

418.12 Sales tax increment fund.

1. A sales tax increment fund is established as a separate and distinct fund in the state treasury under the control of the department of revenue consisting of the amount of the increased state sales and services tax revenues collected by the department of revenue within each applicable area specified in [section 418.11, subsection 3](#), and deposited in the fund pursuant to [section 423.2A, subsection 2](#). Moneys deposited in the fund are appropriated to the department of revenue for the purposes of [this section](#). Moneys in the fund shall only be used for the purposes of [this section](#).

2. An account is created within the fund for each governmental entity that has adopted a resolution under [section 418.4, subsection 3](#), paragraph “d”.

3. The department of revenue shall deposit in the fund the moneys described in [subsection 1](#) beginning the first day of the quarter following receipt of a resolution under [section 418.4, subsection 3](#), paragraph “d”. However, in no case shall a sales tax increment be calculated under [section 418.11](#) or such moneys be deposited in the fund under [this section](#) prior to January 1, 2014.

4. *a.* Upon request of a governmental entity, the department of revenue shall remit the moneys in the governmental entity’s account within the fund to the governmental entity for deposit in the governmental entity’s flood project fund. Such requests shall be made not more than quarterly. Requests for remittance shall be submitted on forms prescribed by the department of revenue. In lieu of quarterly requests, a governmental entity may submit a certified schedule of principal and interest payments on bonds issued under [section 418.14](#). If such a certified schedule is submitted, the department of revenue shall, subject to the remittance limitations of [this chapter](#), remit from the governmental entity’s account to the governmental entity for deposit in the governmental entity’s flood project fund the amounts necessary for such principal and interest payments in accordance with the certified schedule. Requests for remittance shall be made for the amount of moneys in the governmental entity’s account necessary to pay the governmental entity’s costs or obligations related to the project, according to the sales tax revenue funding needs specified in the approved project plan. A governmental entity shall not, however, during any fiscal year receive remittances under [this section](#) exceeding fifteen million dollars or seventy percent of the total yearly amount of increased sales tax increment revenue in the governmental entity’s applicable area and deposited in the governmental entity’s account, whichever is less. The total amount of remittances during any fiscal year for all governmental entities approved to use sales tax revenues under [this chapter](#) shall not exceed, in the aggregate, thirty million dollars. Remittances from the department of revenue shall be deposited in the governmental entity’s flood project fund under [section 418.13](#).

b. The department of revenue shall adopt rules for the remittance of moneys to governmental entities.

5. If the department of revenue determines that the revenue accruing to the fund or accounts within the fund exceeds thirty million dollars for a fiscal year or exceeds the amount necessary for the purposes of [this chapter](#) if the amount necessary is less than thirty million dollars for a fiscal year, then those excess moneys shall be credited by the department of revenue for deposit in the general fund of the state.

6. *a.* Each governmental entity approved by the board to use sales tax increment revenues for a project under [this chapter](#) shall submit two reports to the board certifying the total amount of nonpublic investment, as defined in [section 418.9, subsection 2](#), paragraph “d”, that has occurred in the governmental entity’s area as defined in [section 418.11, subsection 3](#). The first report shall be submitted not later than five years after the board approved the project. The second report shall be submitted to the board not later than ten years after the board approved the project.

b. If the nonpublic investment requirements of [section 418.9, subsection 2](#), paragraph “d”, are not satisfied, the board shall reduce the governmental entity’s amount of sales tax increment revenues eligible to be remitted during the remaining period of time for receiving

remittances by an amount equal to the shortfall in nonpublic investment. However, such a reduction shall not be to an amount less than zero.

[2012 Acts, ch 1094, §13, 18](#); [2016 Acts, ch 1138, §16](#); [2018 Acts, ch 1161, §153, 229](#)

Referred to in [§418.4](#), [418.8](#), [418.9](#), [418.13](#), [418.14](#), [418.15](#), [423.2A](#)