

15J.7 Reinvestment project fund.

1. State sales tax revenue and state hotel and motel tax revenue remitted by the department to a municipality pursuant to [section 15J.6](#) shall be deposited in a reinvestment project fund of the municipality and shall be used to fund projects within the district from which the revenues were collected. If the municipality determines that the revenue accruing to the reinvestment project fund exceeds the amount necessary for these purposes, the excess moneys that are remittances received under [section 15J.6](#) and all interest in the fund attributable to such excess amounts shall be remitted by the municipality to the department for deposit in the general fund of the state.

2. In addition to the moneys received pursuant to [section 15J.6](#), a municipality may deposit in the reinvestment project fund any other moneys lawfully at the municipality's disposal, including but not limited to local sales and services tax receipts collected under [chapter 423B](#) if such use is a purpose authorized for the municipality under [chapter 423B](#).

3. The records of the municipality related to the district and the reinvestment project fund are subject to audit pursuant to [section 11.6](#).

4. *a.* Moneys from any source deposited into the reinvestment project fund shall not be expended for or otherwise used in connection with a project that includes the relocation of a commercial or industrial enterprise not presently located within the municipality.

b. For the purposes of [this subsection](#), “relocation” means the closure or substantial reduction of an enterprise's existing operations in one area of the state and the initiation of substantially the same operation in the same county or a contiguous county in the state. However, if the initiation of operations includes an expanded scope or nature of the enterprise's existing operations, the new operation shall not be considered to be substantially the same operation. “Relocation” does not include an enterprise expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

5. Upon dissolution of a district pursuant to [section 15J.8](#), if moneys remitted to the municipality pursuant to [section 15J.6](#) remain in the municipality's reinvestment project fund and those moneys are not necessary to support completion of a project in the dissolved district, such amounts and all interest remaining in the fund that was earned on such amounts shall be remitted by the municipality to the department for deposit in the general fund of the state.

6. Upon dissolution of a district pursuant to [section 15J.8](#), moneys remaining in the reinvestment project fund that were deposited pursuant to [subsection 2](#) and all interest remaining in the fund that was earned on such amounts shall be deposited in the general fund of the municipality or, for a municipality under [section 15J.2, subsection 7](#), paragraph “c”, the governing body shall allocate such amounts to the participating cities and counties for deposit in each city or county general fund according to the [chapter 28E](#) agreement.

[2013 Acts, ch 119, §7](#); [2020 Acts, ch 1118, §92, 93](#)

Referred to in [§15J.4](#), [15J.6](#), [15J.8](#)