

House File 893

H-1511

1 Amend House File 893 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 FUTURE TAX CONTINGENCIES

6 Section 1. 2018 Iowa Acts, chapter 1161, section 133, is
7 amended by striking the section and inserting in lieu thereof
8 the following:

9 SEC. 133. EFFECTIVE DATE. This division of this Act takes
10 effect January 1, 2023.

11 DIVISION II

12 CHILD DEPENDENT AND DEVELOPMENT TAX CREDITS

13 Sec. 2. Section 422.12C, subsection 1, paragraphs f and g,
14 Code 2021, are amended to read as follows:

15 *f.* For a taxpayer with net income of forty thousand dollars
16 or more but less than ~~forty-five~~ ninety thousand dollars,
17 thirty percent.

18 *g.* For a taxpayer with net income of ~~forty-five~~ ninety
19 thousand dollars or more, zero percent.

20 Sec. 3. Section 422.12C, subsection 2, paragraph a, Code
21 2021, is amended to read as follows:

22 *a.* The taxes imposed under **this subchapter**, less the amounts
23 of nonrefundable credits allowed under **this subchapter**, may
24 be reduced by an early childhood development tax credit equal
25 to twenty-five percent of the first one thousand dollars
26 which the taxpayer has paid to others for each dependent, as
27 defined in the Internal Revenue Code, ages three through five
28 for early childhood development expenses. In determining the
29 amount of early childhood development expenses for the tax year
30 beginning in the 2006 calendar year only, such expenses paid
31 during November and December of the previous tax year shall
32 be considered paid in the tax year for which the tax credit
33 is claimed. This credit is available to a taxpayer whose net
34 income is less than ~~forty-five~~ ninety thousand dollars. If the
35 early childhood development tax credit is claimed for a tax

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 year, the taxpayer and the taxpayer's spouse shall not claim
2 the child and dependent care credit under [subsection 1](#).

3 Sec. 4. RETROACTIVE APPLICABILITY. This division of this
4 Act applies retroactively to tax years beginning on or after
5 January 1, 2021.

6 DIVISION III

7 COVID-19 RELATED GRANTS — TAXATION

8 Sec. 5. Section 422.7, subsection 62, Code 2021, is amended
9 to read as follows:

10 62. a. Subtract, to the extent included, the amount of
11 any ~~financial assistance~~ qualifying COVID-19 grant provided to
12 ~~an eligible small~~ issued to an individual or business by the
13 economic development authority ~~under the Iowa small business~~
14 ~~relief grant program created during calendar year 2020 to~~
15 ~~provide financial assistance to eligible small businesses~~
16 ~~economically impacted by the COVID-19 pandemic, the Iowa~~
17 finance authority, or the department of agriculture and land
18 stewardship.

19 b. For purposes of this subsection, "qualifying COVID-19
20 grant" includes any grant that was issued between March 17,
21 2020, and December 31, 2021, identified by the department
22 by rule under a grant program created to primarily provide
23 COVID-19 related financial assistance to economically
24 impacted individuals and businesses located in this state,
25 and administered by the economic development authority, Iowa
26 finance authority, or the department of agriculture and land
27 stewardship.

28 c. The economic development authority, Iowa finance
29 authority, or the department of agriculture and land
30 stewardship shall notify the department of any COVID-19 grant
31 program that may qualify under this subsection in the manner
32 and form prescribed by the department.

33 d. This subsection is repealed January 1, 2024, and does not
34 apply to tax years beginning on or after that date.

35 Sec. 6. Section 422.35, subsection 30, Code 2021, is amended

1 to read as follows:

2 30. a. Subtract, to the extent included, the amount of
3 any financial assistance qualifying COVID-19 grant provided
4 to an eligible small issued to a business by the economic
5 development authority under the Iowa small business relief
6 grant program created during calendar year 2020 to provide
7 financial assistance to eligible small businesses economically
8 impacted by the COVID-19 pandemic, the Iowa finance authority,
9 or the department of agriculture and land stewardship.

10 b. For purposes of this subsection, "qualifying COVID-19
11 grant" means the same as defined in section 422.7, subsection
12 62, paragraph "b".

13 c. The economic development authority, Iowa finance
14 authority, or the department of agriculture and land
15 stewardship shall notify the department of any COVID-19 grant
16 program that may qualify under this subsection in the manner
17 and form prescribed by the department.

18 d. This subsection is repealed January 1, 2024, and does not
19 apply to tax years beginning on or after that date.

20 Sec. 7. EFFECTIVE DATE. This division of this Act, being
21 deemed of immediate importance, takes effect upon enactment.

22 Sec. 8. RETROACTIVE APPLICABILITY. This division of this
23 Act applies retroactively to March 17, 2020, for tax years
24 ending on or after that date.

25 DIVISION IV

26 FEDERAL PAYCHECK PROTECTION PROGRAM

27 Sec. 9. FEDERAL PAYCHECK PROTECTION PROGRAM.

28 Notwithstanding any other provision of the law to the contrary,
29 for any tax year ending after March 27, 2020, Division N, Tit.
30 II, subtit. B, §276 and §278(a), of the federal Consolidated
31 Appropriations Act, 2021, Pub. L. No. 116-260, applies in
32 computing net income for state tax purposes under section 422.7
33 or 422.35.

34 Sec. 10. EFFECTIVE DATE. This division of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 DIVISION V

2 STATE INHERITANCE TAX

3 Sec. 11. Section 450.10, Code 2021, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 7. *a.* In lieu of each rate of tax imposed
6 in subsections 1 through 4, for property passing from the
7 estate of a decedent dying on or after January 1, 2021, but
8 before January 1, 2022, there shall be imposed a rate of tax
9 equal to the applicable tax rate in subsections 1 through
10 4, reduced by twenty percent, and rounded to the nearest
11 one-hundredth of one percent.

12 *b.* In lieu of each rate of tax imposed in subsections 1
13 through 4, for property passing from the estate of a decedent
14 dying on or after January 1, 2022, but before January 1, 2023,
15 there shall be imposed a rate of tax equal to the applicable
16 tax rate in subsections 1 through 4, reduced by forty percent,
17 and rounded to the nearest one-hundredth of one percent.

18 *c.* In lieu of each rate of tax imposed in subsections 1
19 through 4, for property passing from the estate of a decedent
20 dying on or after January 1, 2023, but before January 1, 2024,
21 there shall be imposed a rate of tax equal to the applicable
22 tax rate in subsections 1 through 4, reduced by sixty percent,
23 and rounded to the nearest one-hundredth of one percent.

24 *d.* In lieu of each rate of tax imposed in subsections 1
25 through 4, for property passing from the estate of a decedent
26 dying on or after January 1, 2024, but before January 1, 2025,
27 there shall be imposed a rate of tax equal to the applicable
28 tax rate in subsections 1 through 4, reduced by eighty percent,
29 and rounded to the nearest one-hundredth of one percent.

30 Sec. 12. NEW SECTION. 450.98 **Tax repealed.**

31 Effective January 1, 2025, this chapter shall not apply to
32 property of estates of decedents dying on or after January 1,
33 2025. The inheritance tax shall not be imposed under this
34 chapter in the event the decedent dies on or after January 1,
35 2025, and, to this extent, this chapter is repealed.

1 Sec. 13. NEW SECTION. **450B.8 Tax repealed.**

2 Effective January 1, 2025, this chapter shall not apply to
3 property of estates of decedents dying on or after January 1,
4 2025. The qualified use inheritance tax shall not be imposed
5 under this chapter in the event the decedent dies on or after
6 January 1, 2025, and, to this extent, this chapter is repealed.

7 Sec. 14. DEPARTMENT OF REVENUE. The department of revenue
8 is directed to review references to Code chapters 450 and 450B
9 and submit proposed corrections to such references in bill form
10 to the general assembly by the 2022 regular session of the
11 eighty-ninth general assembly.

12 Sec. 15. EFFECTIVE DATE. This division of this Act, being
13 deemed of immediate importance, takes effect upon enactment.

14 Sec. 16. RETROACTIVE APPLICABILITY. This division of this
15 Act applies retroactively to the estates of decedents dying on
16 or after January 1, 2021.

17 DIVISION VI

18 HOUSING TRUST FUND

19 Sec. 17. Section 428A.8, subsection 3, Code 2021, is amended
20 to read as follows:

21 3. Notwithstanding [subsection 2](#), the amount of money that
22 shall be transferred pursuant to [this section](#) to the housing
23 trust fund in any one fiscal year shall not exceed ~~three~~ seven
24 million dollars. Any money that otherwise would be transferred
25 pursuant to [this section](#) to the housing trust fund in excess
26 of that amount shall be deposited in the general fund of the
27 state.

28 DIVISION VII

29 HIGH QUALITY JOBS PROGRAM — DAY CARE CENTERS

30 Sec. 18. Section 15.327, Code 2021, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 016. "*Licensed center*" means the same as
33 defined in section 237A.1.

34 Sec. 19. Section 15.329, Code 2021, is amended by adding the
35 following new subsection:

1 "a", a health carrier shall not require that an additional
2 health care professional be located in the same room as a
3 covered person while health care services for a mental health
4 condition, illness, injury, or disease are provided via
5 telehealth by another health care professional to the covered
6 person.

7 Sec. 23. EFFECTIVE DATE. This division of this Act, being
8 deemed of immediate importance, takes effect upon enactment.

9 Sec. 24. RETROACTIVE APPLICABILITY. This division of
10 this Act applies to health care services for a mental health
11 condition, illness, injury, or disease provided by a health
12 care professional or a facility to a covered person by
13 telehealth on or after January 1, 2021.

14 DIVISION IX

15 HIGH QUALITY JOBS AND RENEWABLE CHEMICAL PRODUCTION TAX CREDITS

16 Sec. 25. Section 15.119, subsection 2, paragraph a,
17 subparagraphs (2) and (3), Code 2021, are amended to read as
18 follows:

19 (2) In allocating tax credits pursuant to this subsection
20 ~~for each fiscal year of the fiscal period beginning July 1,~~
21 ~~2016, and ending June 30, 2021~~ the fiscal year beginning July
22 1, 2021, and for each fiscal year thereafter, the authority
23 shall not allocate more than ~~one hundred five~~ seventy million
24 dollars for purposes of this paragraph. ~~This subparagraph (2)~~
25 ~~is repealed July 1, 2021.~~

26 ~~(3) (a) In allocating tax credits pursuant to this~~
27 ~~subsection for the fiscal year beginning July 1, 2021, and~~
28 ~~ending June 30, 2022, the authority shall not allocate more~~
29 ~~than one hundred five million dollars for purposes of this~~
30 ~~paragraph if the aggregate amount of renewable chemical~~
31 ~~production tax credits under section 15.319 that were awarded~~
32 ~~on or after July 1, 2018, but before July 1, 2021, equals or~~
33 ~~exceeds twenty-seven million dollars.~~

34 ~~(b) As soon as practicable after June 30, 2021, the~~
35 ~~authority shall notify the general assembly of the aggregate~~

1 ~~amount of renewable chemical production tax credits awarded~~
2 ~~under [section 15.319](#) on or after July 1, 2018, but before~~
3 ~~July 1, 2021, and whether or not the tax credit allocation~~
4 ~~limitation described in subparagraph division (a) is~~
5 ~~applicable.~~

6 ~~(c) This subparagraph (3) is repealed July 1, 2022.~~

7 Sec. 26. Section 15.119, subsection 2, paragraph h, Code
8 2021, is amended to read as follows:

9 *h.* The renewable chemical production tax credit program
10 administered pursuant to [sections 15.315 through 15.322](#). In
11 allocating tax credits pursuant to [this subsection](#) for the
12 fiscal year beginning July 1, 2021, and for each fiscal year
13 thereafter, the authority shall not allocate more than ~~ten~~ five
14 million dollars for purposes of this paragraph. This paragraph
15 is repealed July 1, 2030.

16 Sec. 27. EFFECTIVE DATE. This division of this Act, being
17 deemed of immediate importance, takes effect upon enactment.

18 DIVISION X

19 HIGH QUALITY JOBS — ELIGIBILITY REQUIREMENTS

20 Sec. 28. HIGH QUALITY JOBS — REDUCTIONS IN OPERATIONS.

21 1. Notwithstanding section 15.329, subsection 1, paragraph
22 “b”, subparagraph (2), the economic development authority shall
23 not presume that a reduction in operations is a reduction in
24 operations while simultaneously applying for assistance with
25 regard to a business that submits an application on or before
26 June 30, 2022, if the business demonstrates to the satisfaction
27 of the authority all of the following:

28 a. That the reduction in operations occurred after March 1,
29 2020.

30 b. That the reduction in operations was caused by the
31 COVID-19 pandemic.

32 2. The economic development authority shall consider
33 whether the benefit of the project proposed by a business
34 under subsection 1 outweighs any negative impact related to
35 the business’s reduction in operations. The business shall

1 remain subject to all other eligibility requirements pursuant
2 to section 15.329.

3 3. This section is repealed July 1, 2022.

4 DIVISION XI

5 MANUFACTURING 4.0

6 Sec. 29. NEW SECTION. 15.371 **Manufacturing 4.0 technology**
7 **investment program.**

8 1. This section shall be known as and may be cited as the
9 *"Manufacturing 4.0 Technology Investment Program"*.

10 2. For purposes of this section unless the context otherwise
11 requires:

12 a. *"Financial assistance"* means the same as defined in
13 section 15.102.

14 b. *"Manufacturing 4.0 technology investments"* means projects
15 that are intended to lead to the adoption of, and integration
16 of, smart technologies into existing manufacturing operations
17 located in the state by mitigating the risk to the manufacturer
18 of significant technology investments. Projects may include
19 investments in specialized hardware, software, or other
20 equipment intended to assist a manufacturer in increasing the
21 manufacturer's productivity, efficiency, and competitiveness.

