

CHAPTER 29D

NATURAL HAZARD MITIGATION FINANCING PROGRAM

Referred to in §16.231, 16.233

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**29D.1 Short title.**

This chapter shall be known and may be cited as the “Natural Hazard Mitigation Financing Program”.

2025 Acts, ch 28, §5

NEW section

**29D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. “Authority” means the Iowa finance authority created in section 16.1A.
2. “Cost” means all costs or indebtedness incurred by a loan recipient and determined by the department as reasonable and necessary for carrying out all work necessary or incidental to the accomplishment of a project.
3. “Department” means the department of homeland security and emergency management.
4. “Director” means the director of the department of homeland security and emergency management.
5. “Eligible entity” means a person that is eligible under the STORM Act to receive a loan under the program.
6. “Fund” means the natural hazard mitigation revolving loan fund created in section 29D.4.
7. “Loan recipient” means an eligible entity that has received a loan from the fund.
8. “Municipality” means a city, county, sanitary district, state agency, or other governmental body or corporation, or any combination of two or more governmental bodies or corporations acting jointly, in connection with a project.
9. “Private entity” means a corporation, limited liability company, trust, estate, partnership, association, or any other legal entity or a legal representative, agent, officer, employee, or assignee of such entity. “Private entity” does not include any of the following:
  - a. An individual, municipality, or city utility as that term is defined in section 362.2.
  - b. A public water supply system as defined in section 455B.171.
  - c. A qualified entity as defined in section 384.84, subsection 2.
10. “Program” means the natural hazard mitigation financing program created in section 29D.3.
11. a. “Project” means an activity or set of activities, in accordance with the limitations set forth in the STORM Act, that mitigate the impact of natural hazards, including but not limited to:
  - (1) Drought and prolonged episodes of intense heat.
  - (2) Severe storms, including tornadoes, windstorms, and severe winter storms.
  - (3) Wildfires.
  - (4) Earthquakes.
  - (5) Flooding.
  - (6) Shoreline erosion.
  - (7) High water levels.
  - (8) Storm surges.
- b. “Project” may include but is not limited to any of the following:

(1) The construction, repair, or replacement of a nonfederal levee or other flood control structure, provided that the administrator of the federal emergency management agency, in consultation with the United States army corps of engineers, if appropriate, requires an eligible entity to determine that such levee or other flood control structure is designed, constructed, and maintained in accordance with sound engineering practices and standards equivalent to the purpose for which such levee or structure is intended.

(2) Zoning and land use planning changes.

(3) Establishing and enforcing building codes.

12. “*Safeguarding tomorrow through ongoing risk mitigation Act*”, or “*STORM Act*”, means the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288, as amended, 42 U.S.C. §5121 et seq.

[2025 Acts, ch 28, §6](#)

Referred to in [§16.230](#)

NEW section

### **29D.3 Natural hazard mitigation financing program.**

1. The natural hazard mitigation financing program is created for the purpose of making loans available to eligible entities to finance all or part of the costs of a project.

2. The program shall be a joint and cooperative undertaking of the department and the authority. The department and the authority may enter into any agreements, documents, instruments, certificates, data, or information as necessary for the operation, administration, and financing of the program consistent with [this chapter](#), [chapter 16, subchapter X, part 11](#), the STORM Act, the rules promulgated under [chapter 17A](#) by the department in consultation with the authority, and any other applicable federal or state laws. The authority and the department may act to conform the program to the applicable guidance and regulations adopted by the federal emergency management agency.

[2025 Acts, ch 28, §7](#)

Referred to in [§16.230, 29D.2](#)

NEW section

### **29D.4 Natural hazard mitigation revolving loan fund.**

1. A natural hazard mitigation revolving loan fund is created in the state treasury under the control of the department in consultation with the authority. The revolving loan fund is a separate dedicated fund under the administration and control of the department in consultation with the authority and shall be subject to [section 16.31](#). Moneys on deposit in the revolving loan fund shall be invested by the treasurer of state in cooperation with the department, in consultation with the authority, and the income from the investments shall be credited to and deposited in the revolving loan fund.

