

**261—200.1(15J) Definitions.** For purposes of this chapter unless the context otherwise requires:

*“Account”* means the district account that is created within the fund for each municipality that has established a district and that holds the new tax revenues deposited by the department under the program.

*“Applicant”* means a municipality applying to the board and the authority for approval of a district under the program, including the preapplication process described in rule 261—200.2(15J).

*“Authority”* means the economic development authority created in Iowa Code section 15.105.

*“Board”* means the same as defined in Iowa Code section 15.102.

*“Commencement date”* means the same as defined in Iowa Code section 15J.2.

*“Department”* means the department of revenue.

*“District”* means the same as defined in Iowa Code section 15J.2.

*“Due diligence committee”* means the due diligence committee of the board established pursuant to 261—Chapter 1.

*“Fund”* means the same as defined in Iowa Code section 15J.2.

*“Joint board”* means a legal entity established or designated in an agreement made pursuant to Iowa Code chapter 28E between two or more contiguous counties or incorporated cities.

*“Maximum benefit amount”* means the total amount of new tax revenues that may be remitted to a municipality’s account and used for development in a district. The maximum benefit will be established by the board when a final application to the program is approved pursuant to rule 261—200.5(15J).

*“Municipality”* means the same as defined in Iowa Code section 15J.2.

*“New lessor”* means the same as defined in Iowa Code section 15J.2.

*“New retail establishment”* means the same as defined in Iowa Code section 15J.2.

*“New tax revenues”* means all state sales tax revenues and state hotel and motel tax revenues that are collected within a district by new retail establishments and new lessors, provided that such new retail establishments and lessors are included as projects in an approved district plan. New tax revenues are remitted to the department after collection by new retail establishments and new lessors and deposited by the department in an account.

*“Program”* means the reinvestment district program established pursuant to Iowa Code chapter 15J and this chapter.

*“Project”* means the same as defined in Iowa Code section 15J.2.

*“Retail business”* means any business engaged in the business of selling tangible personal property or taxable services at retail in this state that is obligated to collect state sales or use tax under Iowa Code chapter 423. However, for the purposes of this chapter, “retail business” does not include a new lessor or a business engaged in an activity subject to tax under Iowa Code section 423.2(3).

*“State hotel and motel tax”* means the same as defined in Iowa Code section 15J.2.

*“State sales tax”* means the same as defined in Iowa Code section 15J.2.

*“Substantially improved”* means the same as defined in Iowa Code section 15J.2.

*“Unique nature”* means a quality or qualities of the projects to be developed in a district that, when considered in the entirety, will substantially distinguish the district’s projects from other existing or proposed developments in the state. For purposes of this chapter, whether a project is of a unique nature is a subjective and contextual determination that will be made by the board. In determining whether a project is of a unique nature, the board will not necessarily require a project to be entirely without precedent or to be the only one of its kind in the state, but rather, the board will evaluate whether the projects to be undertaken in a district will either (1) permanently transform the aesthetics or infrastructure of a local community for the better, including by preserving important historical structures or neighborhoods, or (2) contribute substantially more to the state’s economy or quality of life than other similar projects in the state.

*“Vertical improvement”* means the same as defined in Iowa Code section 15J.2. For the purposes of this definition, “appurtenant structure” means any building or other fixture on a piece of real estate other than the main building, provided that such a building or fixture is permanent, is wholly or partially above grade, and will be constructed or substantially improved in conjunction with the main building. A structure is appurtenant when the structure is physically connected to a main building such that the connected structures combine to create a single, integrated facility. A structure is not physically connected if the structure has a function or purpose independent of the main building, even if the structures are in close

proximity or are incidentally connected by some means such as a common wall, a sidewalk, or recreational trail.

[**ARC 0135D**, IAB 3/18/26, effective 4/22/26]