

Reprinted

FILED FEB 16 1990

SENATE FILE 2369
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2254)

Passed Senate, Date 3/5/90 (p. 860) Passed House, Date _____

Vote: Ayes 48 Nays 0 Vote: Ayes _____ Nays _____

Approved _____

*Motion to reconsider (p. 866) w/d (p. 874)
" prevailed 3/7 (p. 925)*

Opposed Senate 3/7/90 (p. 926) A BILL FOR
49-0

- 1 An Act relating to the historic resource development program.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2369

S-5338

- 1 Amend Senate File 2369 as follows:
- 2 1. Page 2, line 19, by striking the words "Grants
- 3 shall not" and inserting the following: "~~Grants-shall~~
- 4 ~~not~~ Not more than twenty percent of the grant moneys
- 5 shall".

By JEAN LLOYD-JONES
BERL E. PRIEBE

S-5338 FILED MARCH 2, 1990

*Adopted 3/5 (p. 860)
Reconsidered w/d 3/7 (p. 924)*

SF 2369

SENATE FILE 2369

S-5370

- 1 Amend Senate File 2369 as follows:
- 2 1. Page 2, line 19, by striking the words "Grants
- 3 shall not" and inserting the following: "~~Grants-shall~~
- 4 ~~not~~ Not more than twenty percent of the total grant
- 5 moneys combined shall".

By JEAN LLOYD-JONES
BERL E. PRIEBE

S-5370 FILED MARCH 6, 1990

Adopted 3/7 (p. 925)

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1 Section 1. Section 303.2, subsection 2, Code 1989, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. j. Administer the historical resource
4 development program established in section 303.16.

5 Sec. 2. Section 303.16, subsections 1 and 2, Code
6 Supplement 1989, are amended to read as follows:

7 1. The department historical division shall administer a
8 program of grants and loans for historical resource
9 development throughout the state, subject to funds for such
10 grants and loans being made available through the
11 appropriations process or otherwise provided by law.

12 2. The purpose of the historical resource development
13 program is to preserve, conserve, interpret, and enhance
14 historical resources that will encourage and support the
15 economic and cultural health and development of the state and
16 the communities in which the resources are located. For this
17 purpose, the department division may make grants and loans as
18 otherwise provided by law with funds as may be made available
19 by applicable law.

20 Sec. 3. Section 303.16, subsection 3, paragraph a, Code
21 Supplement 1989, is amended to read as follows:

22 a. County and city governments that are certified local
23 governments by the state historic preservation officer, and
24 agencies of certified local governments.

25 Sec. 4. Section 303.16, subsection 4, Code Supplement
26 1989, is amended to read as follows:

27 4. Grants and loans may be made for the following
28 ~~categories of~~ purposes:

- 29 a. Acquisition and development of historical properties
- 30 resources.
- 31 b. Preservation and conservation of historical properties
- 32 resources.
- 33 c. Interpretation of historical resources.

34 ~~Not less than twenty percent nor more than fifty percent of~~
35 ~~the funds in a single grant cycle shall be allocated to any~~

1 one-category-

2 d. Professional training and educational programs on the
3 acquisition, development, preservation, conservation, and
4 interpretation of historical resources.

5 Sec. 5. Section 303.16, Code Supplement 1989, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 4A. Grants and loans shall be awarded in
8 each of the following categories:

- 9 a. Museums.
- 10 b. Documentary collections.
- 11 c. Historic preservation.

12 Not less than twenty percent and not more than sixty
13 percent of the program's funds appropriated in one fiscal year
14 shall be allocated to any single category.

15 Sec. 6. Section 303.16, subsection 5, Code Supplement
16 1989, is amended to read as follows:

17 5. Grants and loans are subject to the following
18 restrictions:

19 a. Grants shall not be given to or received by any state
20 agency, institution or its representative or agent.

21 b. Grants or loan funds shall not be used to support
22 operating expenses or programs as defined by the department's
23 division's rules.

24 c. Grant or loan funds shall not be used to support
25 publications, public relations, or marketing expenses.

