontinued.

8 Sec. 4. NEW PROGRAMS. It is the intent of the general  
9 assembly that any new linked investment loan program should be  
10 enacted with a repeal date of three years following the  
11 effective date of the program.

12 Sec. 5. CONTINUATION OF CURRENT AGREEMENTS. This Act  
13 shall not affect the terms or conditions of an investment  
14 agreement executed by the treasurer of state with an eligible  
15 lending institution that is in effect before the effective  
16 date of this Act. This Act shall not affect the terms or  
17 conditions of a loan agreement executed by an eligible lending  
18 institution with an eligible borrower that is in effect before  
19 the effective date of this Act.

20 Sec. 6. EFFECTIVE DATES.

21 1. With the exception of section 1 of this Act, this Act,  
22 being deemed of immediate importance, takes effect upon  
23 enactment.

24 2. Section 1 of this Act takes effect upon the first July  
25 1 of any year following a determination by the treasurer of  
26 state that the balance of outstanding loans under all of the  
27 linked investment loan programs is less than sixty million  
28 dollars. The treasurer of state shall provide notice to the  
29 Iowa Code editor of such a determination.

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#### EXPLANATION

31 This bill amends the linked investments for tomorrow Act in  
32 Code chapter 12, which allows the treasurer of state to invest  
33 moneys of the state pooled money fund in certificates of  
34 deposit in eligible lending institutions. The state receives  
35 a lower interest rate as part of an investment agreement in

1 which the lending institution loans moneys to eligible  
2 persons, under programs specified in the chapter, at a reduced  
3 rate of interest.

4 The bill provides that the treasurer of state shall not  
5 execute a new investment agreement and eligible lending  
6 institutions shall not execute a new loan agreement until the  
7 first July 1 of any year following a determination by the  
8 treasurer of state that the balance of outstanding loans under  
9 all of the linked investment loan programs is less than \$60  
10 million. This provision takes effect upon enactment.

11 The bill provides that 60 days after receiving notice from  
12 the treasurer of state of a determination by the treasurer  
13 that the balance of outstanding loans under all of the linked  
14 investment loan programs is less than \$70 million, the  
15 department of economic development shall submit a report to  
16 the general assembly recommending three new linked investment  
17 loan programs which would complement the promotion of targeted  
18 industries and recommending three current linked investment  
19 loan programs that should be discontinued. This provision  
20 takes effect upon enactment.

21 The bill provides that it is the intent of the general  
22 assembly that any new linked investment loan program should be  
23 enacted with a repeal date of three years following the  
24 effective date of the program. This provision takes effect  
25 upon enactment.

26 The bill provides that, on the first July 1 of any year  
27 following a determination by the treasurer of state that the  
28 balance of outstanding loans under all of the linked  
29 investment loan programs is less than \$60 million, the maximum  
30 amount of state pooled money which may be invested by the  
31 treasurer shall be reduced from \$108 million to \$60 million  
32 and the amount that the treasurer may invest to support  
33 programs other than the traditional livestock producers linked  
34 investment loan program and the value-added agricultural  
35 linked investment loan program shall be reduced from \$68

1 million to \$20 million.

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HOUSE FILE 729

H-1762

1 Amend House File 729 as follows:

2 1. Page 2, by striking lines 3 through 11 and  
3 inserting the following: "assembly evaluating the  
4 current linked investment loan programs regarding the  
5 necessity of continuing the programs and recommending  
6 new linked investment loan programs which would  
7 complement the promotion of targeted industries listed  
8 in section 15.329, subsection 2.

9 Sec. \_\_\_\_ . PROGRAM REVIEW. It is the intent of the  
10 general assembly that all linked investment loan  
11 programs shall be reviewed on a continual basis to  
12 determine the necessity for or need for updating the  
13 programs."

14 2. By renumbering as necessary.

By METCALF of Polk

H-1762 FILED APRIL 30, 2001

H-8566

1 Amend House File 729 as follows:

2 1. Page 1, by striking lines 1 through 22.

3 2. By striking page 1, line 27, through page 2,  
4 line 7, and inserting the following: "execute a new  
5 loan agreement with an eligible borrower."

6 3. Page 2, line 8, by striking the words "NEW  
7 PROGRAMS" and inserting the following: "LEGISLATIVE  
8 INTENT".

9 4. Page 2, line 9, by striking the words "any  
10 new" and inserting the following: "the current".

11 5. Page 2, by striking lines 10 and 11 and  
12 inserting the following: "repealed."

13 6. Page 2, by striking lines 20 through 29 and  
14 inserting the following:

15 "Sec. \_\_\_\_\_. REPORT TO GENERAL ASSEMBLY. Within  
16 sixty days after receiving notice from the treasurer  
17 of state of a determination by the treasurer of state  
18 that the balance of outstanding loans under all of the  
19 linked investment loan programs is less than seventy  
20 million dollars, the department of economic  
21 development shall submit a report to the general  
22 assembly evaluating the current linked investment loan  
23 programs.

24 Sec. \_\_\_\_\_. EFFECTIVE DATE. This Act, being deemed  
25 of immediate importance, takes effect upon enactment."

26 7. By renumbering as necessary.

By COMMITTEE ON APPROPRIATIONS  
MILLAGE of Scott, Chairperson

H-8566 FILED APRIL 9, 2002

**HOUSE FILE 729  
FISCAL NOTE**

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A fiscal note for **House File 729** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 729 provides for the following changes to the Linked Investments for Tomorrow Program: decreases the total maximum loan amount available from \$108.0 million to \$68.0 million; decreases the amount available for investment for Horticulture and Alternative Crops, Targeted Small Business, Rural Small Business, and Focused Small Business from \$68.0 million to \$20.0 million; provides for \$20.0 million to be available for investment for the Traditional Livestock Program and \$20.0 million to be available for the Value-Added Agriculture Program; instructs the Office of the Treasurer of State to suspend entering new loan agreements until the total loan amount is under \$60.0 million dollars; and requires the Department of Economic Development to report to the General Assembly recommending three investment loan programs which would compliment the promotion of industries in the State.

**ASSUMPTIONS**

1. Average Linked Investments for Tomorrow (LIFT) CD interest rate is approximately 6%, and the average General Fund subsidy is approximately 3%.
2. Total maximum loan amount for all LIFT programs will decrease from \$108.0 million to \$68.0 million.
3. The current amount loaned for LIFT programs, excluding Value-Added Agriculture and Traditional Livestock, is \$60.0 million.
4. The total loan amount for LIFT programs, except Value-Added Agriculture and Traditional Livestock, will come down from the \$20.0 million limit in FY 2006.
5. Value-Added Agriculture and Traditional Livestock programs have not currently reached the \$20.0 million limit.
6. The cost to the Department of Economic Development to develop and issue a report recommending three investment loan programs which would compliment the promotion of industries in the State cannot be determined due to insufficient information.

**FISCAL IMPACT**

House File 729 will result in increased interest income to the General Fund of approximately \$112,000 in FY 2002, \$236,000 in FY 2003, and \$452,000 in FY 2004.

SOURCES

Office of the Treasurer of State  
Department of Economic Development  
Department of Management

(LSB 3165hv, CRS)

FILED APRIL 25, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR