

Appropriation Bill

Reprinted 2/79

FILED MAR 7 1979

SENATE FILE **362**

By COMMITTEE ON CITIES
Approved 2/5 (p. 687)

Passed Senate, Date 3-16-79 (p. 234) Passed House, Date _____

Vote: Ayes 45 Nays 2 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act to authorize the Iowa development commission to make
2 loans to local development corporations for certain
3 projects and making an appropriation.

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

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SENATE FILE 362

S-3203

- 1 Amend Senate File 362 as follows:
- 2 1. Page 1, line 25, by striking the words
- 3 "second, third and fourth" and inserting in lieu
- 4 thereof the words "first, second and third".

S-3203 FILED *Adopted 3/16 (p. 854)*
MARCH 12, 1979

BY WILLIAM D. PALMER

1 Section 1. Chapter twenty-eight (28), Code 1979, is amended
2 by adding sections two (2) through six (6) of this Act.

3 Sec. 2. NEW SECTION. INTENT. The intent of this Act
4 is to provide assistance to local development corporations
5 formed by public-spirited citizens interested in the economic
6 growth of their community in financing the construction of
7 buildings to attract business or industry to their community.

8 Sec. 3. NEW SECTION. BUILDING LOAN FUND. A building
9 loan fund is established under the control of the commission.
10 The commission may make loans from the building loan fund
11 to local development corporations for the payment of interest
12 on loans made to the local development corporation for the
13 construction of a building as provided in sections two (2)
14 through six (6) of this Act and the rules of the commission.

15 Sec. 4. NEW SECTION. LOANS.

16 1. The commission may make a loan to a local development
17 corporation only for the payment of all or part of the amount
18 of interest of a loan made to a local development corporation
19 which is attributable to the cost of construction of a
20 building. The cost of construction does not include the costs
21 of land acquisition, site preparation, railroad extensions,
22 parking, roads, utility extensions or other work which is
23 not the construction of the building.

24 2. The commission may make the loan only for the interest
25 due in the second, third and fourth years after the completion
26 of the building as determined by the commission. The
27 commission shall not loan more than twenty thousand dollars
28 in a year for payment of the interest of a loan for the
29 construction of any one building. The commission may agree
30 to loan only those funds which are in the building loan fund
31 or those funds which are scheduled to be paid into the fund
32 under section five (5) of this Act before they are to be
33 loaned under the agreement.

34 3. To be eligible for the loans, the local development
35 corporation must secure the agreement of the commission to

1 make the loan for the second year after completion before
2 commencing construction of the building.

3 4. Interest shall not be charged on the loans made by
4 the commission.

5 5. The commission may attach conditions to the granting
6 of the loan as it deems desirable. The attorney general shall
7 assist the commission in drafting loan agreements and in
8 collecting on the loan agreement.

9 Sec. 5. NEW SECTION. REPAYMENT.

10 1. The amounts loaned to a local development corporation
11 by the commission shall be repaid in full to the commission
12 when any of the following occurs:

13 a. The local development corporation sells the building.

14 b. The local development corporation leases the building
15 for a period exceeding thirty days.

16 c. The end of the sixth year after completion of the
17 building's construction.

18 2. The local development corporation shall report to the
19 commission the amount of all moneys received from leasing
20 the building for periods of less than thirty days and that
21 amount shall either be deducted from the amounts to be loaned
22 or remitted to the commission as the commission determines.

23 3. All funds received by the commission under this section
24 shall be credited to the building loan fund.

25 Sec. 6. NEW SECTION. LOCAL DEVELOPMENT CORPORATION.

26 To be eligible to receive a loan under the provisions of
27 sections two (2) through six (6) of this Act a local
28 development corporation must be a nonprofit corporation
29 organized under chapter five hundred four A (504A) of the
30 Code which has a minimum of twenty-five members and in which
31 at least seventy-five percent of the ownership or control
32 of the corporation is held by persons residing or doing
33 business in the community.

34 Sec. 7. Section twenty-eight point seven (28.7), Code
35 1979, is amended by adding the following new subsection:

1 NEW SUBSECTION. Adopt rules for the implementation of
2 sections two (2) through five (5) of this Act.

3 Sec. 8. There is appropriated from the general fund of
4 the state to the Iowa development commission for deposit in
5 the building loan fund the amount of one hundred thousand
6 (100,000) dollars. Section eight point thirty-three (8.33)
7 of the Code shall not apply to this appropriation.