26 ~~d.--Grant-or-loan-funds-shall-not-support-or-partially~~
27 ~~support-salaries-or-benefits-of-anyone-employed-directly-by~~
28 ~~the-recipient.--This-restriction-goes-not-prohibit-the~~
29 ~~recipient-from-contracting-with-individuals-for-specific-work~~
30 ~~of-limited-duration-under-federal-income-tax-revenue-service~~
31 ~~guidelines-for-contract-work.~~

32 e. d. Not more than one hundred thousand dollars or twenty
33 percent of the annual appropriation, whichever is more, shall
34 be granted and loaned to recipients within any a single county
35 in any given grant cycle.

1 f e. Not more than one hundred thousand dollars or ten
2 percent of the annual appropriation, whichever is more, may
3 shall be granted or and loaned to any single recipient or its
4 agent within a single fiscal year.

5 g f. Grants or loans under this program may be given only
6 after review and recommendation by the state historical
7 society board of trustees. The division may contract with
8 lending institutions chartered in this state to act as agents
9 for the administration of loans under the program, in which
10 case, the lending institution may have the right of final
11 approval of loans, subject to the division's administrative
12 rules. If the division does not contract with a lending
13 institution, loans may be made only after review and
14 recommendation by the state historical society board of
15 trustees.

16 h. ~~All grant or loan funds must be expended by employing~~
17 ~~individuals or businesses located within the state of Iowa.~~

18 g. The division shall not award grants or loans to be used
19 for goods or services obtained outside the state, unless the
20 proposed recipient demonstrates that it is neither feasible
21 nor prudent to obtain the goods or services within the state.

22 Sec. 7. Section 303.16, subsection 7, Code Supplement
23 1989, is amended to read as follows:

24 7. The department division may use ten percent of the
25 amount appropriated to the department annual appropriation to
26 the division, but in no event more than seventy-five thousand
27 dollars for administration of the grant and loan program.

28 Sec. 8. Section 303.16, subsection 8, Code Supplement
29 1989, is amended to read as follows:

30 8. a. The department division may establish a historical
31 resource grant and loan fund composed of any money
32 appropriated by the general assembly for that purpose, funds
33 allocated pursuant to section 455A.19, and of any other moneys
34 available to and obtained or accepted by the department
35 division from the federal government or private sources for

1 placement in that fund. Each loan made under this section
2 shall be for a period not to exceed ten years, shall bear
3 interest at a rate determined by the state historical board,
4 and shall be repayable to the revolving loan fund in equal
5 yearly installments due March 1 of each year the loan is in
6 effect. The interest rate upon loans for which payment is
7 delinquent shall accelerate immediately to the current legal
8 usury limit. Applicants are eligible for not more than one
9 hundred thousand dollars in loans outstanding at any time
10 under this program. A single lending institution contracting
11 with the division pursuant to this section shall not hold more
12 than five hundred thousand dollars worth of outstanding loans
13 under the program.

14 b. The department division may:

15 (1) ~~Contract, sue and be sued,~~ and promulgate adopt
16 administrative rules necessary to carry out the provisions of
17 this section, but the department division shall not in any
18 manner directly or indirectly pledge the credit of the state
19 of Iowa.

20 (2) Authorize payment from the historical resource grant
21 and loan fund, from fees and from any income received by
22 investments of money in the fund for costs, commissions,
23 attorney fees and other reasonable expenses related to and
24 necessary for making and protecting direct loans under this
25 section, and for the recovery of moneys loaned or the
26 management of property acquired in connection with such loans.

27 EXPLANATION

28 The bill makes several changes to the historic resource
29 development program. The bill expressly states that the
30 program is within the responsibilities of the historical
31 division of the department of cultural affairs. The bill
32 changes some references from the department to the division.

33 The bill further specifies that one of the purposes of the
34 program is to encourage and support the cultural health and
35 development of the state. The bill provides that agencies of

1 certified local governments may participate in the program.

2 The bill states that grants and loans are available for the
3 acquisition, development, preservation, and conservation of
4 all historical resources, rather than just historical
5 properties. The bill further provides that program funds may
6 be expended for the purpose of professional training and
7 educational programs.