22 3. a. A manufacturing 4.0 technology investment fund
23 is created within the state treasury under the control of
24 the authority for the purpose of financing manufacturing 4.0
25 technology investments as described in this section.

26 b. The fund may be administered as a revolving fund and
27 may consist of any moneys appropriated by the general assembly
28 for purposes of this section and any other moneys that are
29 lawfully available to the authority. Any moneys appropriated
30 to the fund shall be used for purposes of the manufacturing
31 4.0 technology investment program. The authority may use all
32 other moneys in the fund, including interest, earnings, and
33 recaptures, for purposes of this section.

34 c. Notwithstanding section 8.33, moneys appropriated in this
35 section that remain unencumbered or unobligated at the close of

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 the fiscal year shall not revert but shall remain available for
2 expenditure for the purposes designated until the close of the
3 succeeding fiscal year.

4 *d.* Notwithstanding any law to the contrary, the authority
5 may transfer any unobligated and unencumbered moneys in the
6 fund, except for moneys appropriated for purposes of this
7 section, to any fund created pursuant to section 15.106A,
8 subsection 1, paragraph "o".

9 4. The authority shall establish and administer a
10 manufacturing 4.0 technology investment program and shall use
11 moneys in the fund to award financial assistance to eligible
12 manufacturers for manufacturing 4.0 technology investments.

13 5. To be eligible for a financial assistance award under the
14 manufacturing 4.0 technology investment program, a manufacturer
15 must do all of the following:

16 *a.* Manufacture goods at a facility located in this state.

17 *b.* Have a North American industry classification system
18 number within the manufacturing sector range of 31-33.

19 *c.* Have been an established business for a minimum of three
20 years prior to the date of application to the program.

21 *d.* Derive a minimum of fifty-one percent of the
22 manufacturer's gross revenue from the sale of manufactured
23 goods.

24 *e.* Employ a minimum of three full-time employees and no
25 more than seventy-five full-time employees across all of the
26 manufacturer's locations.

27 *f.* Have an assessment of the manufacturer's proposed
28 manufacturing 4.0 technology investment completed by the center
29 for industrial research and service at Iowa state university of
30 science and technology.

31 *g.* Demonstrate the ability to provide matching financial
32 support for the manufacturer's manufacturing 4.0 technology
33 investment on a one-to-one basis. The matching financial
34 support must be obtained from private sources.

35 6. Eligible manufacturers shall submit applications to the

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 manufacturing 4.0 technology investment program in the manner
2 prescribed by the authority by rule.

3 7. a. The authority may accept applications during one
4 or more application periods each fiscal year as determined by
5 the authority. All completed applications shall be reviewed
6 and scored on a competitive basis pursuant to rules adopted by
7 the authority. The authority may engage an outside technical
8 review panel to complete technical reviews of applications.
9 The board shall review the recommendations of the authority
10 and of the technical review panel, if applicable, and shall
11 approve, defer, or deny each application.

12 b. In making recommendations to the board, the authority and
13 the technical review panel, if applicable, shall consider all
14 of the following:

15 (1) The completeness of the manufacturer's application.

16 (2) Whether the board should approve or deny an application.

17 (3) If the board approves an application, the type and
18 amount of financial assistance that should to be awarded to the
19 applicant.

20 (4) The percentage of the manufacturer's gross revenue
21 that is derived from the sale of manufactured goods pursuant
22 to subsection 5, paragraph "d".

23 (5) Whether the manufacturer's proposed manufacturing
24 4.0 technology investment is consistent with the assessment
25 completed by the center for industrial research and service at
26 Iowa state university of science and technology pursuant to
27 subsection 5, paragraph "f".

28 c. The board shall not approve an application for financial
29 assistance for a manufacturing 4.0 technology investment that
30 was made prior to the date of the application.

31 8. From moneys appropriated to the manufacturing 4.0
32 technology investment fund from the general fund of the state
33 and any other state moneys lawfully available to the authority
34 for the manufacturing 4.0 technology investment program, the
35 maximum amount of financial assistance awarded from such moneys

1 to an eligible manufacturer shall not exceed seventy-five
2 thousand dollars.

3 9. The authority shall adopt rules pursuant to chapter 17A
4 necessary to implement and administer this section.

5 DIVISION XII

6 ENERGY INFRASTRUCTURE REVOLVING LOAN PROGRAM

7 Sec. 30. Section 476.10A, subsection 2, Code 2021, is
8 amended to read as follows:

9 2. Notwithstanding [section 8.33](#), any unexpended moneys
10 remitted to the treasurer of state under [this section](#) shall be
11 retained for the purposes designated. ~~Notwithstanding section~~
12 ~~12C.7, subsection 2, interest or earnings on investments or~~
13 ~~time deposits of the moneys remitted under [this section](#) shall~~
14 ~~be retained and used for the purposes designated, pursuant to~~
15 ~~[section 476.46](#).~~

16 Sec. 31. Section 476.46, subsection 2, paragraph e,
17 subparagraph (3), Code 2021, is amended to read as follows:

18 (3) Interest on the fund shall be deposited in the fund.
19 ~~A portion of the interest on the fund, not to exceed fifty~~
20 ~~percent of the total interest accrued, shall be used for~~
21 ~~promotion and administration of the fund.~~

22 Sec. 32. Section 476.46, Code 2021, is amended by adding the
23 following new subsections:

24 NEW SUBSECTION. 3. The Iowa energy center shall not
25 initiate any new loans under this section after June 30, 2021.

26 NEW SUBSECTION. 4. Loan payments received under this
27 section on or after July 1, 2021, and any other moneys in the
28 fund on or after July 1, 2021, shall be deposited in the energy
29 infrastructure revolving loan fund created in section 476.46A.

30 Sec. 33. NEW SECTION. **476.46A Energy infrastructure**
31 **revolving loan program.**

32 1. a. An energy infrastructure revolving loan fund is
33 created in the office of the treasurer of state and shall be
34 administered by the Iowa energy center established in section
35 15.120.

1 *b.* The fund may be administered as a revolving fund and may
2 consist of any moneys appropriated by the general assembly for
3 purposes of this section and any other moneys that are lawfully
4 directed to the fund.

5 *c.* Moneys in the fund shall be used to provide financial
6 assistance for the development and construction of energy
7 infrastructure, including projects that support electric or gas
8 generation transmission, storage, or distribution; electric
9 grid modernization; energy-sector workforce development;
10 emergency preparedness for rural and underserved areas; the
11 expansion of biomass, biogas, and renewable natural gas;
12 innovative technologies; and the development of infrastructure
13 for alternative fuel vehicles.

14 *d.* Notwithstanding section 8.33, moneys appropriated in this
15 section that remain unencumbered or unobligated at the close of
16 the fiscal year shall not revert but shall remain available for
17 expenditure for the purposes designated until the close of the
18 succeeding fiscal year.

19 *e.* Notwithstanding section 12C.7, subsection 2, interest or
20 earnings on moneys in the fund shall be credited to the fund.

21 2. *a.* The Iowa energy center shall establish and administer
22 an energy infrastructure revolving loan program to encourage
23 the development of energy infrastructure within the state.

24 *b.* An individual, business, rural electric cooperative, or
25 municipal utility located and operating in this state shall be
26 eligible for financial assistance under the program. With the
27 approval of the Iowa energy center governing board established
28 under section 15.120, subsection 2, the economic development
29 authority shall determine the amount and the terms of all
30 financial assistance awarded to an individual, business, rural
31 electric cooperative, or municipal utility under the program.
32 All agreements and administrative authority shall be vested in
33 the Iowa energy center governing board.

34 *c.* The economic development authority may use not more than
35 five percent of the moneys in the fund at the beginning of each

1 fiscal year for purposes of administrative costs, marketing,
2 technical assistance, and other program support.

3 3. For the purposes of this section:

4 a. "Energy infrastructure" means land, buildings, physical
5 plant and equipment, and services directly related to the
6 development of projects used for, or useful for, electricity or
7 gas generation, transmission, storage, or distribution.

8 b. "Financial assistance" means the same as defined in
9 section 15.102.

10 Sec. 34. ALTERNATE ENERGY REVOLVING LOAN FUND — MONEYS
11 TRANSFERRED AND APPROPRIATED. Any unencumbered or unobligated
12 moneys remaining after June 30, 2021, in the alternate energy
13 revolving loan fund created pursuant to section 476.46, are
14 transferred and appropriated to the energy infrastructure
15 revolving loan fund created pursuant to section 476.46A, to be
16 used for purposes of the energy infrastructure revolving loan
17 program.

18 DIVISION XIII

19 WORKFORCE HOUSING TAX INCENTIVES

20 Sec. 35. Section 15.119, subsection 2, paragraph g, Code
21 2021, is amended to read as follows:

22 g. (1) The workforce housing tax incentives program
23 administered pursuant to [sections 15.351 through 15.356](#).
24 In allocating tax credits pursuant to [this subsection](#), the
25 authority shall not allocate more than ~~twenty-five~~ thirty-five
26 million dollars for purposes of this paragraph. Of the moneys
27 allocated under this paragraph, ~~ten~~ seventeen million five
28 hundred thousand dollars shall be reserved for allocation to
29 qualified housing projects in small cities, as defined in
30 section 15.352, that are registered on or after July 1, 2017.

31 (2) (a) Notwithstanding subparagraph (1), in allocating
32 tax credits pursuant to this subsection for the fiscal year
33 beginning July 1, 2021, and ending June 30, 2022, the authority
34 shall not allocate more than forty million dollars for the
35 purposes of this paragraph. Of the moneys allocated under

1 this paragraph for the fiscal year beginning July 1, 2021, and
2 ending June 30, 2022, twelve million dollars shall be reserved
3 for allocation to qualified housing projects in small cities,
4 as defined in section 15.352, that are registered on or after
5 July 1, 2017.

6 (b) This subparagraph is repealed July 1, 2022.

7 Sec. 36. Section 15.354, subsection 3, paragraph d, Code
8 2021, is amended to read as follows:

9 d. Upon completion of a housing project, an a housing
10 business shall submit all of the following to the authority:

11 (1) An examination of the project in accordance with the
12 American institute of certified public accountants' statements
13 on standards for attestation engagements, completed by a
14 certified public accountant authorized to practice in this
15 state, shall be submitted to the authority.

16 (2) A statement of the final amount of qualifying new
17 investment for the housing project.

18 (3) Any information the authority deems necessary to ensure
19 compliance with the agreement signed by the housing business
20 pursuant to paragraph "a", the requirements of this part,
21 and rules the authority and the department of revenue adopt
22 pursuant to section 15.356.

23 Sec. 37. Section 15.354, subsection 3, paragraph e,
24 subparagraph (1), Code 2021, is amended to read as follows:

25 (1) Upon review of the examination, and verification of
26 the amount of the qualifying new investment, and review of
27 any other information submitted pursuant to paragraph "d",
28 subparagraph (3), the authority may notify the housing business
29 of the amount that the housing business may claim as a refund
30 of the sales and use tax under section 15.355, subsection 2,
31 and may issue a tax credit certificate to the housing business
32 stating the amount of workforce housing investment tax credits
33 under section 15.355, subsection 3, the eligible housing
34 business may claim. The sum of the amount that the housing
35 business may claim as a refund of the sales and use tax and

1 the amount of the tax credit certificate shall not exceed the
2 amount of the tax incentive award.

3 Sec. 38. Section 15.354, subsection 6, paragraphs b and c,
4 Code 2021, are amended to read as follows:

5 *b.* Notwithstanding [subsection 1](#), the authority may accept
6 ~~applications for disaster recovery housing projects on a~~
7 ~~continuous basis~~ establish a disaster recovery application
8 period following the declaration of a major disaster by the
9 president of the United States for a county in Iowa.

10 *c.* ~~Notwithstanding [subsection 2](#), paragraphs "a", "b", and~~
11 ~~"d", upon~~ Upon review of a housing business's application,
12 and scoring of all applications received during a disaster
13 recovery application period, the authority may make a tax
14 incentive award to a disaster recovery housing project. The
15 tax incentive award shall represent the maximum amount of tax
16 incentives that the disaster recovery housing project may
17 qualify for under the program. In determining a tax incentive
18 award, the authority shall not use an amount of project costs
19 that exceeds the amount included in the application of the
20 housing business. Tax incentive awards shall be approved by
21 the director of the authority.

22 Sec. 39. Section 15.355, subsection 2, Code 2021, is amended
23 to read as follows:

24 2. A housing business may claim a refund of the sales and
25 use taxes paid under [chapter 423](#) that are directly related to
26 a housing project and specified in the agreement. The refund
27 available pursuant to [this subsection](#) shall be as provided in
28 section 15.331A, excluding [subsection 2](#), paragraph "c", of
29 that section. For purposes of the program, the term "*project*
30 *completion*", as used in [section 15.331A](#), shall mean the date
31 on which the authority notifies the department of revenue that
32 all applicable requirements of ~~an~~ the agreement entered into
33 pursuant to [section 15.354](#), subsection 3, paragraph "a", and
34 all applicable requirements of this part, including the rules
35 the authority and the department of revenue adopted pursuant to

1 section 15.356, are satisfied.

2 DIVISION XIV

3 BROWNFIELDS AND GRAYFIELDS

4 Sec. 40. Section 15.119, subsection 3, Code 2021, is amended
5 to read as follows:

6 3. In allocating the amount of tax credits authorized
7 pursuant to subsection 1 among the programs specified in
8 subsection 2, the authority shall not allocate more than ~~ten~~
9 fifteen million dollars for purposes of subsection 2, paragraph
10 "f".