8 Sec. 9. This Act, being deemed of immediate importance,
9 shall take effect from and after its publication in the
10 Urbandale News, a newspaper published in Urbandale, Iowa and
11 in The Waterloo Courier, a newspaper published in Waterloo,
12 Iowa.

13 EXPLANATION

14 This bill provides authority for the Iowa development
15 commission to make an interest-free loan to a development
16 corporation to pay the interest on a loan made to the
17 development corporation for the construction of a building.

18 Section 3 creates a revolving fund known as the building
19 loan fund.

20 Section 4 provides in subsection 1 that the loan is only
21 for the interest which is attributable to the cost of
22 constructing a building. Subsection 2 provides that the loan
23 is limited to payments in the second, third and fourth years
24 after completion of construction, to twenty thousand dollars
25 a year per building, and to funds available or scheduled to
26 be available. Subsection 3 requires that the loan agreement
27 must be made prior to commencing construction.

28 Section 5 provides the conditions upon which the loan is
29 repaid and the disposition of rentals during the loan periods.

30 Section 6 defines what corporations are eligible for the
31 loans. They must be based in the community where the building
32 is to be built and must be nonprofit corporations incorporated
33 under chapter 504A.

34 Section 7 provides the commission with authority to adopt
35 rules to implement the program.

1 Section 8 makes a nonreverting appropriation of \$100,000.
2 The bill is effective upon publication.
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*See Appropriations 5/21
No Pass per 4.279. 5/4 (p. 2077)*

SENATE FILE 362

BY COMMITTEE ON CITIES

(AS AMENDED AND PASSED BY THE SENATE MARCH 16, 1979)

Passed Senate, Date 3-16-79 (p. 834) Passed House, Date 5-7-79 (p. 2116)

Vote: Ayes 43 Nays 2 Vote: Ayes 88 Nays 9

Approved June 8 1979
Passed House 5-9-79 (p. 2219)
93-0

A BILL FOR

1 An Act to authorize the Iowa development commission to make
2 loans to local uevelopment corporations for certain
3 projects and making an appropriation.

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————— = New Language
by tne Senate

1 Section 1. Chapter twenty-eight (28), Code 1979, is amended
2 by adding sections two (2) through six (6) of this Act.

3 Sec. 2. NEW SECTION. INTENT. The intent of this Act
4 is to provide assistance to local development corporations
5 formed by public-spirited citizens interested in the economic
6 growth of their community in financing the construction of
7 buildings to attract business or industry to their community.

8 Sec. 3. NEW SECTION. BUILDING LOAN FUND. A building
9 loan fund is established under the control of the commission.
10 The commission may make loans from the building loan fund
11 to local development corporations for the payment of interest
12 on loans made to the local development corporation for the
13 construction of a building as provided in sections two (2)
14 through six (6) of this Act and the rules of the commission.

15 Sec. 4. NEW SECTION. LOANS.

16 1. The commission may make a loan to a local development
17 corporation only for the payment of all or part of the amount
18 of interest of a loan made to a local development corporation
19 which is attributable to the cost of construction of a
20 building. The cost of construction does not include the costs
21 of land acquisition, site preparation, railroad extensions,
22 parking, roads, utility extensions or other work which is
23 not the construction of the building.

24 2. The commission may make the loan only for the interest
25 due in the first, second and third years after the completion
26 of the building as determined by the commission. The
27 commission shall not loan more than twenty thousand dollars
28 in a year for payment of the interest of a loan for the
29 construction of any one building. The commission may agree
30 to loan only those funds which are in the building loan fund
31 or those funds which are scheduled to be paid into the fund
32 under section five (5) of this Act before they are to be
33 loaned under the agreement.

34 3. To be eligible for the loans, the local development
35 corporation must secure the agreement of the commission to

1 make the loan for the second year after completion before
2 commencing construction of the building.

3 4. Interest shall not be charged on the loans made by
4 the commission.

5 5. The commission may attach conditions to the granting
6 of the loan as it seems desirable. The attorney general shall
7 assist the commission in drafting loan agreements and in
8 collecting on the loan agreement.