8 The bill modifies the restrictions on allocations for the
9 program. Whereas under current law, the program cannot
10 allocate less than 20 percent nor more than 50 percent of the
11 funds to any single category of purposes, the bill establishes
12 new categories of projects eligible for funds, consisting of
13 museums, documentary collections, and historic preservations.
14 The bill then requires that not less than 20 percent nor more
15 than 60 percent of the program's funds shall be allocated to a
16 single category.

17 The bill makes additional changes to restrictions on grants
18 and loans under the program. The bill permits grant and loan
19 funds to be used to support publications and salaries and
20 benefits for employees of recipients, which are not permitted
21 under current law. The bill applies the limitation concerning
22 grants to recipients within a single county to both grants and
23 loans. Under current law, not more than \$100,000 or 20
24 percent of the annual appropriation, whichever is more, can be
25 granted to a recipient within a single county. The bill
26 applies this restriction to grants and loans combined. The
27 bill makes additional modifications concerning restrictions on
28 funds.

29 The bill provides that the division may contract with in-
30 state lending institutions to administer program loans, and
31 states that such institutions may have the right of final
32 approval on such loans, subject to the division's
33 administrative rules. Thus, when the division contracts with
34 these lending institutions, such loans are not subject to
35 review and recommendation by the state historical society

1 board of trustees. All other loans and grants in the program
2 are subject to the board's review and recommendation.

3 The bill changes the restriction under current law which
4 prohibits funds to be expended by employing individuals or
5 businesses out of state. The bill provides that the division
6 may award grants or loans to be used for goods or services
7 outside the state, if the recipient demonstrates that it is
8 neither feasible nor prudent to obtain the goods or services
9 within the state.

10 The bill alters the limitation on funds that may be used
11 for the program. Under current law, the department may use 10
12 percent of its annual appropriation, but no more than \$75,000,
13 for administration of the program. The bill provides that the
14 division may use 10 percent of its appropriation, but no more
15 than \$75,000, for administration of the program.

16 The bill provides that no single lending institution shall
17 hold more than \$500,000 worth of outstanding program loans.

18 The bill deletes the department's authority to sue or be
19 sued in carrying out the program.

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6 Supplement 1989, are amended to read as follows:

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8 program of grants and loans for historical resource
9 development throughout the state, subject to funds for such
10 grants and loans being made available through the
11 appropriations process or otherwise provided by law.

12 2. The purpose of the historical resource development
13 program is to preserve, conserve, interpret, and enhance
14 historical resources that will encourage and support the
15 economic and cultural health and development of the state and
16 the communities in which the resources are located. For this
17 purpose, the department division may make grants and loans as
18 otherwise provided by law with funds as may be made available
19 by applicable law.

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27 4. Grants and loans may be made for the following
28 ~~categories-of~~ purposes:

29 a. Acquisition and development of historical properties
30 resources.

31 b. Preservation and conservation of historical properties
32 resources.

33 c. Interpretation of historical resources.

34 ~~Not-less-than-twenty-percent-nor-more-than-fifty-percent-of~~
35 ~~the-funds-in-a-single-grant-cycle-shall-be-allocated-to-any~~

1 one-category-

2 d. Professional training and educational programs on the
3 acquisition, development, preservation, conservation, and
4 interpretation of historical resources.

5 Sec. 5. Section 303.16, Code Supplement 1989, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 4A. Grants and loans shall be awarded in
8 each of the following categories:

9 a. Museums.

10 b. Documentary collections.

11 c. Historic preservation.

12 Not less than twenty percent and not more than sixty
13 percent of the program's funds appropriated in one fiscal year
14 shall be allocated to any single category.

15 Sec. 6. Section 303.16, subsection 5, Code Supplement
16 1989, is amended to read as follows:

17 5. Grants and loans are subject to the following
18 restrictions:

19 ~~a. Grants shall not~~ Not more than twenty percent of the
20 total grant moneys combined shall be given to or received by
21 any state agency, institution or its representative or agent.

22 b. Grants or loan funds shall not be used to support
23 operating expenses or programs as defined by the department's
24 division's rules.

25 c. Grant or loan funds shall not be used to support
26 ~~publications,~~ public relations, or marketing expenses.