11 Sec. 41. Section 15.293A, subsection 8, Code 2021, is
12 amended to read as follows:

13 8. This section is repealed on June 30, ~~2021~~ 2031.

14 Sec. 42. Section 15.293B, Code 2021, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 5A. a. Tax credits revoked under
17 subsection 3 including tax credits revoked up to five years
18 prior to the effective date of this division of this Act, and
19 tax credits not awarded under subsection 4 or 5, may be awarded
20 in the next annual application period established in subsection
21 1, paragraph "c".

22 b. Tax credits awarded pursuant to paragraph "a" shall not
23 be counted against the limit under section 15.119, subsection
24 3.

25 Sec. 43. Section 15.293B, subsection 7, Code 2021, is
26 amended to read as follows:

27 7. This section is repealed on June 30, ~~2021~~ 2031.

28 Sec. 44. EFFECTIVE DATE. The following, being deemed of
29 immediate importance, take effect upon enactment:

30 1. The section of this division of this Act amending section
31 15.293A, subsection 8.

32 2. The section of this division of this Act amending section
33 15.293B, subsection 7.

34 DIVISION XV

35 DOWNTOWN LOAN GUARANTEE PROGRAM

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 Sec. 45. NEW SECTION. 15.431 Downtown loan guarantee
2 program.

3 1. The economic development authority, in partnership with
4 the Iowa finance authority, shall establish and administer a
5 downtown loan guarantee program to encourage Iowa downtown
6 businesses and banks to reinvest and reopen following the
7 COVID-19 pandemic.

8 2. In order for a loan to be guaranteed, all of the
9 following conditions must be true:

10 *a.* The loan finances an eligible downtown resource center
11 community catalyst building remediation grant project or main
12 street Iowa challenge grant within a designated district.

13 *b.* The loan finances a rehabilitation project, or finances
14 acquisition or refinancing costs associated with the project.

15 *c.* At least twenty-five percent of the project costs are
16 used for construction on the project or renovation.

17 *d.* The project includes a housing component.

18 *e.* The loan is used for construction of the project,
19 permanent financing of the project, or both.

20 *f.* A federally insured financial lending institution issued
21 the loan.

22 *g.* The loan does not reimburse the borrower for working
23 capital, operations, or similar expenses.

24 *h.* The project meets downtown resource center and main
25 street Iowa design review.

26 3. *a.* For a loan amount less than or equal to five hundred
27 thousand dollars, the economic development authority may
28 guarantee up to fifty percent of the loan amount.

29 *b.* For a loan amount greater than five hundred thousand
30 dollars, the economic development authority may provide a
31 maximum loan guarantee of up to two hundred fifty thousand
32 dollars.

33 4. A project loan must be secured by a mortgage against the
34 project property.

35 5. The economic development authority may guarantee loans

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 for up to five years. The economic development authority
2 may extend the loan guarantee for an additional five years
3 if an underwriting review finds that an extension would be
4 beneficial.

5 6. The lender shall pay an annual loan guarantee fee as set
6 forth by rule.

7 7. The economic development authority reserves the right
8 to deny a loan guarantee for unreasonable bank loan fees or
9 interest rate.

10 8. The loan must not be insured or guaranteed by another
11 local, state, or federal guarantee program.

12 9. The loan guarantee is not transferable if the loan or the
13 project is sold or transferred.

14 10. In the event of a loss due to default, the loan
15 guarantee proportionally pays the guarantee percentage of the
16 loss to the lender.

17 11. Moneys for the program may consist of any moneys
18 appropriated by the general assembly for purposes of this
19 section, and any other moneys that are lawfully available
20 to the economic development authority, including moneys
21 transferred or deposited from other funds created pursuant to
22 section 15.106A, subsection 1, paragraph "o".

23 DIVISION XVI

24 DISASTER RECOVERY HOUSING ASSISTANCE

25 Sec. 46. NEW SECTION. 16.57A **Transfer of unobligated or**
26 **unencumbered funds — report.**

27 1. Notwithstanding any other provision of law to the
28 contrary, the authority may transfer any unobligated and
29 unencumbered moneys in any revolving loan program fund created
30 pursuant to section 16.46, 16.47, 16.48, or 16.49, for deposit
31 in the disaster recovery housing assistance fund created in
32 section 16.57B.

33 2. Notwithstanding section 8.39, and any other law to
34 the contrary, with the prior written consent and approval of
35 the governor, the executive director of the authority may

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 transfer any unobligated and unencumbered moneys in any fund
2 created pursuant to section 16.5, subsection 1, paragraph
3 "s", for deposit in the disaster recovery housing assistance
4 fund created in section 16.57B. The prior written consent and
5 approval of the director of the department of management shall
6 not be required to transfer the unobligated and unencumbered
7 moneys.

8 3. Notwithstanding section 8.39, and any other law to the
9 contrary, with the prior written approval of the governor, the
10 director of the economic development authority may transfer
11 any unobligated and unencumbered moneys in any fund created
12 pursuant to section 15.106A, subsection 1, paragraph "o",
13 for deposit in the disaster recovery housing assistance fund
14 created in section 16.57B.

15 4. Any transfer made under this section shall be reported in
16 the same manner as provided in section 8.39, subsection 5.

17 Sec. 47. NEW SECTION. **16.57B Disaster recovery housing**
18 **assistance program — fund.**

19 1. *Definitions.* As used in this section, unless the context
20 otherwise requires:

21 a. "*Disaster-affected home*" means a primary residence that
22 is destroyed or damaged due to a natural disaster that occurs
23 on or after the effective date of this division of this Act,
24 and the primary residence is located in a county that is the
25 subject of a state of disaster emergency proclamation by the
26 governor that authorizes disaster recovery housing assistance.

27 b. "*Fund*" means the disaster recovery housing assistance
28 fund.

29 c. "*Local program administrator*" means any of the following:

30 (1) The cities of Ames, Cedar Falls, Cedar Rapids, Council
31 Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo,
32 and West Des Moines.

33 (2) A council of governments whose territory includes at
34 least one county that is the subject of a state of disaster
35 emergency proclamation by the governor that authorizes disaster

1 recovery housing assistance or the eviction prevention program
2 under section 16.57C on or after the effective date of this
3 division of this Act.

4 (3) A community action agency as defined in section 216A.91
5 and whose territory includes at least one county that is the
6 subject of a state of disaster emergency proclamation by the
7 governor that authorizes disaster recovery housing assistance
8 or the eviction prevention program under section 16.57C on or
9 after the effective date of this division of this Act.

10 (4) A qualified local organization or governmental entity
11 as determined by rules adopted by the authority.

12 *d.* "Program" means the disaster recovery housing assistance
13 program.

14 *e.* "Replacement housing" means housing purchased
15 by a homeowner or leased by a renter needed to replace
16 a disaster-affected home that is destroyed or damaged
17 beyond reasonable repair as determined by a local program
18 administrator.

19 *f.* "State of disaster emergency" means the same as described
20 in section 29C.6, subsection 1.

21 2. *Fund.*

22 *a.* (1) A disaster recovery housing assistance fund is
23 created within the authority. The moneys in the fund shall be
24 used by the authority for the development and operation of a
25 forgivable loan and grant program for homeowners and renters
26 with disaster-affected homes, and for the eviction prevention
27 program pursuant to section 16.57C.

28 (2) Notwithstanding section 12C.7, subsection 2, interest
29 or earnings on moneys deposited in the fund shall be credited
30 to the fund. Notwithstanding section 8.33, moneys credited to
31 the fund shall not revert at the close of a fiscal year.

32 *b.* Moneys transferred by the authority for deposit in the
33 fund, moneys appropriated to the fund, and any other moneys
34 available to and obtained or accepted by the authority for
35 placement in the fund shall be deposited in the fund.

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 *c.* The authority shall not use more than five percent of
2 the moneys in the fund on July 1 of a fiscal year for purposes
3 of administrative costs and other program support during the
4 fiscal year.

5 3. *Program.*

6 *a.* The authority shall establish and administer a disaster
7 recovery housing assistance program and shall use moneys in
8 the fund to award forgivable loans to eligible homeowners and
9 grants to eligible renters of disaster-affected homes. Moneys
10 in the fund may be expended following a state of disaster
11 emergency proclamation by the governor pursuant to section
12 29C.6 that authorizes disaster recovery housing assistance.

13 *b.* The authority may enter into an agreement with one or
14 more local program administrators to administer the program.

15 4. *Registration required.* To be considered for a forgivable
16 loan or grant under the program, a homeowner or renter must
17 register for the disaster case management program established
18 pursuant to section 29C.20B. The disaster case manager may
19 refer the homeowner or renter to the appropriate local program
20 administrator.

21 5. *Homeowners.*

22 *a.* To be eligible for a forgivable loan under the program,
23 all of the following requirements shall apply:

24 (1) The homeowner's disaster-affected home must have
25 sustained damage greater than the damage that is covered by the
26 homeowner's property and casualty insurance policy insuring the
27 home plus any other state or federal disaster-related financial
28 assistance that the homeowner is eligible to receive.

29 (2) A local official must either deem the disaster-affected
30 home suitable for rehabilitation or damaged beyond reasonable
31 repair.

32 (3) The disaster-affected home is not eligible for buyout by
33 the county or city where the disaster-affected home is located,
34 or the disaster-affected home is eligible for a buyout by the
35 county or city where the disaster-affected home is located, but

1 the homeowner is requesting a forgivable loan for the repair
2 or rehabilitation of the homeowner's disaster-affected home in
3 lieu of a buyout.

4 (4) Assistance under the program must not duplicate
5 benefits provided by any local, state, or federal disaster
6 recovery assistance program.

7 b. If a homeowner is referred to the authority or to a
8 local program administrator by the disaster case manager of the
9 homeowner, the authority may award a forgivable loan to the
10 eligible homeowner for any of the following purposes:

11 (1) Repair or rehabilitation of the disaster-affected home.

12 (2) (a) Down payment assistance on the purchase of
13 replacement housing, and the cost of reasonable repairs to be
14 performed on the replacement housing to render the replacement
15 housing decent, safe, sanitary, and in good repair.

16 (b) Replacement housing shall not be located in a
17 one-hundred-year floodplain.

18 (c) For purposes of this subparagraph, "*decent, safe,*
19 *sanitary, and in good repair*" means the same as described in 24
20 C.F.R. §5.703.

21 c. The authority shall determine the interest rate for the
22 forgivable loan.

23 d. If a homeowner who has been awarded a forgivable loan
24 sells a disaster-affected home or replacement housing for which
25 the homeowner received the forgivable loan prior to the end
26 of the loan term, the remaining principal on the forgivable
27 loan shall be due and payable pursuant to rules adopted by the
28 authority.

29 6. *Renters.*

30 a. To be eligible for a grant under the program, all of the
31 following requirements shall apply:

32 (1) A local program administrator either deems
33 the disaster-affected home of the renter suitable for
34 rehabilitation but unsuitable for current short-term
35 habitation, or the disaster-affected home is damaged beyond

1 reasonable repair.

2 (2) Assistance under the program must not duplicate
3 benefits provided by any local, state, or federal disaster
4 recovery assistance program.

5 *b.* If a renter is referred to the authority or to a local
6 program administrator by the disaster case manager of the
7 renter, the authority may award a grant to the eligible renter
8 to provide short-term financial assistance for the payment of
9 rent for replacement housing.

10 7. *Report.* On or before January 31 of each year, the
11 authority shall submit a report to the general assembly
12 that identifies all of the following for the calendar year
13 immediately preceding the year of the report:

14 *a.* The date of each state of disaster emergency proclamation
15 by the governor that authorized disaster recovery housing
16 assistance under this section.

17 *b.* The total number of forgivable loans and grants awarded.

18 *c.* The total number of forgivable loans, and the amount of
19 each loan awarded for repair or rehabilitation.

20 *d.* The total number of forgivable loans, and the amount of
21 each loan, awarded for down payment assistance on the purchase
22 of replacement housing and the cost of reasonable repairs to be
23 performed on the replacement housing to render the replacement
24 housing decent, safe, sanitary, and in good repair.

25 *e.* The total number of grants, and the amount of each grant,
26 awarded for rental assistance.

27 *f.* The total number of forgivable loans and grants awarded
28 in each county in which at least one homeowner or renter has
29 been awarded a forgivable loan or grant.

30 *g.* Each local program administrator involved in the
31 administration of the program.

32 *h.* The total amount of forgivable loan principal repaid.

33 Sec. 48. NEW SECTION. 16.57C Eviction prevention program.

34 1. *a.* "*Eligible renter*" means a renter whose income meets
35 the qualifications of the program, who is at risk of eviction,

1 and who resides in a county that is the subject of a state of
2 disaster emergency proclamation by the governor that authorizes
3 the eviction prevention program.

4 *b. "Eviction prevention partner"* means a qualified local
5 organization or governmental entity as determined by rule by
6 the authority.

7 2. The authority shall establish and administer an eviction
8 prevention program. Under the eviction prevention program,
9 the authority shall award grants to eligible renters and to
10 eviction prevention partners for purposes of this section.
11 Grants may be awarded upon a state of disaster emergency
12 proclamation by the governor that authorizes the eviction
13 prevention program. Eviction prevention assistance shall be
14 paid out of the fund established in section 16.57B.

15 3. *a.* Grants awarded to eligible renters pursuant to this
16 section shall be used for short-term financial rent assistance
17 to keep eligible renters in the current residences of such
18 renters.

19 *b.* Grants awarded to eviction prevention partners pursuant
20 to this section shall be used to pay for rent or services
21 provided to eligible renters for the purpose of preventing the
22 eviction of eligible renters.

23 4. The authority may enter into an agreement with one or
24 more local program administrators to administer the program.

