

261—200.8(15J) Adoption of ordinance and use of funds.**200.8(1)** *Adoption of ordinance establishing a district and notice to department.*

a. Upon receiving approval by the board of the final application pursuant to rule 261—200.7(15J), the municipality shall adopt an ordinance, or, in the case of a joint board, a resolution, establishing the district.

b. For each district approved by the board before July 1, 2018, the ordinance or resolution adopted by the municipality shall include:

(1) The district's commencement date; and
(2) A detailed statement of the manner in which the approved projects to be undertaken in the district will be financed, including but not limited to the financial information included in the project plan.

c. For each district approved by the board after July 1, 2020, the ordinance or resolution shall include:

(1) The district's commencement date;
(2) A detailed statement of the manner in which the approved projects to be undertaken in the district will be financed, including but not limited to the financial information included in the project plan;

(3) For each new retail establishment that was in operation before the establishment of the district, the monthly amount of sales subject to the state sales tax from the most recently available 12-month period preceding adoption of the ordinance or resolution; and

(4) For each new lessor that was in operation before the establishment of the district, the monthly amount of sales subject to the state hotel and motel tax from the most recently available 12-month period preceding adoption of the ordinance or resolution.

d. For each district approved by the board before July 1, 2018, the municipality shall notify the director of revenue of the district's commencement date established by the board no later than 30 days after adoption of the ordinance or resolution establishing the district. For each district approved by the board after July 1, 2020, the municipality shall provide a copy of the ordinance or resolution establishing the district to the director of revenue no later than 30 days after adoption of the ordinance or resolution.

200.8(2) *Use of funds.*

a. Following establishment of the district, a municipality may use the moneys deposited in the municipality's reinvestment project fund created pursuant to Iowa Code section 15J.7 to fund the development of those projects included within the district plan. For purposes of this subrule, "development" means all costs reasonably related to a project provided that such costs are described in a final application approved by the board. Development costs may include project planning, professional services, land acquisition, construction, maintenance, and operational expenses. A municipality shall enter into development agreements for the expenditure of program funds and submit copies of such agreements to the authority within 30 days of execution.

b. Moneys deposited in such a fund shall only be used to fund projects approved by the board as part of a proposed district plan. Moneys deposited in such a fund may be used for projects that do not generate new tax revenues provided such projects are part of an approved plan. A municipality shall maintain records documenting the use of funds under the program and make them available to the board or the department upon request.

c. Moneys from any source deposited into the 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. For the purposes of this subrule, "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.

d. Moneys from new tax revenues collected within a district and expended by a municipality under the program are subject to audit by the department of revenue or the auditor of state.

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