27 ~~d. Grant or loan funds shall not support or partially~~
28 ~~support salaries or benefits of anyone employed directly by~~
29 ~~the recipient. This restriction does not prohibit the~~
30 ~~recipient from contracting with individuals for specific work~~
31 ~~of limited duration, under federal internal revenue service~~
32 ~~guidelines for contract work.~~

33 e d. Not more than one hundred thousand dollars or twenty
34 percent of the annual appropriation, whichever is more, shall
35 be granted and loaned to recipients within any a single county

1 in any given grant cycle.

2 f e. Not more than one hundred thousand dollars or ten
3 percent of the annual appropriation, whichever is more, may
4 shall be granted or and loaned to any single recipient or its
5 agent within a single fiscal year.

6 g f. Grants ~~or-loans~~ under this program may be given only
7 after review and recommendation by the state historical
8 society board of trustees. The division may contract with
9 lending institutions chartered in this state to act as agents
10 for the administration of loans under the program, in which
11 case, the lending institution may have the right of final
12 approval of loans, subject to the division's administrative
13 rules. If the division does not contract with a lending
14 institution, loans may be made only after review and
15 recommendation by the state historical society board of
16 trustees.

17 ~~h.--All-grant-or-loan-funds-must-be-expended-by-employing~~
18 ~~individuals-or-businesses-located-within-the-state-of-Iowa.~~

19 g. The division shall not award grants or loans to be used
20 for goods or services obtained outside the state, unless the
21 proposed recipient demonstrates that it is neither feasible
22 nor prudent to obtain the goods or services within the state.

23 Sec. 7. Section 303.16, subsection 7, Code Supplement
24 1989, is amended to read as follows:

25 7. The department division may use ten percent of the
26 ~~amount-appropriated-to-the-department~~ annual appropriation to
27 the division, but in no event more than seventy-five thousand
28 dollars for administration of the grant and loan program.

29 Sec. 8. Section 303.16, subsection 8, Code Supplement
30 1989, is amended to read as follows:

31 8. a. The department division may establish a historical
32 resource grant and loan fund composed of any money
33 appropriated by the general assembly for that purpose, funds
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1 division from the federal government or private sources for
2 placement in that fund. Each loan made under this section
3 shall be for a period not to exceed ten years, shall bear
4 interest at a rate determined by the state historical board,
5 and shall be repayable to the revolving loan fund in equal
6 yearly installments due March 1 of each year the loan is in
7 effect. The interest rate upon loans for which payment is
8 delinquent shall accelerate immediately to the current legal
9 usury limit. Applicants are eligible for not more than one
10 hundred thousand dollars in loans outstanding at any time
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12 with the division pursuant to this section shall not hold more
13 than five hundred thousand dollars worth of outstanding loans
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15 b. The department division may:

16 (1) ~~Contract, sue and be sued,~~ and promulgate adopt
17 administrative rules necessary to carry out the provisions of
18 this section, but the department division shall not in any
19 manner directly or indirectly pledge the credit of the state
20 of Iowa.

21 (2) Authorize payment from the historical resource grant
22 and loan fund, from fees and from any income received by
23 investments of money in the fund for costs, commissions,
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25 necessary for making and protecting direct loans under this
26 section, and for the recovery of moneys loaned or the
27 management of property acquired in connection with such loans.

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SSB 3254

STATE GOVERNMENT

LLOYD-JONES, CH.
GENTLEMAN
DIELEMAN

SENATE FILE 2369
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON KIBBIE)

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

A BILL FOR

1 An Act relating to the historic resource development program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2 amended by adding the following new paragraph:

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13 program is to preserve, conserve, interpret, and enhance
14 historical resources that will encourage and support the
15 economic and cultural health and development of the state and
16 the communities in which the resources are located. For this
17 purpose, the department division may make grants and loans as
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27 4. Grants and loans may be made for the following
28 ~~categories-of~~ purposes:

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30 resources.

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32 resources.

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34 ~~Not-less-than-twenty-percent-nor-more-than-fifty-percent-of~~
35 ~~the-funds-in-a-single-grant-cycle-shall-be-allocated-to-any~~

1 one-category:

2 d. Professional training and educational programs on the
3 acquisition, development, preservation, conservation, and
4 interpretation of historical resources.