25 Sec. 49. NEW SECTION. 16.57D Rules.

26 The authority shall adopt rules pursuant to chapter 17A to
27 implement and administer this part, including rules to do all
28 of the following:

29 1. Establish the maximum forgivable loan and grant amounts
30 awarded under the program.

31 2. Establish the terms of any forgivable loan provided under
32 the program.

33 3. Income qualifications of eligible renters in the
34 eviction prevention program.

35 Sec. 50. CODE EDITOR DIRECTIVE. The Code editor shall

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 designate sections 16.57A through 16.57D, as enacted by
2 this division of this Act, as a new part within chapter 16,
3 subchapter VIII, and may redesignate the new and preexisting
4 parts, replace references to sections 16.57A through 16.57D
5 with references to the new part, and correct internal
6 references as necessary, including references in subchapter or
7 part headnotes.

8 Sec. 51. EFFECTIVE DATE. This division of this Act, being
9 deemed of immediate importance, takes effect upon enactment.

10 DIVISION XVII

11 BONUS DEPRECIATION

12 Sec. 52. Section 422.7, subsection 39A, Code 2021, is
13 amended by striking the subsection.

14 Sec. 53. Section 422.35, subsection 19A, Code 2021, is
15 amended by striking the subsection.

16 Sec. 54. RETROACTIVE APPLICABILITY. This division of this
17 Act applies retroactively to January 1, 2021, for tax years
18 beginning on or after that date, and for qualified property
19 placed in service on or after that date.

20 DIVISION XVIII

21 BUSINESS INTEREST EXPENSE DEDUCTION

22 Sec. 55. Section 422.7, subsection 60, paragraph b, Code
23 2021, is amended by striking the paragraph.

24 Sec. 56. Section 422.35, subsection 27, paragraph b, Code
25 2021, is amended by striking the paragraph.

26 Sec. 57. RETROACTIVE APPLICABILITY. This division of this
27 Act applies retroactively to January 1, 2021, for tax years
28 beginning on or after that date.

29 DIVISION XIX

30 BEGINNING FARMER TAX CREDIT

31 Sec. 58. Section 16.58, subsections 1, 2, and 3, Code 2021,
32 are amended to read as follows:

33 1. "*Agricultural assets*" means agricultural land,
34 agricultural improvements, depreciable agricultural property,
35 crops, or livestock.

1 2. "~~Agricultural improvements~~" improvement" means any
2 improvements, including buildings, structures, or fixtures
3 suitable for use in farming ~~which are,~~ if located on any size
4 parcel of agricultural land.

5 3. "Agricultural land" means land suitable for use in
6 farming, any portion of which may include an agricultural
7 improvement.

8 Sec. 59. Section 16.77, subsection 2, Code 2021, is amended
9 to read as follows:

10 2. "Agricultural lease agreement" or "agreement" means an
11 agreement for the transfer of agricultural assets, ~~that must at~~
12 ~~least include a lease of agricultural land,~~ from an eligible
13 taxpayer to a qualified beginning farmer as provided in section
14 16.79A.

15 Sec. 60. Section 16.79A, subsection 1, Code 2021, is amended
16 to read as follows:

17 1. a. A beginning farmer tax credit is allowed only for
18 agricultural assets that are subject to an agricultural lease
19 agreement entered into by an eligible taxpayer and a qualifying
20 beginning farmer participating in the beginning farmer tax
21 credit program established pursuant to [section 16.78](#).

22 b. The tax credit is allowed regardless of whether the
23 principle agricultural asset is soil, pasture, or a building or
24 other structure used in farming.

25 Sec. 61. Section 16.79A, subsection 2, Code 2021, is amended
26 to read as follows:

27 2. The agreement must include the lease of agricultural
28 land located in this state, ~~including any or agricultural~~
29 improvements located in this state, and may provide for the
30 rental of agricultural equipment as defined in [section 322F.1](#).

31 Sec. 62. Section 16.79A, subsection 3, paragraph c, Code
32 2021, is amended to read as follows:

33 c. The agreement must be for at least two years, but not
34 more than five years. The agreement may be renewed any number
35 of times by the eligible taxpayer and qualified beginning

1 farmer for a term of at least two years, but not more than five
2 years. However, an eligible taxpayer shall not participate in
3 the program for more than fifteen years.

4 Sec. 63. Section 16.81, subsection 4, Code 2021, is amended
5 by striking the subsection.

6 Sec. 64. Section 16.81, subsection 6, Code 2021, is amended
7 to read as follows:

8 6. The authority shall approve all beginning farmer tax
9 credit applications that meet the requirements of **this subpart**
10 and make tax credit awards on a first-come, first-served basis,
11 subject to the limitations in **section 16.82A**. An eligible
12 taxpayer may apply and be approved to enter into agreements
13 with different qualified beginning farmers.

14 Sec. 65. Section 16.82, subsection 5, Code 2021, is amended
15 to read as follows:

16 5. The amount of tax credits that may be awarded to an
17 eligible taxpayer for any one year under ~~all agreements~~ an
18 agreement shall not exceed fifty thousand dollars.

19 Sec. 66. BEGINNING FARMER TAX CREDIT PROGRAM — FORMER
20 PERIOD OF PARTICIPATION EXTENDED. An eligible taxpayer first
21 participating in the beginning farmer tax credit program on or
22 after January 1, 2019, as provided in 2019 Iowa Acts, chapter
23 161, for a tax year beginning on or after that date, may
24 participate in the program for not more than fifteen years in
25 the same manner as provided in section 16.79A, as amended by
26 this division of this Act.

27 Sec. 67. EFFECTIVE DATE. This division of this Act takes
28 effect January 1, 2022.

29 DIVISION XX

30 PROMOTIONAL PLAY

31 Sec. 68. Section 99F.1, subsections 1, 25, and 30, Code
32 2021, are amended to read as follows:

33 1. *“Adjusted gross receipts”* means the gross receipts on
34 gambling games less winnings paid to wagerers on gambling games
35 and less promotional play receipts on gambling games. However,

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 for each fiscal year during the time period beginning July 1,
2 2021, and ending June 30, 2026, *"adjusted gross receipts"* ~~does~~
3 ~~not shall~~ include promotional play receipts ~~received after the~~
4 ~~date in any fiscal year that the commission determines that~~
5 ~~the wagering tax imposed pursuant to section 99F.11 on all~~
6 ~~licensees in that fiscal year on promotional play receipts~~
7 ~~exceeds twenty-five million eight hundred twenty thousand~~
8 ~~dollars~~ on gambling games.

9 25. *"Promotional play receipts"* means the total sums wagered
10 ~~on gambling games~~ with tokens, chips, electronic credits, or
11 other forms of cashless wagering provided by the licensee
12 without an exchange of money as described in section 99F.9,
13 subsection 3.

14 30. *"Sports wagering net receipts"* means the gross receipts
15 less winnings paid to wagerers and less promotional play
16 receipts on sports wagering.

17 Sec. 69. Section 99F.6, subsection 4, paragraph a,
18 subparagraphs (3) and (5), Code 2021, are amended to read as
19 follows:

20 (3) The commission shall authorize, subject to the debt
21 payments for horse racetracks and the provisions of paragraph
22 "b" for dog racetracks, a licensee who is also licensed to
23 conduct pari-mutuel dog or horse racing to use receipts
24 from gambling games and sports wagering within the racetrack
25 enclosure to supplement purses for races particularly for
26 Iowa-bred horses pursuant to an agreement which shall be
27 negotiated between the licensee and representatives of the
28 dog or horse owners. For agreements subject to commission
29 approval concerning purses for horse racing beginning on or
30 after January 1, 2006, the agreements shall provide that total
31 annual purses for all horse racing shall be four percent of
32 sports wagering net receipts and promotional play receipts on
33 sports wagering and no less than eleven percent of the first
34 two hundred million dollars of net receipts, and six percent of
35 net receipts above two hundred million dollars. In addition,

1 live standardbred horse racing shall not be conducted at the
2 horse racetrack in Polk county, but the purse moneys designated
3 for standardbred racing pursuant to section 99D.7, subsection
4 5, paragraph "b", shall be included in calculating the total
5 annual purses required to be paid pursuant to **this subsection**.
6 Agreements that are subject to commission approval concerning
7 horse purses for a period of time beginning on or after January
8 1, 2006, shall be jointly submitted to the commission for
9 approval.

10 (5) For purposes of this paragraph, "*net receipts*" means
11 the annual adjusted gross receipts from all gambling games
12 and, beginning July 1, 2026, promotional play receipts on all
13 gambling games less the annual amount of money pledged by the
14 owner of the facility to fund a project approved to receive
15 vision Iowa funds as of July 1, 2004.

16 Sec. 70. Section 99F.11, Code 2021, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 2A. a. Notwithstanding any provision
19 of this section to the contrary, the tax rate imposed on a
20 licensee each fiscal year on any amount of promotional play
21 receipts on gambling games included as adjusted gross receipts
22 shall be determined by multiplying the adjusted percentage
23 by the wagering tax applicable to the licensee pursuant to
24 subsection 2.

25 b. For purposes of this subsection, "*adjusted percentage*"
26 means as follows:

27 (1) For the fiscal year beginning July 1, 2021, and ending
28 June 30, 2022, eighty-three and one-third percent.

29 (2) For the fiscal year beginning July 1, 2022, and ending
30 June 30, 2023, sixty-six and two-thirds percent.

31 (3) For the fiscal year beginning July 1, 2023, and ending
32 June 30, 2024, fifty percent.

33 (4) For the fiscal year beginning July 1, 2024, and ending
34 June 30, 2025, thirty-three and one-third percent.

35 (5) For the fiscal year beginning July 1, 2025, and ending

1 June 30, 2026, sixteen and two-thirds percent.

2 c. This subsection is repealed July 1, 2026.

3 DIVISION XXI

4 TARGETED JOBS WITHHOLDING CREDIT

5 Sec. 71. Section 403.19A, subsection 3, paragraph c,
6 subparagraph (2), Code 2021, is amended to read as follows:

7 (2) The pilot project city and the economic development
8 authority shall not enter into a withholding agreement after
9 June 30, ~~2021~~ 2024.

10 DIVISION XXII

11 FOOD BANKS

12 Sec. 72. Section 423.3, Code 2021, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 107. The sales price of the sale or
15 rental of tangible personal property sold to and of services
16 furnished to a nonprofit food bank, if the property or
17 services are used by the nonprofit food bank for a charitable
18 purpose. For purposes of this subsection, "*nonprofit food*
19 *bank*" means an organization organized under chapter 504 and
20 qualifying under section 501(c)(3) of the Internal Revenue
21 Code as an organization exempt from federal income tax under
22 section 501(a) of the Internal Revenue Code that maintains
23 an established operation involving the provision of food or
24 edible commodities or the products thereof on a regular basis
25 to persons in need or to food pantries, soup kitchens, hunger
26 relief centers, or other food or feeding centers that, as an
27 integral part of their normal activities, provide meals or food
28 on a regular basis to persons in need.

29 DIVISION XXIII

30 EMERGENCY VOLUNTEER — TAX CREDIT

31 Sec. 73. Section 422.12, subsection 2, paragraph c,
32 subparagraph (1), Code 2021, is amended to read as follows:

33 (1) A volunteer fire fighter and volunteer emergency
34 medical services personnel member credit equal to ~~one~~ two
35 hundred fifty dollars to compensate the taxpayer for the

1 voluntary services if the volunteer served for the entire
2 tax year. A taxpayer who is a paid employee of an emergency
3 medical services program or a fire department and who is also
4 a volunteer emergency medical services personnel member or
5 volunteer fire fighter in a city, county, or area governed
6 by an agreement pursuant to [chapter 28E](#) where the emergency
7 medical services program or fire department performs services,
8 shall qualify for the credit provided under this paragraph "c".

9 Sec. 74. Section 422.12, subsection 2, paragraph d,
10 subparagraph (1), Code 2021, is amended to read as follows:

11 (1) A reserve peace officer credit equal to ~~one~~ two hundred
12 fifty dollars to compensate the taxpayer for services as a
13 reserve peace officer if the reserve peace officer served for
14 the entire tax year.

15 Sec. 75. RETROACTIVE APPLICABILITY. This division of this
16 Act applies retroactively to January 1, 2021, for tax years
17 beginning on or after that date.

18 DIVISION XXIV

19 INDIVIDUAL INCOME TAX CHECKOFFS

20 Sec. 76. Section 173.22, subsection 2, Code 2021, is amended
21 to read as follows:

22 2. A foundation fund is created within the state treasury
23 composed of moneys appropriated or available to and obtained
24 or accepted by the foundation. The foundation fund shall also
25 include moneys ~~credited~~ transferred to the fund as ~~provided in~~
26 ~~section 422.12I~~.

27 Sec. 77. NEW SECTION. 422.12D Income tax checkoff for the
28 Iowa state fair foundation fund.

29 1. A person who files an individual or a joint income tax
30 return with the department of revenue under section 422.13
31 may designate one dollar or more to be paid to the foundation
32 fund of the Iowa state fair foundation as established in
33 section 173.22. If the refund due on the return or the payment
34 remitted with the return is insufficient to pay the amount
35 designated by the taxpayer to the foundation fund, the amount

1 designated shall be reduced to the remaining amount of the
2 refund or the remaining amount remitted with the return. The
3 designation of a contribution to the foundation fund under this
4 section is irrevocable.

5 2. The director of revenue shall draft the income tax form
6 to allow the designation of contributions to the foundation
7 fund on the tax return. The department, on or before January
8 31, shall transfer the total amount designated on the tax
9 form due in the preceding year to the foundation fund.

10 However, before a checkoff pursuant to this section shall be
11 permitted, all liabilities on the books of the department of
12 administrative services and accounts identified as owing under
13 section 8A.504 shall be satisfied.

