

Senate File 619

S-3209

1 Amend Senate File 619 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

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.

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 NEW SUBSECTION. 3A. In addition to the factors in  
2 subsection 3, in determining the eligibility of a business to  
3 participate in the program the authority may consider whether a  
4 proposed project will provide a licensed center for use by the  
5 business's employees.

6 DIVISION VIII

7 TELEHEALTH

8 Sec. 20. Section 514C.34, subsection 1, Code 2021, is  
9 amended by adding the following new paragraphs:

10 NEW PARAGRAPH. 0a. "Covered person" means the same as  
11 defined in section 514J.102.

12 NEW PARAGRAPH. 00a. "Facility" means the same as defined in  
13 section 514J.102.

14 NEW PARAGRAPH. 0c. "Health carrier" means the same as  
15 defined in section 514J.102.

16 Sec. 21. Section 514C.34, subsection 1, paragraph c, Code  
17 2021, is amended to read as follows:

18 c. "Telehealth" means the delivery of health care services  
19 through the use of real-time interactive audio and video, or  
20 other real-time interactive electronic media, regardless of  
21 where the health care professional and the covered person are  
22 each located. "Telehealth" does not include the delivery of  
23 health care services delivered solely through an audio-only  
24 telephone, electronic mail message, or facsimile transmission.

25 Sec. 22. Section 514C.34, Code 2021, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 3A. a. A health carrier shall reimburse  
28 a health care professional and a facility for health care  
29 services provided by telehealth to a covered person for a  
30 mental health condition, illness, injury, or disease on the  
31 same basis and at the same rate as the health carrier would  
32 apply to the same health care services for a mental health  
33 condition, illness, injury, or disease provided in person to a  
34 covered person by the health care professional or the facility.

35 b. As a condition of reimbursement pursuant to paragraph

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

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

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

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

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

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.

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

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,

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

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

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

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

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

