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FILED MAR 27 1987

SENATE FILE 499
BY COMMITTEE ON WAYS AND MEANS
(formerly SSB 196)
Approved (p. 95-x)

Passed Senate, Date 4-20-87 (p. 1383) Passed House, Date 4/30/87 (p. 1765)
Vote: Ayes 47 Nays 0 Vote: Ayes 94 Nays 0
Approved May 13, 1987

A BILL FOR

1 An Act relating to the federal low-income housing credit by
2 providing for its allocation and designating the Iowa finance
3 authority as the housing credit agency.

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

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667-75

1 Section 1. Section 220.1, unnumbered paragraph 2, Code
2 1987, is amended to read as follows:

3 The authority shall establish by rule further definitions
4 applicable to this chapter, and clarification of the
5 definitions in this section, as necessary to assure
6 eligibility for funds available under federal housing laws, or
7 to assure complying with federal tax laws relating to the
8 issuance of tax exempt mortgage subsidy bonds pursuant to
9 section 103A of the Internal Revenue Code, as defined in
10 section 422.3, or relating to the issuance of tax exempt
11 residential rental property bonds for qualified residential
12 housing under section 103 of the Internal Revenue Code or
13 relating to the allocation of low-income housing credits under
14 section 42 of the Internal Revenue Code.

15 Sec. 2. Section 220.1, Code 1987, is amended by adding the
16 following new subsections:

17 NEW SUBSECTION. 36. "State housing credit ceiling" means
18 the state housing credit ceiling as defined in section
19 42(h)(3)(C) of the Internal Revenue Code.

20 NEW SUBSECTION. 37. "Low-income housing credit" means the
21 low-income housing credit as defined in section 42(a) of the
22 Internal Revenue Code.

23 Sec. 3. NEW SECTION. 220.46 STATE HOUSING CREDIT CEILING
24 ALLOCATION.

25 1. The Iowa finance authority is designated the housing
26 credit agency for the allocation of low-income housing credit
27 under the state housing credit ceiling.

28 2. The authority shall provide for allocation procedures
29 that will ensure the maximum use of available tax credits in
30 order to encourage development of low-income housing in the
31 state, taking into consideration the timeliness of the appli-
32 cation, the location of the proposed housing project, the
33 relative need in the area for low-income housing and the
34 availability of such housing, the economic feasibility of the
35 project, and the ability of the applicant to proceed to

1 completion of the project in the calendar year for which the
2 credit is sought. The authority shall adopt rules specifying
3 the procedures for making applications and the allocation of
4 low-income housing credits under the state housing credit
5 ceiling.

6 3. The authority shall not allot more than ninety percent
7 of the low-income housing credits under the state housing
8 credit ceiling to projects other than qualified low-income
9 housing projects as defined in section 42(h)(5) of the
10 Internal Revenue Code.

11 EXPLANATION

12 This bill designates the Iowa finance authority as the
13 housing credit agency of the state for the allocation of low-
14 income housing credits established by the Tax Reform Act of
15 1986. The low-income housing credits are to be allocated to
16 qualified applicants in accordance with rules developed by the
17 authority. Not more than ninety percent of the low-income
18 housing credits may be allocated to projects other than
19 qualified low-income housing projects.

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SENATE FILE 499

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1 Amend Senate File 499 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 220.1, Code 1987, is amended
5 by adding the following new subsections:

6 NEW SUBSECTION. 36. "State housing credit
7 ceiling" means the state housing credit ceiling as
8 defined in I.R.C. § 42(h)(3)(C).

9 NEW SUBSECTION. 37. "Low-income housing credit"
10 means the low-income housing credit as defined in
11 I.R.C. § 42(a).

12 Sec. 2. Section 220.1, unnumbered paragraph 2,
13 Code 1987, is amended by striking the paragraph and
14 inserting in lieu thereof the following:

15 The authority shall establish by rule further
16 definitions applicable to this chapter, and
17 clarification of the definitions in this section, as
18 necessary to assure eligibility for funds available
19 under federal housing laws, or to assure compliance
20 with federal tax laws relating to the issuance of tax
21 exempt mortgage subsidy bonds pursuant to I.R.C. §
22 103A, or relating to the issuance of tax exempt
23 residential rental property bonds for qualified
24 residential housing under I.R.C. § 103, or relating to
25 the allowance of low-income credits under I.R.C. § 42.

26 Sec. 3. NEW SECTION. 220.52 STATE HOUSING CREDIT
27 CEILING ALLOCATION.

28 1. The authority is designated the housing credit
29 agency for the allowance of low-income housing credit
30 under the state housing credit ceiling.

31 2. The authority shall adopt rules and allocation
32 procedures which will ensure the maximum use of
33 available tax credits in order to encourage
34 development of low-income housing in the state. The
35 authority shall consider the following factors in the
36 adoption and application of the allocation rules:

37 a. Timeliness of the application.

38 b. Location of the proposed housing project.

39 c. Relative need in the proposed area for low-
40 income housing.

41 d. Availability of low-income housing in the
42 proposed area.

43 e. Economic feasibility of the proposed project.

44 f. Ability of the applicant to proceed to
45 completion of the project in the calendar year for
46 which the credit is sought.

47 The authority shall adopt rules specifying the
48 application procedure and the allowance of low-income
49 housing credits under the state housing credit
50 ceiling.

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1 3. The authority shall not allow more than ninety
2 percent of the low-income housing credits under the
3 state housing credit ceiling to projects other than
4 qualified low-income housing projects as defined in
5 I.R.C. § 42(h)(5)(B)."

6 2. Title page, lines 1 through 3, by striking the
7 words "by providing for its allocation and designating
8 the Iowa finance authority as the housing credit
9 agency" and inserting the following: "allowance".