14 3. The Iowa state fair board may authorize payment from
15 the foundation fund for purposes of supporting foundation
16 activities.

17 4. The department of revenue may adopt rules to implement
18 this section.

19 5. This section is subject to repeal under section 422.12E.

20 Sec. 78. NEW SECTION. **422.12L Joint income tax checkoff for**
21 **veterans trust fund and volunteer fire fighter preparedness fund.**

22 1. A person who files an individual or a joint income tax
23 return with the department of revenue under section 422.13 may
24 designate one dollar or more to be paid jointly to the veterans
25 trust fund created in section 35A.13 and to the volunteer fire
26 fighter preparedness fund created in section 100B.13. If the
27 refund due on the return or the payment remitted with the
28 return is insufficient to pay the additional amount designated
29 by the taxpayer, the amount designated shall be reduced to the
30 remaining amount of refund or the remaining amount remitted
31 with the return. The designation of a contribution under this
32 section is irrevocable.

33 2. The director of revenue shall draft the income tax form
34 to allow the designation of contributions to the veterans trust
35 fund and to the volunteer fire fighter preparedness fund as

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 one checkoff on the tax return. The department of revenue,
2 on or before January 31, shall transfer one-half of the total
3 amount designated on the tax return forms due in the preceding
4 calendar year to the veterans trust fund and the remaining
5 one-half to the volunteer fire fighter preparedness fund.
6 However, before a checkoff pursuant to this section shall be
7 permitted, all liabilities on the books of the department of
8 administrative services and accounts identified as owing under
9 section 8A.504 shall be satisfied.

10 3. The department of revenue may adopt rules to administer
11 this section.

12 4. This section is subject to repeal under section 422.12E.

13 DIVISION XXV

14 MENTAL HEALTH FUNDING

15 Sec. 79. Section 123.38, subsection 2, paragraph b, Code
16 2021, is amended to read as follows:

17 b. For purposes of **this subsection**, any portion of license
18 or permit fees used for the purposes authorized in section
19 331.424, subsection 1, paragraph "a", subparagraphs (1) and
20 (2), ~~and in section 331.424A~~, shall not be deemed received
21 either by the division or by a local authority.

22 Sec. 80. Section 218.99, Code 2021, is amended to read as
23 follows:

24 **218.99 Counties to be notified of patients' personal**
25 **accounts.**

26 The administrator in control of a state institution shall
27 direct the business manager of each institution under the
28 administrator's jurisdiction which is mentioned in section
29 331.424, subsection 1, paragraph "a", subparagraphs (1) and
30 (2), and for which services are paid ~~under section 331.424A~~
31 by the county of residence or a mental health and disability
32 services region, to quarterly inform the county of residence
33 of any patient or resident who has an amount in excess of two
34 hundred dollars on account in the patients' personal deposit
35 fund and the amount on deposit. The administrators shall

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 direct the business manager to further notify the county of
2 residence at least fifteen days before the release of funds in
3 excess of two hundred dollars or upon the death of the patient
4 or resident. If the patient or resident has no residency in
5 this state or the person's residency is unknown, notice shall
6 be made to the director of human services and the administrator
7 in control of the institution involved.

8 Sec. 81. Section 225.24, Code 2021, is amended to read as
9 follows:

10 **225.24 Collection of preliminary expense.**

11 Unless a committed private patient or those legally
12 responsible for the patient's support offer to settle the
13 amount of the claims, the regional administrator for the
14 person's county of residence shall collect, by action if
15 necessary, the amount of all claims for per diem and expenses
16 that have been approved by the regional administrator for the
17 county and paid by the regional administrator as provided under
18 section 225.21. Any amount collected shall be credited to the
19 ~~county~~ mental health and ~~disabilities~~ disability services fund
20 region combined account created in accordance with section
21 ~~331.424A~~ 331.391.

22 Sec. 82. Section 225C.4, subsection 1, paragraph i, Code
23 2021, is amended to read as follows:

24 *i.* Administer and distribute state appropriations in
25 connection with the mental health and disability services
26 regional ~~services~~ service fund established by [section 225C.7A](#).

27 Sec. 83. Section 225C.7A, Code 2021, is amended by striking
28 the section and inserting in lieu thereof the following:

29 **225C.7A Mental health and disability services regional**
30 **service fund — region incentive fund.**

31 1. A mental health and disability services regional service
32 fund is created in the office of the treasurer of state under
33 the authority of the department. The fund shall be separate
34 from the general fund of the state and the balance in the fund
35 shall not be considered part of the balance of the general

1 fund of the state. Moneys in the fund include appropriations
2 made to the fund and other moneys deposited into the fund.
3 Moneys in the fund shall be used solely for purposes of making
4 regional service payments and incentive payments under this
5 section.

6 2. a. For each fiscal year beginning on or after July 1,
7 2021, there is appropriated from the general fund of the state
8 to the mental health and disability services regional service
9 fund an amount necessary to make all regional service payments
10 under this section for that fiscal year.

11 b. The department shall distribute the moneys appropriated
12 from the mental health and disability services regional
13 service fund to mental health and disability services regions
14 for funding of services in accordance with performance-based
15 contracts with the regions and in the manner provided in this
16 section.

17 c. The performance-based contracts between the department
18 and each mental health and disability services region shall be
19 in effect beginning January 1, 2022, and shall include all of
20 the following:

21 (1) Authority for the department to approve, deny, or revise
22 each mental health and disability services region's annual
23 service and budget plan under section 331.393.

24 (2) A requirement for the mental health and disability
25 services region to provide access to all core services under
26 section 331.397.

27 (3) A requirement that the mental health and disability
28 services region utilize all federal government funding,
29 including Medicaid funding, third-party payment sources, and
30 other nongovernmental funding prior to using regional service
31 payments received under this section.

32 (4) An annual review of the mental health and disability
33 services region's administrative costs conducted by the
34 department.

35 (5) Authority for the department to establish outcome

1 improvement goals for populations served by the region
2 including but not limited to decreases in emergency department
3 visits, improved use of mobile crisis response and jail
4 diversion programs, and improved employment-based outcomes.

5 (6) Provisions authorizing the department, in response to
6 a mental health and disability services region's violation of
7 the contract, to implement the actions described under section
8 331.389, subsection 5, paragraph "a".

9 3. For each fiscal year beginning on or after July 1, 2021,
10 the moneys available in a fiscal year in the mental health and
11 disability services regional service fund, except for moneys in
12 the region incentive fund under subsection 8, are appropriated
13 to the department and shall be distributed to each region on
14 a per capita basis calculated under subsection 4 using each
15 region's population, as defined in section 331.388, for that
16 fiscal year.

17 4. The amount of each region's regional service payment
18 shall be determined as follows:

19 a. For the fiscal year beginning July 1, 2021, an amount
20 equal to the product of fifteen dollars and eighty-six cents
21 multiplied by the sum of the region's population for the fiscal
22 year.

23 b. For the fiscal year beginning July 1, 2022, an amount
24 equal to the product of thirty-eight dollars multiplied by the
25 sum of the region's population for the fiscal year.

26 c. For the fiscal year beginning July 1, 2023, an amount
27 equal to the product of forty dollars multiplied by the sum of
28 the region's population for the fiscal year.

29 d. For the fiscal year beginning July 1, 2024, an amount
30 equal to the product of forty-two dollars multiplied by the sum
31 of the region's population for the fiscal year.

32 e. (1) For the fiscal year beginning July 1, 2025, and each
33 succeeding fiscal year, an amount equal to the product of the
34 sum of the region's population for the fiscal year multiplied
35 by the sum of the dollar amount used to calculate the regional

1 service payments under this subsection for the immediately
2 preceding fiscal year plus the regional service growth factor
3 for the fiscal year.

4 (2) For purposes of this paragraph, "*regional service growth*
5 *factor*" for a fiscal year is an amount equal to the product
6 of the dollar amount used to calculate the regional service
7 payments under this subsection for the immediately preceding
8 fiscal year multiplied by the percent increase, if any, in the
9 amount of sales tax revenue deposited into the general fund of
10 the state under section 423.2A, subsection 1, paragraph "a",
11 less the transfers required under section 423.2A, subsection
12 2, between the fiscal year beginning three years prior to
13 the applicable fiscal year and the fiscal year beginning two
14 years prior to the applicable year, but not to exceed one and
15 one-half percent.

16 5. Regional service payments received by a region
17 shall be deposited in the region's combined account under
18 section 331.391 and used solely for providing mental health
19 and disability services under the regional service system
20 management plan.

21 6. Regional service payments from the mental health
22 and disability services regional service fund shall be
23 paid in quarterly installments to the appropriate regional
24 administrator in July, October, January, and April of each
25 fiscal year.

26 7. a. For the fiscal year beginning July 1, 2021, each
27 mental health and disability services region for which the
28 amount certified during the fiscal year under section 331.391,
29 subsection 4, paragraph "b", exceeds forty percent of the actual
30 expenditures of the region for the fiscal year preceding the
31 fiscal year in progress, the remaining quarterly payments of
32 the region's regional service payment shall be reduced by
33 an amount equal to the amount by which the region's amount
34 certified under section 331.391, subsection 4, paragraph "b",
35 exceeds forty percent of the actual expenditures of the region

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 for the fiscal year preceding the fiscal year in progress, but
2 the amount of the reduction shall not exceed the total amount
3 of the region's regional service payment for the fiscal year.
4 If the region's remaining quarterly payments are insufficient
5 to effectuate the required reductions under this paragraph, the
6 region is required to pay to the department of human services
7 any amount for which the reduction in quarterly payments could
8 not be made. The amount of reductions to quarterly payments
9 and amounts paid to the department under this paragraph shall
10 be transferred and credited to the region incentive fund under
11 subsection 8.

12 *b.* For the fiscal year beginning July 1, 2022, each mental
13 health and disability services region for which the amount
14 certified during the fiscal year under section 331.391,
15 subsection 4, paragraph "b", exceeds twenty percent of the
16 actual expenditures of the region for the fiscal year preceding
17 the fiscal year in progress, the remaining quarterly payments
18 of the region's regional service payment shall be reduced by
19 an amount equal to the amount by which the region's amount
20 certified under section 331.391, subsection 4, paragraph "b",
21 exceeds twenty percent of the actual expenditures of the region
22 for the fiscal year preceding the fiscal year in progress, but
23 the amount of the reduction shall not exceed the total amount
24 of the region's regional service payment for the fiscal year.
25 If the region's remaining quarterly payments are insufficient
26 to effectuate the required reductions under this paragraph, the
27 region is required to pay to the department of human services
28 any amount for which the reduction in quarterly payments could
29 not be made. The amount of reductions to quarterly payments
30 and amounts paid to the department under this paragraph shall
31 be transferred and credited to the region incentive fund under
32 subsection 8.

33 *c.* For the fiscal year beginning July 1, 2023, and each
34 succeeding fiscal year, each mental health and disability
35 services region for which the amount certified during the

1 fiscal year under section 331.391, subsection 4, paragraph "b",
2 exceeds five percent of the actual expenditures of the region
3 for the fiscal year preceding the fiscal year in progress, the
4 remaining quarterly payments of the region's regional service
5 payment shall be reduced by an amount equal to the amount by
6 which the region's amount certified under section 331.391,
7 subsection 4, paragraph "b", exceeds five percent of the actual
8 expenditures of the region for the fiscal year preceding the
9 fiscal year in progress, but the amount of the reduction
10 shall not exceed the total amount of the region's regional
11 service payment for the fiscal year. If the region's remaining
12 quarterly payments are insufficient to effectuate the required
13 reductions under this paragraph, the region is required to
14 pay to the department of human services any amount for which
15 the reduction in quarterly payments could not be made. The
16 amount of reductions to quarterly payments and amounts paid to
17 the department under this paragraph shall be transferred and
18 credited to the region incentive fund under subsection 8.

19 8. a. A region incentive fund is created in the mental
20 health and disability services regional service fund under
21 subsection 1. The incentive fund shall consist of the
22 moneys appropriated or credited to the incentive fund by
23 law, including amounts credited to the incentive fund under
24 subsection 7. Notwithstanding section 8.33, moneys in the
25 incentive fund at the end of each fiscal year shall not revert
26 to any other fund but shall remain in the incentive fund for
27 use in subsequent fiscal years. For fiscal years beginning on
28 or after July 1, 2021, there is appropriated from the general
29 fund of the state to the incentive fund the following amounts
30 to be used for the purposes of this subsection:

31 (1) For the fiscal year beginning July 1, 2021, three
32 million dollars.

33 (2) (a) For each fiscal year beginning on or after July
34 1, 2025, an amount equal to the incentive fund growth factor
35 multiplied by the ending balance of the incentive fund at

1 the conclusion of the fiscal year ending June 30 immediately
2 preceding the application deadline under paragraph "b" for the
3 fiscal year for which the appropriation is made.

4 (b) For purposes of this subparagraph, the "*incentive fund*
5 *growth factor*" for each fiscal year is the percent increase,
6 if any, in the amount of sales tax revenue deposited into the
7 general fund of the state under section 423.2A, subsection
8 1, paragraph "a", less the transfers required under section
9 423.2A, subsection 2, between the fiscal year beginning three
10 years prior to the applicable fiscal year and the fiscal year
11 beginning two years prior to the applicable year, minus one and
12 one-half percent, and the incentive fund growth factor for any
13 fiscal year shall not exceed three and one-half percent.

14 b. To receive funding from the incentive fund, a regional
15 administrator must submit to the department sufficient data
16 to demonstrate that the region has met the standards outlined
17 in the region's performance-based contract. The purpose of
18 the incentive fund shall be to provide appropriate financial
19 incentives for outcomes met from services provided by the
20 regional administrator's mental health and disability services
21 region. The department shall make its final decisions on or
22 before December 15 regarding acceptance or rejection of the
23 submissions for incentive funds applications for assistance and
24 the total amount accepted shall be considered obligated.

