

701—273.5(15J) Reinvestment project fund.

273.5(1) *Reinvestment project fund deposits.* State sales tax revenue and state hotel and motel tax revenue remitted by the department to a municipality pursuant to Iowa Code 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 Iowa Code 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.

273.5(2) *Other funds.* In addition to the moneys received pursuant to subrule 273.4(1), 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 Iowa Code chapter 423B if such use is a purpose authorized for the municipality under Iowa Code chapter 423B.

273.5(3) *Use of funds.* 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.

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. "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.

273.5(4) *Remittance of unused funds.* Upon dissolution of a district pursuant to rule 701—273.6(15J), if moneys remitted to the municipality pursuant to subrule 273.4(1) 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.

Upon dissolution of a district pursuant to rule 701—273.6(15J), moneys remaining in the reinvestment project fund that were deposited pursuant to subrule 273.5(2) and all interest remaining in the fund that was earned on such amounts shall be deposited in the general fund of the municipality.

273.5(5) *Audit of records.* The records of the municipality related to the district and the reinvestment project fund are subject to audit by the department or the auditor of state.

This rule is intended to implement Iowa Code section 15J.7.

[ARC 1443C, IAB 4/30/14, effective 6/4/14; ARC 6508C, IAB 9/7/22, effective 10/12/22; Editorial change: IAC Supplement 10/18/23]