5 Sec. 5. Section 303.16, Code Supplement 1989, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 4A. Grants and loans shall be awarded in
8 each of the following categories:

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12 Not less than twenty percent and not more than sixty
13 percent of the program's funds appropriated in one fiscal year
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15 Sec. 6. Section 303.16, subsection 5, Code Supplement
16 1989, is amended to read as follows:

17 5. Grants and loans are subject to the following
18 restrictions:

19 ~~a. Grants shall not be given to or received by any state~~
20 ~~agency, institution or its representative or agent.~~

21 b a. Grants or loan funds shall not be used to support
22 operating expenses or programs as defined by the department's
23 division's rules.

24 e b. Grant or loan funds shall not be used to support
25 publications, public relations, or marketing expenses.

26 ~~d. Grant or loan funds shall not support or partially~~
27 ~~support salaries or benefits of anyone employed directly by~~
28 ~~the recipient. This restriction does not prohibit the~~
29 ~~recipient from contracting with individuals for specific work~~
30 ~~of limited duration, under federal internal revenue service~~
31 ~~guidelines for contract work.~~

32 e c. Not more than one hundred thousand dollars or twenty
33 percent of the annual appropriation, whichever is more, shall
34 be granted and loaned to recipients within any a single county
35 in any given grant cycle.

1 f d. Not more than one hundred thousand dollars or ten
2 percent of the annual appropriation, whichever is more, may
3 shall be granted or and loaned to any single recipient or its
4 agent within a single fiscal year.

5 g e. Grants ~~or loans~~ under this program may be given only
6 after review and recommendation by the state historical
7 society board of trustees. The division may contract with
8 lending institutions chartered in this state to act as agents
9 for the administration of loans under the program, in which
10 case, the lending institution may have the right of final
11 approval of loans, subject to the division's administrative
12 rules. If the division does not contract with a lending
13 institution, loans may be made only after review and
14 recommendation by the state historical society board of
15 trustees.

16 ~~h. All grant or loan funds must be expended by employing~~
17 ~~individuals or businesses located within the state of Iowa.~~

18 f. The division shall not award grants or loans to be used
19 for goods or services obtained outside the state, unless the
20 proposed recipient demonstrates that it is neither feasible
21 nor prudent to obtain the goods or services within the state.

22 Sec. 7. Section 303.16, subsection 6, paragraph a, Code
23 Supplement 1989, is amended to read as follows:

24 a. For county and city governments, state agencies, and
25 nonprofit corporations, fifty cents of which at least twenty-
26 five cents must be in cash.

27 Sec. 8. Section 303.16, subsection 7, Code Supplement
28 1989, is amended to read as follows:

29 7. The department division may use ten percent of the
30 ~~amount appropriated to the department~~ annual appropriation to
31 the division, but in no event more than seventy-five thousand
32 dollars for administration of the grant and loan program.

33 Sec. 9. Section 303.16, subsection 8, Code Supplement
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35 8. a. The department division may establish a historical

1 resource grant and loan fund composed of any money
2 appropriated by the general assembly for that purpose, funds
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4 available to and obtained or accepted by the department
5 division from the federal government or private sources for
6 placement in that fund. Each loan made under this section
7 shall be for a period not to exceed ten years, shall bear
8 interest at a rate determined by the state historical board,
9 and shall be repayable to the revolving loan fund in equal
10 yearly installments due March 1 of each year the loan is in
11 effect. The interest rate upon loans for which payment is
12 delinquent shall accelerate immediately to the current legal
13 usury limit. Applicants are eligible for not more than one
14 hundred thousand dollars in loans outstanding at any time
15 under this program. A single lending institution contracting
16 with the division pursuant to this section shall not hold more
17 than five hundred thousand dollars worth of outstanding loans
18 under the program.

19 b. The department division may:

20 (1) ~~Contract, sue and be sued,~~ and promulgate adopt
21 administrative rules necessary to carry out the provisions of
22 this section, but the department division shall not in any
23 manner directly or indirectly pledge the credit of the state
24 of Iowa.

