15.281 Destination Iowa fund.

1. For purposes of this section:

a. "Eligible applicant" means a city, county, or not-for-profit organization.

b. "Rural community" means a community that has a population of fewer than twenty thousand persons as determined by the most recent population estimate produced by the United States bureau of census or the most recent decennial census released by the United States bureau of census.

c. "Vertical infrastructure" means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, recreational trails, and water trails. *"Vertical infrastructure"* does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

2. A destination Iowa fund is created in the state treasury under the control of the authority. The fund shall consist of all moneys appropriated to the fund. The board will oversee and administer the destination Iowa fund.

3. Moneys in the destination Iowa fund are appropriated to the authority for purposes of providing grants to eligible applicants for any of the following types of projects:

a. Economically significant projects that increase tourism opportunities.

b. Development and enhancement of outdoor recreational opportunities.

c. Projects that contribute to quality of life in rural communities.

4. Projects must meet all of the following criteria to be eligible for a grant to an eligible applicant from the fund:

a. The project must be primarily vertical infrastructure.

b. The project must be available for year-round use by the public.

c. An eligible applicant must intend to own the property that is the subject of the project upon completion.

5. The board shall prioritize making awards to applicants that have not been awarded money from the destination Iowa fund or other programs intended to support community attraction and tourism projects after July 1, 2018. The board shall prioritize awarding grants to projects that include primarily new construction over projects that primarily renovate or replace existing facilities. The board shall not award a grant in an amount exceeding fifty percent of the total cost of the project.

6. At the beginning of each fiscal year, the authority shall allocate fifty percent of the moneys available in the destination Iowa fund to projects in rural communities. If any portion of the moneys allocated under this subsection has not been awarded by April 1 of the fiscal year for which the allocation is made, the portion which has not been awarded may be awarded to any eligible project in the state. If a county is the applicant, a project will be deemed to be located in a rural community if the geographic location of the project is in or near a city that is a rural community.

7. Applications for grants from the destination Iowa fund shall be submitted to the authority. For those applications that meet the eligibility criteria described in subsection 4, the authority shall forward the applications and provide a staff evaluation to the board. Work completed and costs incurred prior to the date of board approval of a grant are ineligible for reimbursement, except the acquisition of real estate.

8. The board shall make final funding decisions on each application and may approve, deny, defer, or modify applications for grants under the program. The board and the authority may negotiate with applicants regarding the details of projects and the amount and terms of any award. In making final funding decisions pursuant to this subsection, the board and the authority are exempt from chapter 17A.

9. If an application is approved, the authority shall enter into an agreement with the applicant to provide a grant awarded from the fund.

10. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the destination Iowa fund shall be credited to the destination Iowa fund. Notwithstanding section 8.33, moneys credited to the destination Iowa fund shall not revert at the close of a fiscal year. The authority shall not use more than five percent of the moneys

in the fund at the beginning of each fiscal year for purposes of administrative costs and program support.

2023 Acts, ch 118, §10