8.64 Local government innovation fund committee loans.

1. The local government innovation fund is created in the state treasury under the control of the department of management for the purpose of stimulating and encouraging innovation in local government by the awarding of loans to cities and counties.

2. The director of the department of management shall establish a seven-member committee to be called the local government innovation fund committee. Committee members shall have expertise in local government. The committee shall review all requests for funds and approve loans of funds if the committee determines that a city or county project that is the subject of a request would result in cost savings, innovative approaches to service delivery, or added revenue to the city, county, or state. Eligible projects are projects which cannot be funded from a city's or county's operating budget without adversely affecting the city's or county's normal service levels. Preference shall be given to requests involving the sharing of services between two or more local governments. Projects may include, but are not limited to, purchase of advanced technology, contracting for expert services, and acquisition of equipment or supplies.

3. A city or county seeking a loan from the local government innovation fund shall complete an application form designed by the local government innovation fund committee which employs a return on investment concept and demonstrates how the project funded by the loan will result in reduced city, county, or state general fund expenditures or how city or county fund revenues will increase without an increase in state costs. Minimum loan requirements for city or county requests shall be determined by the committee.

4. *a.* In order for the local government innovation fund to be self-supporting, the local government innovation fund committee shall establish repayment schedules for each loan awarded. The loan requirements shall be outlined in a chapter 28E agreement executed between the state and the city or county receiving the loan. A city or county shall repay the loan over a period not to exceed five years, with interest, at a rate to be determined by the local government innovation fund committee.

b. The local government innovation fund committee shall utilize the department of management, the department of revenue, or other source of technical expertise designated by the committee to certify savings projected for a local government innovation fund project.

5. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the local government innovation fund shall be credited to the local government innovation fund. Notwithstanding section 8.33, moneys appropriated to and moneys remaining in the local government innovation fund at the end of a fiscal year shall not revert to the general fund of the state.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §27