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Governor Chet Culver ★ Lt. Governor Patty Judge

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GOVERNOR CULVER SIGNS EXECUTIVE ORDER 21 TO HELP 2008 DISASTER RECOVERY EFFORTS

DES MOINES – Governor Chet Culver today signed Executive Order 21, directing the Executive Director of the Iowa Finance Authority (IFA) to make the determinations needed in regards to the issuance of Midwestern Disaster Area tax-exempt bonds. These bonds are part of the Heartland Disaster Tax Relief Act of 2008, and are designed to help finance projects in areas affected by the natural disasters of 2008.

“This Executive Order will speed access to and use of additional tax-exempt bonding authority for projects located in affected counties,” said Governor Culver. “These bonds will help move Iowa forward by allowing Iowa businesses to rebuild, expand and improve their facilities through lower-cost tax-exempt financing.”

Today’s action is a result of the Heartland Disaster Tax Relief Act of 2008 and Notice 2010-10, recently issued by the Internal Revenue Service. The Act provides Iowa with additional bonding authority for the issuance of tax-exempt bonds to include a broader array of potentially eligible projects. The IRS Notice clarifies that the Governor and the Governor’s designee have the ability to make determinations regarding issuing certain tax-exempt bonds. Proceeds of the bonds can be used to finance real property in the impacted counties.

To access this financing, any eligible borrowers using the tax-exempt bond proceeds must have suffered a loss attributable to the storms, tornados or flooding or be designated by the Governor or the Governor’s designee (such as the Iowa Finance Authority) as replacing a business that suffered these losses. Because of the widespread effects of the devastation of 2008, a significant number of businesses in the state may qualify.

The amount of additional tax-exempt bonding authority provided under the Act to Iowa is approximately \$2.6 billion. The bonds must be issued before January 1, 2013. For more information, contact the Iowa Finance Authority at www.iowafinanceauthority.gov.

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