9 Sec. 5. NEW SECTION. REPAYMENT.

10 1. The amounts loaned to a local development corporation
11 by the commission shall be repaid in full to the commission
12 when any of the following occurs:

13 a. The local development corporation sells the building.

14 b. The local development corporation leases the building
15 for a period exceeding thirty days.

16 c. The end of the sixth year after completion of the
17 building's construction.

18 2. The local development corporation shall report to the
19 commission the amount of all moneys received from leasing
20 the building for periods of less than thirty days and that
21 amount shall either be deducted from the amounts to be loaned
22 or remitted to the commission as the commission determines.

23 3. All funds received by the commission under this section
24 shall be credited to the building loan fund.

25 Sec. 6. NEW SECTION. LOCAL DEVELOPMENT CORPORATION.

26 To be eligible to receive a loan under the provisions of
27 sections two (2) through six (6) of this Act a local
28 development corporation must be a nonprofit corporation
29 organized under chapter five hundred four A (504A) of the
30 Code which has a minimum of twenty-five members and in which
31 at least seventy-five percent of the ownership or control
32 of the corporation is held by persons residing or doing
33 business in the community.

34 Sec. 7. Section twenty-eight point seven (28.7), Code
35 1979, is amended by adding the following new subsection:

1 NEW SUBSECTION. Adopt rules for the implementation of
2 sections two (2) through five (5) of this Act.

3 Sec. 8. There is appropriated from the general fund of
4 the state to the Iowa development commission for deposit in
5 the building loan fund the amount of one hundred thousand
6 (100,000) dollars. Section eight point thirty-three (8.33)
7 of the Code shall not apply to this appropriation.

8 Sec. 9. This Act, being deemed of immediate importance,
9 shall take effect from and after its publication in the
10 Urbandale News, a newspaper published in Urbandale, Iowa and
11 in The Waterloo Courier, a newspaper published in Waterloo,
12 Iowa.

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HOUSE AMENDMENT TO SENATE FILE 362

S-3735

1 Amend Senate File 362 as amended, passed and
2 reprinted by the Senate as follows:

- 3 1. Page 2, line 1, by striking the word "second"
- 4 and inserting in lieu thereof the word "first".
- 5 2. Page 2, by inserting after line 4 the following:
- 6 "5. To be eligible for the loans, the local
- 7 development corporation may not construct a building
- 8 which is located in violation of the zoning ordinances
- 9 of a county which has a county zoning commission
- 10 appointed pursuant to chapter three hundred fifty-
- 11 eight (358A) of the Code, or which is located beyond
- 12 the limits to which a city has extended its zoning
- 13 ordinances pursuant to section four hundred fourteen
- 14 point twenty-three (414.23) of the Code."
- 15 3. Page 2, line 5, by striking the figure "5"
- 16 and inserting in lieu thereof the figure "6".
- 17 4. Page 3, by striking lines 8 through 12.

S-3735 FILED
MAY 8, 1979

RECEIVED FROM THE HOUSE

*Senate referred to committee 5/4 (p. 1608)
House Resolved 5/4 (p. 2219)*

SENATE FILE 362

H-4279

- 1 Amend Senate File 362 as amended, passed and reprinted
- 2 by the Senate as follows:
- 3 1. Page 2, line 1, by striking the word "second" and
- 4 inserting in lieu thereof the word "first".

H-4279 FILED *Adopted 5/7 (p. 2114)* BY COMMITTEE ON APPROPRIATIONS
MAY 4, 1979 Welden, Chairperson

SENATE FILE 362

H-4281

- 1 Amend Senate File 362, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, by striking lines 8 through 12.

H-4281 FILED *Adopted 5/7 (p. 2114)* BY WELDEN of Hardin
MAY 4, 1979

SENATE FILE 362

H-4301

- 1 Amend Senate File 362 as follows:
- 2 1. Page 2, by inserting after line 4 the
- 3 following:
- 4 "5. To be eligible for the loans, the local
- 5 development corporation may not construct a building
- 6 which is located in violation of the zoning ordinances
- 7 of a county which has a county zoning commission
- 8 appointed pursuant to chapter three hundred fifty-
- 9 eight A (358A) of the Code, or which is located beyond
- 10 the limits to which a city has extended its zoning
- 11 ordinances pursuant to section four hundred fourteen
- 12 point twenty-three (414.23) of the Code."
- 13 2. Page 2, line 5, by striking the figure "5"
- 14 and inserting in lieu thereof the figure "6".