25 c. In addition to incentive submission requirements under
26 paragraphs "d", "e", and "g", basic eligibility for incentive
27 funds requires that a mental health and disability services
28 region meet all of the following conditions:

29 (1) The mental health and disability services region is in
30 compliance with the regional service system management plan
31 requirements of section 331.393.

32 (2) (a) In the fiscal year that commenced two years prior
33 to the fiscal year of application for incentive funds, the
34 ending balance, under generally accepted accounting principles,
35 of the mental health and disability services region's combined

1 services funds was equal to or less than the ending balance
2 threshold under subparagraph division (b) for the fiscal year
3 for which assistance is requested.

4 (b) For purposes of this subparagraph (2), "*ending balance*
5 *threshold*" means the following:

6 (i) For applications for the fiscal year beginning July 1,
7 2021, forty percent of the actual expenditures of the mental
8 health and disability services region for the fiscal year that
9 commenced two years prior to the fiscal year of application for
10 assistance.

11 (ii) For applications for the fiscal year beginning July 1,
12 2022, twenty percent of the actual expenditures of the mental
13 health and disability services region for the fiscal year that
14 commenced two years prior to the fiscal year of application for
15 assistance.

16 (iii) For applications for fiscal years beginning on or
17 after July 1, 2023, five percent of the actual expenditures
18 of the mental health and disability services region for the
19 fiscal year that commenced two years prior to the fiscal year
20 of application for assistance.

21 *d.* The department shall review the fiscal year-end financial
22 records for all mental health and disability services regions
23 that are granted incentive funds. If the department determines
24 a mental health and disability services region's actual need
25 for incentive funds was less than the amount of incentive funds
26 granted to the mental health and disability services region,
27 the mental health and disability services region shall refund
28 the difference between the amount of assistance granted and
29 the actual need. The mental health and disability services
30 region shall submit the refund within thirty days of receiving
31 notice from the department. Refunds shall be credited to the
32 incentive fund.

33 *e.* The department shall determine application requirements
34 to ensure prudent use of the incentive fund. The department
35 may accept or reject an application for incentive funds in

1 whole or in part. The decision of the department is final.

2 *f.* The total amount of incentive funds approved shall be
3 limited to the amount available in the incentive fund for a
4 fiscal year. Any unobligated balance in the incentive fund at
5 the close of a fiscal year shall remain in the incentive fund
6 for distribution in the succeeding fiscal year.

7 *g.* Incentive funds shall only be made available to address
8 one or more of the following circumstances:

9 (1) To reimburse regions for reductions in available
10 funding for core services as the result of the reduction and
11 elimination of the levy under section 331.424A, Code 2021, if
12 the region has an operating deficit. The department shall
13 prioritize approval of incentive funds for the circumstances
14 specified in this subparagraph.

15 (2) To incentivize quality core services that meet or exceed
16 the defined outcomes in the performance-based contract.

17 (3) To support regional efforts to fund non-core services
18 that support the defined outcomes of core services in the
19 performance-based contract.

20 (4) To support non-core services to maintain an individual
21 in a community setting or that would create a risk that the
22 individuals needing services and supports would be placed in
23 more restrictive, higher-cost settings.

24 *h.* Subject to the amount available and obligated from
25 the incentive fund for a fiscal year, the department shall
26 annually calculate the amount of moneys due to eligible mental
27 health and disability services regions in accordance with the
28 department's decisions and that amount is appropriated from the
29 incentive fund to the department for payment of the moneys due.
30 The department shall distribute incentive funds payable to the
31 mental health and disability services regions for the amounts
32 due on or before January 1.

33 *i.* On or before March 1 and September 1 of each fiscal
34 year, the department shall provide the governor's office and
35 the general assembly with a report of the financial condition

1 of the incentive fund. The report shall include but is not
2 limited to an itemization of the funding source's balances,
3 types and amount of revenues credited, and payees and payment
4 amounts for the expenditures made from the funding source
5 during the reporting period.

6 *j.* If the department has made its decisions but has
7 determined that there are otherwise qualifying requests for
8 incentive funds that are beyond the amount available in the
9 incentive fund for a fiscal year, the department shall compile
10 a list of such requests and the supporting information for
11 the requests. The list and information shall be submitted to
12 the commission, the children's behavioral health system state
13 board, and the general assembly.

14 9. The commission shall consult with regional
15 administrators and the director in prescribing forms and
16 adopting rules to administer this section.

17 Sec. 84. Section 249N.8, subsection 1, Code 2021, is amended
18 to read as follows:

19 1. Biennially, a report of the results of a review, by
20 county and region, of mental health services previously funded
21 through taxes levied by counties pursuant to [section 331.424A](#),
22 Code 2021, or funds administered by a mental health and
23 disability services region that are funded during the reporting
24 period under the Iowa health and wellness plan.

25 Sec. 85. Section 331.389, subsection 1, paragraph b, Code
26 2021, is amended to read as follows:

27 *b.* If a county has been exempted prior to July 1, 2014, from
28 the requirement to enter into a regional service system, the
29 county and the county's board of supervisors shall fulfill all
30 requirements and be eligible as a region under [this chapter](#) and
31 [chapter chapters 222, 225, 225C, 226, 227, 229, and 230](#) for a
32 regional service system, regional service system management
33 plan, regional governing board, and regional administrator,
34 and any other provisions applicable to a region of counties
35 providing local mental health and disability services.

1 Additionally, a county exempted under this subsection shall be
2 considered a region for purposes of chapter 426B.

3 Sec. 86. Section 331.389, subsection 5, paragraph a,
4 subparagraph (2), Code 2021, is amended to read as follows:

5 (2) Reduce the amount of the annual state funding provided
6 for the regional service system or exempted county, including
7 amounts received under section 225C.7A, not to exceed fifteen
8 percent of the amount.

9 Sec. 87. Section 331.391, subsections 1 and 3, Code 2021,
10 are amended to read as follows:

11 1. The funding under the control of the governing board
12 shall be maintained in a combined account, ~~in separate county~~
13 ~~accounts that are under the control of the governing board, or~~
14 ~~pursuant to other arrangements authorized by law that limit the~~
15 ~~administrative burden of such control while facilitating public~~
16 ~~scrutiny of financial processes.~~ A county exempted under
17 section 331.389, subsection 1, shall maintain a county mental
18 health and disability services fund for the deposit of funding
19 received under section 225C.7A and appropriations specifically
20 authorized to be made from the county mental health and
21 disability services fund shall not be made from any other fund
22 of the county. A county mental health and disability services
23 fund established by an exempt county, to the extent feasible,
24 shall be considered to be the same as a region combined account
25 and shall be subject to the same requirements as a region's
26 combined account.

27 3. The funding provided pursuant to appropriations from the
28 mental health and disability services regional ~~services~~ service
29 fund created in [section 225C.7A](#) and from performance-based
30 contracts with the department shall be credited to the account
31 ~~or accounts~~ under the control of the governing board.

32 Sec. 88. Section 331.391, subsection 4, paragraphs a, b, and
33 c, Code 2021, are amended to read as follows:

34 a. If a region is meeting the financial obligations for
35 implementation of its regional service system management plan

1 for a fiscal year and residual funding is anticipated, the
2 regional administrator ~~shall~~ may reserve an adequate amount of
3 unobligated and unencumbered funds for cash flow of expenditure
4 obligations in the next fiscal year.

5 *b.* Each region shall certify to the department of ~~management~~
6 human services on or before December 1, ~~2022~~ 2021, and each
7 December 1 thereafter, the amount of the region's cash flow
8 amount in the combined account ~~that is attributable to each~~
9 ~~county within the region based upon each county's proportionate~~
10 ~~amount of funding and contributions to the region or other~~
11 ~~methodology specified in the regional governance agreement~~
12 ~~or certify the cash flow amount for each separate county~~
13 ~~account that is under the control of the governing board at the~~
14 conclusion of the most recently completed fiscal year.

15 *c.* For fiscal years beginning on or after July 1, 2023,
16 the region's cash flow amount, ~~either reserved in the region's~~
17 ~~combined account or reserved among all separate county accounts~~
18 ~~under the control of the governing board,~~ shall not exceed
19 forty five percent of the gross actual expenditures from the
20 combined account ~~or from all separate county accounts under~~
21 ~~control of the governing board~~ for the fiscal year preceding
22 the fiscal year in progress.

23 Sec. 89. Section 331.392, subsection 4, paragraph a, Code
24 2021, is amended to read as follows:

25 *a.* Methods for pooling, management, and expenditure of the
26 funding under the control of the regional administrator. ~~If~~
27 ~~the agreement does not provide for pooling of the participating~~
28 ~~county moneys in a single fund, the agreement shall specify how~~
29 ~~the participating county moneys will be subject to the control~~
30 ~~of the regional administrator.~~

31 Sec. 90. Section 331.393, subsection 10, Code 2021, is
32 amended to read as follows:

33 10. The director's approval of a regional plan shall not be
34 construed to constitute certification of the ~~respective county~~
35 ~~budgets or of the region's budget.~~

1 Sec. 91. Section 331.394, subsection 4, Code 2021, is
2 amended to read as follows:

3 4. ~~If a county of residence is part of a mental health and~~
4 ~~disability services region that has agreed to pool funding and~~
5 ~~liability for services, the~~ The responsibilities of the county
6 under law regarding such mental health and disability services
7 shall be performed on behalf of the county by the regional
8 administrator. ~~The county of residence or the county's mental~~
9 ~~health and disability services region, as applicable, is~~
10 responsible for paying the public costs of the mental health
11 and disability services that are not covered by the medical
12 assistance program under [chapter 249A](#) and are provided in
13 accordance with the region's approved service management plan
14 to persons who are residents of the ~~county or~~ region.

15 Sec. 92. Section 331.398, subsection 1, Code 2021, is
16 amended to read as follows:

17 1. The financing of a regional mental health and disability
18 service system is limited to a fixed budget amount. The fixed
19 budget amount shall be the amount identified in a regional
20 service system management plan and budget for the fiscal year.
21 ~~A region shall receive state funding for growth in non-Medicaid~~
22 ~~expenditures through the mental health and disability regional~~
23 ~~services fund created in~~ [section 225C.7A](#) ~~to address increased~~
24 ~~service costs, additional service populations, additional core~~
25 ~~service domains, and increased numbers of persons receiving~~
26 ~~services.~~

27 Sec. 93. NEW SECTION. 331.400 **Quarterly reports.**

28 Beginning with the fiscal year, beginning July 1, 2022,
29 the department shall deliver on a quarterly basis a report to
30 the general assembly that provides a summary of the status of
31 implementing core services in each region, the accessibility
32 of core services in each region, how each region is using the
33 funding provided under section 225C.7A, and recommendations
34 for improvements to the mental health and disability services
35 system in order to attain the outcome improvement goals set

1 by the department consistent with the goals specified in the
2 performance-based contracts under section 225C.7A, subsection
3 2, paragraph "c", subparagraph (5).

4 Sec. 94. Section 331.424A, subsection 1, paragraph b, Code
5 2021, is amended by striking the paragraph.

6 Sec. 95. Section 331.424A, subsection 3, Code 2021, is
7 amended to read as follows:

8 3. a. County revenues from taxes and other sources
9 designated by a county for mental health and disabilities
10 services shall be credited to the county mental health and
11 disabilities services fund which shall be created by the
12 county. ~~The~~ Until the required transfer of funds under
13 paragraph "b", the board shall make appropriations from the fund
14 for payment of services provided under the regional service
15 system management plan approved pursuant to section 331.393.
16 ~~The~~ For fiscal years beginning before July 1, 2022, the county
17 may pay for the services in cooperation with other counties
18 by pooling appropriations from the county services fund with
19 appropriations from the county services fund of other counties
20 through the county's regional administrator, or through another
21 arrangement specified in the regional governance agreement
22 entered into by the county under section 331.392.

23 b. Notwithstanding section 331.432, subsection 3, upon
24 conclusion of the fiscal year beginning July 1, 2021, except
25 for an exempt county under section 331.391, subsection 1,
26 the county treasurer shall transfer the remaining balance of
27 the county's county services fund created under paragraph
28 "a", including all unobligated and unencumbered funds, to the
29 county's region to which the county belongs in the fiscal year
30 beginning July 1, 2022, for deposit in the region's combined
31 account under section 331.391.

32 Sec. 96. Section 331.424A, subsection 4, paragraph a, Code
33 2021, is amended to read as follows:

34 a. An amount of unobligated and unencumbered funds, as
35 specified in the regional governance agreement entered into

1 by the county under [section 331.392](#), shall, for fiscal years
2 beginning before July 1, 2022, be reserved in the county
3 services fund to address cash flow obligations in the next
4 fiscal year, ~~subject to the limitations of [this subsection](#).~~

5 Sec. 97. Section 331.424A, subsection 4, paragraphs c and d,
6 Code 2021, are amended by striking the paragraphs.

7 Sec. 98. Section 331.424A, subsections 5, 6, and 9, Code
8 2021, are amended to read as follows:

9 5. Receipts from the state or federal government for fiscal
10 years beginning before July 1, 2022, for the mental health
11 and disability services administered or paid for by a county
12 shall be credited to the county services fund, including moneys
13 distributed to the county from the department of human services
14 and moneys allocated under [chapter 426B](#).