25 (2) Authorize payment from the historical resource grant
26 and loan fund, from fees and from any income received by
27 investments of money in the fund for costs, commissions,
28 attorney fees and other reasonable expenses related to and
29 necessary for making and protecting direct loans under this
30 section, and for the recovery of moneys loaned or the
31 management of property acquired in connection with such loans.

32 EXPLANATION

33 The bill makes several changes to the historic resource
34 development program. The bill expressly states that the
35 program is within the responsibilities of the historical

1 division of the department of cultural affairs. The bill
2 changes some references from the department to the division.

3 The bill further specifies that one of the purposes of the
4 program is to encourage and support the cultural health and
5 development of the state. The bill provides that agencies of
6 certified local governments may participate in the program.

7 The bill states that grants and loans are available for the
8 acquisition, development, preservation, and conservation of
9 all historical resources, rather than just historical
10 properties. The bill further provides that program funds may
11 be expended for the purpose of professional training and
12 educational programs.

13 The bill modifies the restrictions on allocations for the
14 program. Whereas under current law, the program cannot
15 allocate less than 20 percent nor more than 50 percent of the
16 funds to any single category of purposes, the bill establishes
17 new categories of projects eligible for funds, consisting of
18 museums, documentary collections, and historic preservations.
19 The bill then requires that not less than 20 percent nor more
20 than 60 percent of the program's funds shall be allocated to a
21 single category.

22 The bill makes additional changes to restrictions on grants
23 and loans under the program. The bill eliminates the
24 prohibition against awarding grants to state agencies. The
25 bill permits grant and loan funds to be used to support
26 publications and salaries and benefits for employees of
27 recipients, which are not permitted under current law. The
28 bill applies the limitation concerning grants to recipients
29 within a single county to both grants and loans. Under
30 current law, not more than \$100,000 or 20 percent of the
31 annual appropriation, whichever is more, can be granted to a
32 recipient within a single county. The bill applies this
33 restriction to grants and loans combined. The bill makes
34 additional modifications concerning restrictions on funds.

35 The bill provides that the division may contract with in-

1 state lending institutions to administer program loans, and
2 states that such institutions may have the right of final
3 approval on such loans, subject to the division's
4 administrative rules. Thus, when the division contracts with
5 these lending institutions, such loans are not subject to
6 review and recommendation by the state historical society
7 board of trustees. All other loans and grants in the program
8 are subject to the board's review and recommendation.

9 The bill changes the restriction under current law which
10 prohibits funds to be expended by employing individuals or
11 businesses out of state. The bill provides that the division
12 may award grants or loans to be used for goods or services
13 outside the state, if the recipient demonstrates that it is
14 neither feasible nor prudent to obtain the goods or services
15 within the state.

16 The bill requires that a state agency must match each
17 dollar granted with fifty cents, at least half of which must
18 be in cash.

19 The bill alters the limitation on funds that may be used
20 for the program. Under current law, the department may use 10
21 percent of its annual appropriation, but no more than \$75,000,
22 for administration of the program. The bill provides that the
23 division may use 10 percent of its appropriation, but no more
24 than \$75,000, for administration of the program.

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26 hold more than \$500,000 worth of outstanding program loans.

27 The bill deletes the department's authority to sue or be
28 sued in carrying out the program.

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SENATE FILE 2369

AN ACT

RELATING TO THE HISTORIC RESOURCE DEVELOPMENT PROGRAM.

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

Section 1. Section 303.2, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. j. Administer the historical resource development program established in section 303.16.

Sec. 2. Section 303.16, subsections 1 and 2, Code Supplement 1989, are amended to read as follows:

1. The department historical division shall administer a program of grants and loans for historical resource development throughout the state, subject to funds for such grants and loans being made available through the appropriations process or otherwise provided by law.

2. The purpose of the historical resource development program is to preserve, conserve, interpret, and enhance historical resources that will encourage and support the economic and cultural health and development of the state and the communities in which the resources are located. For this purpose, the department division may make grants and loans as otherwise provided by law with funds as may be made available by applicable law.