H-4301 FILED *Adopted 5/7 (p. 2115)* BY PERKINS of Greene
MAY 7, 1979

SENATE FILE 362

AN ACT

TO AUTHORIZE THE IOWA DEVELOPMENT COMMISSION TO MAKE LOANS
TO LOCAL DEVELOPMENT CORPORATIONS FOR CERTAIN PROJECTS
AND MAKING AN APPROPRIATION.

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

Section 1. Chapter twenty-eight (28), Code 1979, is amended
by adding sections two (2) through six (6) of this Act.

Sec. 2. NEW SECTION. INTENT. The intent of this Act
is to provide assistance to local development corporations
formed by public-spirited citizens interested in the economic
growth of their community in financing the construction of
buildings to attract business or industry to their community.

Sec. 3. NEW SECTION. BUILDING LOAN FUND. A building
loan fund is established under the control of the commission.
The commission may make loans from the building loan fund

to local development corporations for the payment of interest
on loans made to the local development corporation for the
construction of a building as provided in sections two (2)
through six (6) of this Act and the rules of the commission.

Sec. 4. NEW SECTION. LOANS.

1. The commission may make a loan to a local development
corporation only for the payment of all or part of the amount
of interest of a loan made to a local development corporation
which is attributable to the cost of construction of a
building. The cost of construction does not include the costs
of land acquisition, site preparation, railroad extensions,
parking, roads, utility extensions or other work which is
not the construction of the building.

2. The commission may make the loan only for the interest
due in the first, second and third years after the completion
of the building as determined by the commission. The
commission shall not loan more than twenty thousand dollars
in a year for payment of the interest of a loan for the
construction of any one building. The commission may agree
to loan only those funds which are in the building loan fund
or those funds which are scheduled to be paid into the fund
under section five (5) of this Act before they are to be
loaned under the agreement.

3. To be eligible for the loans, the local development
corporation must secure the agreement of the commission to
make the loan for the second year after completion before
commencing construction of the building.

4. Interest shall not be charged on the loans made by
the commission.

5. The commission may attach conditions to the granting
of the loan as it deems desirable. The attorney general shall
assist the commission in drafting loan agreements and in
collecting on the loan agreement.

Sec. 5. NEW SECTION. REPAYMENT.

1. The amounts loaned to a local development corporation by the commission shall be repaid in full to the commission when any of the following occurs:

- a. The local development corporation sells the building.
- b. The local development corporation leases the building for a period exceeding thirty days.
- c. The end of the sixth year after completion of the building's construction.

2. The local development corporation shall report to the commission the amount of all moneys received from leasing the building for periods of less than thirty days and that amount shall either be deducted from the amounts to be loaned or remitted to the commission as the commission determines.

3. All funds received by the commission under this section shall be credited to the building loan fund.

Sec. 6. NEW SECTION. LOCAL DEVELOPMENT CORPORATION. To be eligible to receive a loan under the provisions of sections two (2) through six (6) of this Act, a local development corporation must be a nonprofit corporation organized under chapter five hundred four A (504A) of the Code which has a minimum of twenty-five members and in which at least seventy-five percent of the ownership or control of the corporation is held by persons residing or doing business in the community.

Sec. 7. Section twenty-eight point seven (28.7), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. Adopt rules for the implementation of sections two (2) through five (5) of this Act.

Sec. 8. There is appropriated from the general fund of the state to the Iowa development commission for deposit in the building loan fund the amount of one hundred thousand (100,000) dollars. Section eight point thirty-three (8.33) of the Code shall not apply to this appropriation.

Sec. 9. This Act, being deemed of immediate importance, shall take effect from and after its publication in the

Urbandale News, a newspaper published in Urbandale, Iowa and in The Waterloo Courier, a newspaper published in Waterloo, Iowa.

TERRY E. BRANSTAD
President of the Senate

FLOYD H. MILLEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 362, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved June 8, 1979

ROBERT D. RAY
Governor