15 6. For each fiscal year beginning before July 1, 2022, the
16 county shall certify a levy for payment of services. For each
17 such fiscal year, county revenues from taxes imposed by the
18 county credited to the county services fund shall not exceed an
19 amount equal to the county budgeted amount for the fiscal year.
20 A levy certified under [this section](#) is not subject to the
21 appeal provisions of [section 331.426](#) or to any other provision
22 in law authorizing a county to exceed, increase, or appeal a
23 property tax levy limit.

24 9. a. For the fiscal year beginning July 1, 2017, and
25 each subsequent fiscal year beginning before July 1, 2022, the
26 county budgeted amount determined for each county shall be the
27 amount necessary to meet the county's financial obligations for
28 the payment of services provided under the regional service
29 system management plan approved pursuant to [section 331.393](#),
30 not to exceed an amount equal to the product of ~~the regional~~
31 ~~per capita expenditure target amount~~ twenty-one dollars and
32 fourteen cents multiplied by the county's population, ~~and, for~~
33 ~~fiscal years beginning on or after July 1, 2023, reduced by~~
34 ~~the amount of the county's cash flow reduction amount for the~~
35 ~~fiscal year calculated under [subsection 4](#), if applicable.~~

1 *b.* If a county officially joins a different region, the
2 county's budgeted amount for a fiscal year beginning before
3 July 1, 2022, shall be the amount necessary to meet the
4 county's financial obligations for payment of services provided
5 under the new region's regional service system management plan
6 approved pursuant to [section 331.393](#), not to exceed an amount
7 equal to the product of ~~the new region's regional per capita~~
8 ~~expenditure target amount~~ twenty-one dollars and fourteen cents
9 multiplied by the county's population, ~~and, for fiscal years~~
10 ~~beginning on or after July 1, 2023, reduced by the amount of~~
11 ~~the county's cash flow reduction amount for the fiscal year~~
12 ~~calculated under [subsection 4](#), if applicable.~~

13 Sec. 99. Section 331.424A, Code 2021, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 10. This section is repealed July 1, 2022.

16 Sec. 100. Section 331.432, subsection 3, Code 2021, is
17 amended to read as follows:

18 3. *a.* Except as authorized in [section 331.477](#), transfers
19 of moneys between the county services fund created pursuant
20 to [section 331.424A](#) and any other fund are prohibited. This
21 ~~subsection paragraph~~ does not apply to appropriations made or
22 the value of in-kind care and treatment provided pursuant to
23 section 347.7, subsection 1, paragraph "c", Code 2021, or to
24 transfers from a county public hospital fund under section
25 347.7. This paragraph is repealed July 1, 2022.

26 *b.* Payments or transfers of moneys from any fund of the
27 county to a mental health and disability services region's
28 combined account under section 331.391 are prohibited. This
29 paragraph applies to fiscal years beginning on or after July
30 1, 2022, but does not apply to transfers from a county public
31 hospital fund under section 347.7 for the fiscal year beginning
32 July 1, 2022, or the fiscal year beginning July 1, 2023.

33 Sec. 101. Section 347.7, subsection 1, paragraph c, Code
34 2021, is amended by striking the paragraph.

35 Sec. 102. Section 426B.1, subsection 2, Code 2021, is

1 amended to read as follows:

2 2. Moneys shall be distributed from the property tax relief
3 fund to ~~counties~~ for the mental health and disability regional
4 service system for mental health and disabilities services, in
5 accordance with the appropriations made to the fund and other
6 statutory requirements.

7 Sec. 103. Section 426B.2, Code 2021, is amended to read as
8 follows:

9 **426B.2 Property tax relief fund payments.**

10 The director of human services shall draw warrants on the
11 property tax relief fund, payable to the ~~county treasurer~~
12 regional administrator in the amount due to a ~~county~~ mental
13 health and disability services region in accordance with
14 statutory requirements, and mail the warrants to the ~~county~~
15 auditors regional administrator in July and January of each
16 year.

17 Sec. 104. Section 426B.4, Code 2021, is amended to read as
18 follows:

19 **426B.4 Rules.**

20 The mental health and disability services commission shall
21 consult with ~~county representatives~~ regional administrators
22 and the director of human services in prescribing forms and
23 adopting rules pursuant to [chapter 17A](#) to administer this
24 chapter.

25 Sec. 105. ADJUSTMENT TO PROPERTY TAXES CERTIFIED UNDER
26 SECTION 331.424A — FY 2021-2022. For each county for which
27 the amount of taxes certified for levy for the purposes
28 of section 331.424A for the fiscal year beginning July 1,
29 2021, exceeds the product of the population of the county as
30 determined under section 331.424A, subsection 1, paragraph
31 "e", multiplied by twenty-one dollars and fourteen cents,
32 the department of management shall reduce the amount of such
33 taxes certified for levy to an amount not to exceed the
34 product of the population of the county as determined under
35 section 331.424A, subsection 1, paragraph "e", multiplied by

HF 893.2549 (1) 89

(amending this HF 893 to CONFORM to SF 619)

1 twenty-one dollars and fourteen cents and shall revise the rate
2 of taxation as necessary to raise the reduced amount. The
3 department of management shall report the reduction in the
4 certified taxes and the revised rate of taxation to the county
5 auditors by June 15, 2021.

6 Sec. 106. IMPLEMENTATION OF REGION INCENTIVE FUND UNDER
7 SECTION 225C.7A — EMERGENCY RULEMAKING.

8 1. In order to timely implement the provisions of this
9 division of this Act establishing the region incentive fund
10 under section 225C.7A, subsection 8, for mental health and
11 disability services regions for funding the fiscal year
12 beginning July 1, 2021, and the fiscal year beginning July
13 1, 2022, the director of human services shall establish
14 alternative application deadlines and expedited application
15 review and approval timelines.

16 2. The department of human services may adopt
17 administrative rules under section 17A.4, subsection 3, and
18 section 17A.5, subsection 2, paragraph "b", to implement
19 provisions of this division of this Act and the rules shall
20 become effective immediately upon filing or on a later
21 effective date specified in the rules, unless the effective
22 date of the rules is delayed or the applicability of the rules
23 is suspended by the administrative rules review committee. Any
24 rules adopted in accordance with this section shall not take
25 effect before the rules are reviewed by the administrative
26 rules review committee. The delay authority provided to
27 the administrative rules review committee under section
28 17A.8, subsections 9 and 10, shall be applicable to a delay
29 imposed under this section, notwithstanding a provision in
30 those subsections making them inapplicable to section 17A.5,
31 subsection 2, paragraph "b". Any rules adopted in accordance
32 with the provisions of this section shall also be published as
33 a notice of intended action as provided in section 17A.4.

34 Sec. 107. DEPARTMENT OF HUMAN SERVICES — MENTAL HEALTH AND
35 DISABILITY REGIONS STUDY. The department of human services

1 shall convene a study committee to evaluate the current mental
2 health and disability region structure and operations in the
3 context of the changes made and the funding provided by this
4 division of this Act. The study shall, at a minimum, review
5 how effectively each mental health and disability services
6 region has implemented the core services outlined in sections
7 331.397 and 331.397A, including the degree of uniformity of
8 the core services between the regions. The department shall
9 be authorized to contract with and retain the services of an
10 independent contractor in order to conduct the study. The
11 department shall submit a report detailing the study's findings
12 and recommendations to the general assembly and the governor no
13 later than December 15, 2022.

14 Sec. 108. EFFECTIVE DATE. This division of this Act, being
15 deemed of immediate importance, takes effect upon enactment.

16 DIVISION XXVI

17 COMMERCIAL AND INDUSTRIAL PROPERTY TAX REPLACEMENT PAYMENTS

18 Sec. 109. Section 2.48, subsection 3, paragraph f,
19 subparagraph (6), Code 2021, is amended by striking the
20 subparagraph.

21 Sec. 110. Section 331.512, subsection 15, Code 2021, is
22 amended by striking the subsection.

23 Sec. 111. Section 331.559, subsection 27, Code 2021, is
24 amended by striking the subsection.

25 Sec. 112. Section 441.21A, subsection 1, paragraph a, Code
26 2021, is amended to read as follows:

27 a. For each fiscal year beginning on or after July 1, 2014,
28 but before July 1, 2029, there is appropriated from the general
29 fund of the state to the department of revenue an amount
30 necessary for the payment of all commercial and industrial
31 property tax replacement claims under this section for the
32 fiscal year. However, for a the fiscal year years beginning
33 on or after July 1, 2017, July 1, 2018, July 1, 2019, July 1,
34 2020, and July 1, 2021, the total amount of moneys appropriated
35 from the general fund of the state to the department of revenue

1 for the payment of commercial and industrial property tax
2 replacement claims in ~~that~~ each fiscal year shall not exceed
3 the total amount of money necessary to pay all commercial and
4 industrial property tax replacement claims for the fiscal year
5 beginning July 1, 2016.

6 Sec. 113. Section 441.21A, subsections 2 and 3, Code 2021,
7 are amended to read as follows:

8 2. a. Beginning with the For each fiscal year beginning
9 on or after July 1, 2014, but before July 1, 2022, each county
10 treasurer shall be paid by the department of revenue an
11 amount equal to the amount of the commercial and industrial
12 property tax replacement claims in the county, as calculated
13 in subsection 4. If an amount appropriated for a the fiscal
14 year beginning on July 1, 2017, July 1, 2018, July 1, 2019,
15 July 1, 2020, or July 1, 2021, is insufficient to pay all
16 replacement claims for the fiscal year, the director of revenue
17 shall prorate the payment of replacement claims to the county
18 treasurers and shall notify the county auditors of the pro rata
19 percentage on or before September 30.

20 b. For each fiscal year beginning on or after July 1, 2022,
21 but before July 1, 2029, each county treasurer shall be paid
22 by the department of revenue an amount equal to the sum of the
23 commercial and industrial property tax replacement claims for
24 all taxing authorities, or portion thereof, located in the
25 county, as calculated in subsection 4A. The county treasurer
26 shall pay to each taxing authority the taxing authority's
27 commercial and industrial property tax replacement claim, or
28 portion thereof, as calculated in subsection 4A.

29 3. a. On or before July 1 of each fiscal year beginning on
30 or after July 1, 2014, but before July 1, 2022, the assessor
31 shall report to the county auditor the total actual value of
32 all commercial property and industrial property in the county
33 that is subject to assessment and taxation for the assessment
34 year used to calculate the taxes due and payable in that fiscal
35 year.

1 b. On or before July 1, 2022, the department of management
2 shall calculate and report to the department of revenue for
3 each taxing authority in this state that is a city or a county
4 all of the following:

5 (1) The total assessed value as of January 1, 2012, of
6 all taxable property located in the taxing authority that is
7 subject to assessment and taxation used to calculate taxes
8 which are due and payable in the fiscal year beginning July 1,
9 2013, excluding property subject to the statewide property tax
10 imposed under section 437A.18 or 437B.14.

11 (2) The total assessed value as of January 1, 2019, of
12 all taxable property located in the taxing authority that is
13 subject to assessment and taxation used to calculate taxes
14 which are due and payable in the fiscal year beginning July 1,
15 2020, excluding property subject to the statewide property tax
16 imposed under section 437A.18 or 437B.14.

17 Sec. 114. Section 441.21A, subsection 4, unnumbered
18 paragraph 1, Code 2021, is amended to read as follows:

19 On or before a date established by rule of the department
20 of revenue of each fiscal year beginning on or after July
21 1, 2014, but before July 1, 2022, the county auditor shall
22 prepare a statement, based upon the report received pursuant to
23 subsection 3, paragraph "a", listing for each taxing district
24 in the county:

25 Sec. 115. Section 441.21A, Code 2021, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 4A. a. As used in this subsection, unless
28 the context clearly requires otherwise:

29 (1) *"Qualified taxing authority"* means any of the following:

30 (a) A taxing authority that is not a city or a county.

31 (b) A taxing authority that is a city or county for which
32 the amount determined under subsection 3, paragraph "b",

33 subparagraph (2), is less than one hundred thirty-one and

34 twenty-four hundredths percent of the amount determined under

35 subsection 3, paragraph "b", subparagraph (1).

1 (2) "Taxing authority" means a city, county, community
2 college, or other governmental entity or political subdivision
3 in this state authorized to certify a levy on property located
4 within such authority, but does not include a school district.

5 b. For fiscal years beginning on or after July 1, 2022,
6 but before July 1, 2029, the amount of each taxing authority's
7 replacement claim is as follows:

8 (1) If the taxing authority is a qualified taxing authority:

9 (a) For the fiscal year beginning July 1, 2022,
10 seven-eighths of the amount received by the taxing authority
11 under this section for the fiscal year beginning July 1, 2021.

12 (b) For the fiscal year beginning July 1, 2023, six-eighths
13 of the amount received by the taxing authority under this
14 section for the fiscal year beginning July 1, 2021.

15 (c) For the fiscal year beginning July 1, 2024, five-eighths
16 of the amount received by the taxing authority under this
17 section for the fiscal year beginning July 1, 2021.

18 (d) For the fiscal year beginning July 1, 2025, four-eighths
19 of the amount received by the taxing authority under this
20 section for the fiscal year beginning July 1, 2021.

21 (e) For the fiscal year beginning July 1, 2026,
22 three-eighths of the amount received by the taxing authority
23 under this section for the fiscal year beginning July 1, 2021.

24 (f) For the fiscal year beginning July 1, 2027, two-eighths
25 of the amount received by the taxing authority under this
26 section for the fiscal year beginning July 1, 2021.

27 (g) For the fiscal year beginning July 1, 2028, one-eighth
28 of the amount received by the taxing authority under this
29 section for the fiscal year beginning July 1, 2021.

30 (2) If the taxing authority is not a qualified taxing
31 authority:

32 (a) For the fiscal year beginning July 1, 2022, four-fifths
33 of the amount received by the taxing authority under this
34 section for the fiscal year beginning July 1, 2021.