2. *a.* The fund shall consist of moneys appropriated by the general assembly, moneys received by the fund through the federal emergency management agency and the STORM Act, moneys received as repayment of loan principal and interest from loans paid for by the fund, and all other moneys received by the fund from any other source. Notwithstanding [section 8.33](#), moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

*b.* Moneys in the fund are appropriated to the department to provide loans to eligible entities pursuant to [section 29D.8](#), and for administration of the program as permitted under the STORM Act. Moneys in the fund shall not be used to provide a loan to a private entity for the acquisition of real property. Moneys in the fund shall not be considered part of the general fund of the state subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance, shall not be included in the general fund of the state subject to [section 16.31](#), insofar as [section 16.31](#) complies with the STORM Act.

[2025 Acts, ch 28, §8; 2025 Acts, ch 159, §7](#)

Referred to in [§16.230, 29D.2, 29D.7](#)

NEW section

**29D.5 Director — powers and duties.**

The director shall do all of the following:

1. Process and review each intended use plan application to determine if the intended use plan application meets the eligibility requirements promulgated by the department by rule, and approve or deny the application.
2. Process and review all documents relating to the planning, design, construction, and operation of each project.
3. Prepare and process, in coordination with the authority, documents relating to the administration of the program.
4. Prepare an annual budget for administration of the program.
5. Receive program fees as determined in conjunction with the authority.
6. Perform other acts and assume other duties and responsibilities necessary for the administration of the program and compliance with the STORM Act.

[2025 Acts, ch 28, §9](#)

NEW section

**29D.6 Intended use plans — capitalization grants — accounting.**

1. For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, the department may prepare and deliver intended use plans to, and enter into capitalization grant agreements with, the administrator of the federal emergency management agency under the terms and conditions set forth in the STORM Act and federal regulations adopted pursuant to the STORM Act, and may accept capitalization grants for the fund in accordance with payment schedules established by the administrator. All payments from the administrator shall be deposited into the fund.

2. The department, in consultation with the authority, shall establish fiscal controls and accounting procedures during appropriate accounting periods for payments received for deposit into, and disbursements made from, the fund, and to fund balances at the beginning and end of an accounting period.

[2025 Acts, ch 28, §10](#)

Referred to in [§29D.7, 29D.8](#)

NEW section

**29D.7 Authority — loan application review and approval.**

1. The department and the authority shall review each loan application to determine if the applicant is an eligible entity and qualifies for a loan pursuant to eligibility requirements established by rule promulgated by the department and the authority, and in accordance with the intended use plan applications approved by the director under [section 29D.6](#).

2. The authority, in cooperation with the department, shall determine the interest rate and repayment terms for each loan made under the program and the authority shall enter into a loan agreement with each loan recipient in compliance with the Clean Water Act as defined in [section 455B.291](#), the Safe Drinking Water Act as defined in [section 455B.291](#), the STORM Act, and any other applicable state or federal law.

3. The authority may charge loan recipients fees and assess costs as deemed necessary by the authority for the continued operation of the program. Fees and costs collected pursuant to [this subsection](#) shall be deposited in the fund described in [section 29D.4](#).

[2025 Acts, ch 28, §11](#)

NEW section

**29D.8 Loans to eligible entities.**

1. Moneys deposited in the fund shall be used for the primary purpose of making loans to eligible entities to finance eligible costs of projects in accordance with the intended use plans prepared and delivered to the administrator of the federal emergency management system by the department under [section 29D.6](#). The loan recipients and the purpose and amount of the loans shall be determined by the director, in compliance with the STORM Act and other applicable federal law, and any resolution, agreement, indenture, or other document of the authority, and rules adopted by the authority relating to any bonds, notes, or other obligations issued for the program which may be applicable to the loan.

2. Notwithstanding any provision of [this chapter](#) to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the fund may be used in any manner permitted or required by applicable federal law.

[2025 Acts, ch 28, §12](#)

Referred to in [§29D.4](#)

NEW section

**29D.9 Rules.**

The department, in consultation with the authority, shall adopt rules pursuant to [chapter 17A](#) to administer [this chapter](#).

[2025 Acts, ch 28, §13](#)

NEW section