Sec. 3. Section 303.16, subsection 3, paragraph a, Code Supplement 1989, is amended to read as follows:

a. County and city governments that are certified local governments by the state historic preservation officer, and agencies of certified local governments.

Sec. 4. Section 303.16, subsection 4, Code Supplement 1989, is amended to read as follows:

4. Grants and loans may be made for the following categories of purposes:

a. Acquisition and development of historical properties resources.

b. Preservation and conservation of historical properties resources.

c. Interpretation of historical resources.

~~Not less than twenty percent nor more than fifty percent of the funds in a single grant cycle shall be allocated to any one category:~~

d. Professional training and educational programs on the acquisition, development, preservation, conservation, and interpretation of historical resources.

Sec. 5. Section 303.16, Code Supplement 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. Grants and loans shall be awarded in each of the following categories:

a. Museums.

b. Documentary collections.

c. Historic preservation.

Not less than twenty percent and not more than sixty percent of the program's funds appropriated in one fiscal year shall be allocated to any single category.

Sec. 6. Section 303.16, subsection 5, Code Supplement 1989, is amended to read as follows:

5. Grants and loans are subject to the following restrictions:

a. ~~Grants shall not~~ Not more than twenty percent of the total grant moneys combined shall be given to or received by any state agency, institution or its representative or agent.

b. Grants or loan funds shall not be used to support operating expenses or programs as defined by the department's division's rules.

c. Grant or loan funds shall not be used to support publications, public relations, or marketing expenses.

~~d. Grant or loan funds shall not support or partially support salaries or benefits of anyone employed directly by the recipient. This restriction does not prohibit the recipient from contracting with individuals for specific work of limited duration, under federal internal revenue service guidelines for contract work.~~

e. d. Not more than one hundred thousand dollars or twenty percent of the annual appropriation, whichever is more, shall be granted and loaned to recipients within any a single county in any given grant cycle.

f. e. Not more than one hundred thousand dollars or ten percent of the annual appropriation, whichever is more, may shall be granted or and loaned to any single recipient or its agent within a single fiscal year.

g. f. Grants or loans under this program may be given only after review and recommendation by the state historical society board of trustees. The division may contract with lending institutions chartered in this state to act as agents for the administration of loans under the program, in which case, the lending institution may have the right of final approval of loans, subject to the division's administrative rules. If the division does not contract with a lending institution, loans may be made only after review and recommendation by the state historical society board of trustees.

~~h. All grant or loan funds must be expended by employing individuals or businesses located within the state of Iowa.~~

q. The division shall not award grants or loans to be used for goods or services obtained outside the state, unless the proposed recipient demonstrates that it is neither feasible nor prudent to obtain the goods or services within the state.

Sec. 7. Section 303.16, subsection 7, Code Supplement 1989, is amended to read as follows:

7. The department division may use ten percent of the amount appropriated to the department annual appropriation to the division, but in no event more than seventy-five thousand dollars for administration of the grant and loan program.

Sec. 8. Section 303.16, subsection 8, Code Supplement 1989, is amended to read as follows:

8. a. The department division may establish a historical resource grant and loan fund composed of any money appropriated by the general assembly for that purpose, funds allocated pursuant to section 455A.19, and of any other moneys available to and obtained or accepted by the department division from the federal government or private sources for placement in that fund. Each loan made under this section shall be for a period not to exceed ten years, shall bear interest at a rate determined by the state historical board, and shall be repayable to the revolving loan fund in equal yearly installments due March 1 of each year the loan is in effect. The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. Applicants are eligible for not more than one hundred thousand dollars in loans outstanding at any time under this program. A single lending institution contracting with the division pursuant to this section shall not hold more than five hundred thousand dollars worth of outstanding loans under the program.

b. The department division may:

(1) ~~Contract, sue and be sued, and promulgate~~ adopt administrative rules necessary to carry out the provisions of this section, but the department division shall not in any manner directly or indirectly pledge the credit of the state of Iowa.

(2) Authorize payment from the historical resource grant and loan fund, from fees and from any income received by investments of money in the fund for costs, commissions, attorney fees and other reasonable expenses related to and

necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with such loans.

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 2369, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved March 29, 1990

TERRY E. BRANSTAD
Governor