35 (b) For the fiscal year beginning July 1, 2023, three-fifths

1 of the amount received by the taxing authority under this
2 section for the fiscal year beginning July 1, 2021.

3 (c) For the fiscal year beginning July 1, 2024, two-fifths
4 of the amount received by the taxing authority under this
5 section for the fiscal year beginning July 1, 2021.

6 (d) For the fiscal year beginning July 1, 2025, one-fifth of
7 the amount received by the taxing authority under this section
8 for the fiscal year beginning July 1, 2021.

9 (e) For the fiscal year beginning July 1, 2026, and each
10 succeeding fiscal year beginning before July 1, 2029, zero.

11 (3) The department of management shall calculate and report
12 to the department of revenue the amount received by each
13 taxing authority in this state as the result of commercial and
14 industrial property tax replacement claims paid for the fiscal
15 year beginning July 1, 2021, and the portion of the amount
16 attributable to each county where the taxing authority is
17 located, if applicable.

18 Sec. 116. Section 441.21A, subsection 5, Code 2021, is
19 amended to read as follows:

20 5. For purposes of computing replacement amounts under
21 this section for fiscal years beginning on or after July 1,
22 2014, but before July 1, 2022, that portion of an urban renewal
23 area defined as the sum of the assessed valuations defined in
24 section 403.19, subsections 1 and 2, shall be considered a
25 taxing district.

26 Sec. 117. Section 441.21A, subsection 6, paragraph a, Code
27 2021, is amended to read as follows:

28 a. ~~The~~ For fiscal years beginning on or after July 1, 2014,
29 but before July 1, 2022, the county auditor shall certify
30 and forward one copy of the statement to the department of
31 revenue not later than a date of each year established by the
32 department of revenue by rule.

33 Sec. 118. Section 441.21A, subsection 6, Code 2021, is
34 amended by adding the following new paragraph:

35 NEW PARAGRAPH. f. This subsection shall apply to the

1 apportionment of replacement claim amounts for fiscal years
2 beginning on or after July 1, 2014, but before July 1, 2022.

3 Sec. 119. Section 441.21A, Code 2021, is amended by adding
4 the following new subsections:

5 NEW SUBSECTION. 7. *a.* For fiscal years beginning on
6 or after July 1, 2022, but before July 1, 2029, each taxing
7 authority's replacement claim calculated under subsection 4A,
8 or portion thereof, shall be paid to the appropriate county
9 treasurer, as provided in subsection 2, paragraph "b", in equal
10 installments in September and March of each year.

11 *b.* After payment by the county treasurer to the taxing
12 authority, the taxing authority's replacement claim shall be
13 apportioned and credited by the governing body of the taxing
14 authority among the taxing authority's tax levies in the same
15 proportion that each property tax levy bears to the total of
16 all property tax levies imposed by the taxing authority for the
17 fiscal year for which the payment is received.

18 *c.* Of the amounts allocated and credited to each property
19 tax levy that is subject to division under section 403.19,
20 the total amount paid into the fund for the taxing authority
21 as taxes by or for the taxing authority into which all other
22 property taxes are paid and the special fund of the applicable
23 municipality under section 403.19, subsection 2, shall be an
24 amount of the replacement claim that is proportionate to the
25 amount of the total sum of the assessed value of the taxable
26 commercial and industrial property in the urban renewal area as
27 a share of total assessed value of all taxable property in the
28 taxing authority and shall be apportioned as follows:

29 (1) To the fund for the taxing authority as taxes by or for
30 the taxing authority into which all other property taxes are
31 paid, an amount proportionate to the amount of actual value of
32 the commercial and industrial property in the urban renewal
33 area as determined in section 403.19, subsection 1, that was
34 subtracted pursuant to section 403.20, as it bears to the
35 total amount of actual value of the commercial and industrial

1 property in the urban renewal area that was subtracted pursuant
2 to section 403.20 for the assessment year for property taxes
3 due and payable in the fiscal year for which the replacement
4 claim is computed.

5 (2) (a) To the special fund of the applicable municipality
6 under section 403.19, subsection 2, the remaining amount, if
7 any.

8 (b) The amount allocated under subparagraph division (a)
9 shall not exceed the amount equal to the amount certified to
10 the county auditor under section 403.19 for the fiscal year in
11 which the claim is paid, after deduction of the amount of other
12 revenues committed for payment on that amount for the fiscal
13 year. The amount not allocated as a result of the operation of
14 this subparagraph division (b) shall be allocated to and paid
15 into the fund for the taxing authority as taxes by or for the
16 taxing authority in the manner provided in subparagraph (1).

17 NEW SUBSECTION. 8. This section is repealed July 1, 2029.

18 Sec. 120. EFFECTIVE DATE. The following take effect July
19 1, 2029:

20 1. The section of this division of this Act amending section
21 331.512.

22 2. The section of this division of this Act amending section
23 331.559.

24 DIVISION XXVII

25 SCHOOL FOUNDATION PERCENTAGE

26 Sec. 121. Section 257.1, subsection 2, paragraph b, Code
27 2021, is amended to read as follows:

28 *b.* For the budget year commencing July 1, 1999, and for
29 each succeeding budget year beginning before July 1, 2022,
30 the regular program foundation base per pupil is eighty-seven
31 and five-tenths percent of the regular program state cost per
32 pupil. For the budget year commencing July 1, 2022, and for
33 each succeeding budget year, the regular program foundation
34 base per pupil is eighty-eight and four-tenths percent of the
35 regular program state cost per pupil. For the budget year

1 commencing July 1, 1991, and for each succeeding budget year
2 the special education support services foundation base is
3 seventy-nine percent of the special education support services
4 state cost per pupil. The combined foundation base is the sum
5 of the regular program foundation base, the special education
6 support services foundation base, the total teacher salary
7 supplement district cost, the total professional development
8 supplement district cost, the total early intervention
9 supplement district cost, the total teacher leadership
10 supplement district cost, the total area education agency
11 teacher salary supplement district cost, and the total area
12 education agency professional development supplement district
13 cost.

14 Sec. 122. Section 257.3, subsection 1, paragraph d, Code
15 2021, is amended by striking the paragraph.

16 Sec. 123. EFFECTIVE DATE. The section of this division of
17 this Act amending section 257.3, subsection 1, paragraph "d",
18 takes effect July 1, 2022.

19 DIVISION XXVIII

20 ELDERLY PROPERTY TAX CREDIT

21 Sec. 124. Section 25B.7, subsection 2, paragraph b, Code
22 2021, is amended to read as follows:

23 *b.* Low-income property tax credit and elderly and disabled
24 property tax credit pursuant to [sections 425.16 through 425.40](#),
25 subject to the limitation of section 425.39, subsection 1,
26 paragraph "b".

27 Sec. 125. Section 425.17, subsection 2, Code 2021, is
28 amended to read as follows:

29 2. *a.* "Claimant" means ~~either~~ any of the following:

30 (1) A person filing a claim for credit ~~or reimbursement~~
31 under [this subchapter](#) who has attained the age of sixty-five
32 years but who has not attained the age of seventy years on
33 or before December 31 of the base year ~~or,~~ a person filing a
34 claim for credit or reimbursement under this subchapter who
35 is totally disabled and was totally disabled on or before

1 December 31 of the base year, or a person filing a claim for
2 reimbursement under this subchapter who has attained the age of
3 sixty-five years on or before December 31 of the base year and
4 who is domiciled in this state at the time the claim is filed or
5 at the time of the person's death in the case of a claim filed
6 by the executor or administrator of the claimant's estate.

7 (2) A person filing a claim for credit or reimbursement
8 under this subchapter who has attained the age of twenty-three
9 years on or before December 31 of the base year or was a head
10 of household on December 31 of the base year, as defined in
11 the Internal Revenue Code, but has not attained the age or
12 disability status described in ~~this paragraph "a",~~ subparagraph
13 (1) or the age status and eligibility criteria of subparagraph
14 (3), and is domiciled in this state at the time the claim is
15 filed or at the time of the person's death in the case of a
16 claim filed by the executor or administrator of the claimant's
17 estate, and was not claimed as a dependent on any other
18 person's tax return for the base year.

19 (3) A person filing a claim for credit under this subchapter
20 who has attained the age of seventy years on or before December
21 31 of the base year, who has a household income of less than
22 two hundred fifty percent of the federal poverty level, as
23 defined by the most recently revised poverty income guidelines
24 published by the United States department of health and human
25 services, and is domiciled in this state at the time the claim
26 is filed or at the time of the person's death in the case of a
27 claim filed by the executor or administrator of the claimant's
28 estate.

29 *b. "Claimant"* under paragraph *"a",* ~~subparagraph (1) or (2),~~
30 includes a vendee in possession under a contract for deed and
31 may include one or more joint tenants or tenants in common.
32 In the case of a claim for rent constituting property taxes
33 paid, the claimant shall have rented the property during any
34 part of the base year. In the case of a claim for property
35 taxes due, the claimant shall have occupied the property during

1 any part of the fiscal year beginning July 1 of the base year.
2 If a homestead is occupied by two or more persons, and more
3 than one person is able to qualify as a claimant, the persons
4 may each file a claim based upon each person's income and rent
5 constituting property taxes paid or property taxes due.

6 Sec. 126. Section 425.23, subsection 1, paragraph a,
7 unnumbered paragraph 1, Code 2021, is amended to read as
8 follows:

9 The tentative credit or reimbursement for a claimant
10 described in [section 425.17, subsection 2](#), paragraph "a",
11 ~~subparagraphs subparagraph (1) and (2), if no appropriation is~~
12 ~~made to the fund created in [section 425.40](#)~~ shall be determined
13 in accordance with the following schedule:

14 Sec. 127. Section 425.23, subsection 1, Code 2021, is
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. c. The tentative credit for a claimant
17 described in [section 425.17, subsection 2](#), paragraph "a",
18 subparagraph (3), shall be the greater of the following:

19 (1) The amount of the credit under the schedule specified
20 in paragraph "a" of this subsection as if the claimant was a
21 claimant as defined in [section 425.17, subsection 2](#), paragraph
22 "a", subparagraph (1), filing for a credit under paragraph "a"
23 of this subsection.

24 (2) The difference between the actual amount of property
25 taxes due on the homestead during the fiscal year next
26 following the base year minus the actual amount of property
27 taxes due on the homestead during the first fiscal year for
28 which the claimant filed a claim for a credit calculated under
29 this paragraph "c" and for which the property taxes due on the
30 homestead were calculated on an assessed valuation that was
31 not a partial assessment and if the claimant has filed for the
32 credit calculated under this paragraph "c" for each of the
33 subsequent fiscal years after the first credit claimed.

34 Sec. 128. Section 425.23, subsection 4, paragraph a, Code
35 2021, is amended to read as follows:

1 a. For the base year beginning in the 1999 calendar year
2 and for each subsequent base year, the dollar amounts set
3 forth in ~~subsections~~ subsection 1, paragraphs "a" and "b", and
4 subsection 3 shall be multiplied by the cumulative adjustment
5 factor for that base year. "Cumulative adjustment factor" means
6 the product of the annual adjustment factor for the 1998 base
7 year and all annual adjustment factors for subsequent base
8 years. The cumulative adjustment factor applies to the base
9 year beginning in the calendar year for which the latest annual
10 adjustment factor has been determined.

11 Sec. 129. Section 425.24, Code 2021, is amended to read as
12 follows:

13 **425.24 Maximum property tax for purpose of credit or**
14 **reimbursement.**

15 ~~In~~ For claimants under section 425.17, subsection 2,
16 paragraph "a", subparagraphs (1) and (2), and for the
17 calculation under section 425.23, subsection 1, paragraph "c",
18 subparagraph (1), in any case in which property taxes due or
19 rent constituting property taxes paid for any household exceeds
20 one thousand dollars, the amount of property taxes due or rent
21 constituting property taxes paid shall be deemed to have been
22 one thousand dollars for purposes of this subchapter.

23 Sec. 130. Section 425.39, subsection 1, as amended by 2021
24 Iowa Acts, House File 368, section 33, is amended to read as
25 follows:

26 1. a. The elderly and disabled property tax credit fund is
27 created. There is appropriated annually from the general fund
28 of the state to the department of revenue to be credited to the
29 elderly and disabled property tax credit fund, from funds not
30 otherwise appropriated, an amount sufficient to implement this
31 subchapter for credits for property taxes due for claimants
32 described in section 425.17, subsection 2, paragraph "a",
33 subparagraph subparagraphs (1) and (3), subject to paragraph
34 "b".

35 b. Regardless of the amount of the credit determined under

1 section 425.23, subsection 1, paragraph "c", the amount paid by
2 the director of revenue to each county treasurer for credits
3 for claimants described under section 425.17, subsection 2,
4 paragraph "a", subparagraph (3), shall not exceed the amount
5 calculated for the claimant under section 425.23, subsection 1,
6 paragraph "c", subparagraph (1), and section 25B.7, subsection
7 1, shall not apply to the amount of the credit in excess of the
8 amount paid by the director of revenue.

9 Sec. 131. APPLICABILITY. This division of this Act applies
10 to claims under chapter 425, subchapter II, filed on or after
11 January 1, 2022.>

12 2. Title page, by striking lines 1 through 8 and inserting
13 <An Act relating to state and local revenue and finance by
14 modifying future tax contingencies, the state inheritance
15 tax, the sales and use tax relating to food banks, the tax on
16 promotional play receipts, the sales and use tax relating to
17 food banks, the tax on promotional play receipts, mental health
18 and disability services funding, school district funding,
19 commercial and industrial property tax replacement payments,
20 providing for housing incentives, providing for other properly
21 related matters, making appropriations, and including effective
22 date, applicability, and retroactive applicability provisions.>

HITE of Mahaska