S-3529

Filed April 13, 1987

BY CHARLES BRUNER

Adopted 4/20/87 (p. 1383)

SENATE FILE 499

30

Amend Senate File 499 as follows:

1. By striking everything after the enacting clause and inserting the following:

"Section 1. Section 220.1, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 36. "State housing credit ceiling" means the state housing credit ceiling as defined in I.R.C. § 42(h)(3)(C).

NEW SUBSECTION. 37. "Low-income housing credit" means the low-income housing credit as defined in I.R.C. § 42(a).

Sec. 2. Section 220.1, unnumbered paragraph 2, Code 1987, is amended by striking the paragraph and inserting in lieu thereof the following:

The authority shall establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as necessary to assure eligibility for funds available under federal housing laws, or to assure compliance with federal tax laws relating to the issuance of tax exempt mortgage subsidy bonds pursuant to I.R.C. § 103A, or relating to the issuance of tax exempt residential rental property bonds for qualified residential housing under I.R.C. § 103, or relating to the allowance of low-income credits under I.R.C. § 42.

Sec. 3. NEW SECTION. 220.52 STATE HOUSING CREDIT CEILING ALLOCATION.

1. The authority is designated the housing credit agency for the allowance of low-income housing credit under the state housing credit ceiling.

2. The authority shall adopt rules and allocation procedures which will ensure the maximum use of available tax credits in order to encourage development of low-income housing in the state. The authority shall consider the following factors in the adoption and application of the allocation rules:

- a. Timeliness of the application.
- b. Location of the proposed housing project.
- c. Relative need in the proposed area for low-income housing.
- d. Availability of low-income housing in the proposed area.
- e. Economic feasibility of the proposed project.
- f. Ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

The authority shall adopt rules specifying the application procedure and the allowance of low-income housing credits under the state housing credit ceiling.

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1 3. The authority shall not allow more than ninety
2 percent of the low-income housing credits under the
3 state housing credit ceiling to projects other than
4 qualified low-income housing projects as defined in
5 I.R.C. § 42(g)."

6 2. Title page, lines 1 through 3, by striking the
7 words "by providing for its allocation and designating
8 the Iowa finance authority as the housing credit
9 agency" and inserting the following: "allowance".

S-3430

Filed April 6, 1987

7/25 4/20 (p. 1383)

BY CHARLES BRUNER

Sen. Ray Wilson 4/21/87 Re Pass 4/25 (p. 1751)

SENATE FILE 499
BY COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE APRIL 20, 1987)

ALL New Language by the Senate

Passed Senate, Date 4/20/87 (p. 1383) Passed House, Date 4/30/87 (p. 1765)
Vote: Ayes 47 Nays 0 Vote: Ayes 94 Nays 0
Approved May 13, 1987

A BILL FOR

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17 I.R.C. § 103A, or relating to the issuance of tax exempt
18 residential rental property bonds for qualified residential
19 housing under I.R.C. § 103, or relating to the allowance of
20 low-income credits under I.R.C. § 42.

21 Sec. 3. NEW SECTION. 220.52 STATE HOUSING CREDIT CEILING
22 ALLOCATION.

23 1. The authority is designated the housing credit agency
24 for the allowance of low-income housing credit under the state
25 housing credit ceiling.

26 2. The authority shall adopt rules and allocation
27 procedures which will ensure the maximum use of available tax
28 credits in order to encourage development of low-income
29 housing in the state. The authority shall consider the
30 following factors in the adoption and application of the
31 allocation rules:

- 32 a. Timeliness of the application.
- 33 b. Location of the proposed housing project.
- 34 c. Relative need in the proposed area for low-income
- 35 housing.

1 d. Availability of low-income housing in the proposed
2 area.

3 e. Economic feasibility of the proposed project.

4 f. Ability of the applicant to proceed to completion of
5 the project in the calendar year for which the credit is
6 sought.

7 The authority shall adopt rules specifying the application
8 procedure and the allowance of low-income housing credits
9 under the state housing credit ceiling.

10 3. The authority shall not allow more than ninety percent
11 of the low-income housing credits under the state housing
12 credit ceiling to projects other than qualified low-income
13 housing projects as defined in I.R.C. § 42(h)(5)(B).

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SS B # 196
ways & means

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

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2 providing for its allocation and designating the Iowa finance
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SUB COMMITTEE ASSIGNMENTS

CHAIR: *Palmer*

COMMITTEE: *ways & means*

3/13/87

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2 credit is sought. The authority shall adopt rules specifying
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8 credit ceiling to projects other than qualified low-income
9 housing projects as defined in section 42(h)(5) of the
10 Internal Revenue Code.

11 EXPLANATION

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13 housing credit agency of the state for the allocation of low-
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15 1986. The low-income housing credits are to be allocated to
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19 qualified low-income housing projects.

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SENATE FILE 499

AN ACT

RELATING TO THE FEDERAL LOW-INCOME HOUSING CREDIT ALLOWANCE.

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

Section 1. Section 220.1, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 36. "State housing credit ceiling" means the state housing credit ceiling as defined in I.R.C. § 42(h)(3)(C).

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- d. Availability of low-income housing in the proposed area.
- e. Economic feasibility of the proposed project.
- f. Ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

The authority shall adopt rules specifying the application procedure and the allowance of low-income housing credits under the state housing credit ceiling.

3. The authority shall not allow more than ninety percent of the low-income housing credits under the state housing credit ceiling to projects other than qualified low-income housing projects as defined in I.R.C. § 42(h)(5)(B).

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 499, Seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 13, 1987

TERRY E. BRANSTAD
Governor