

H-8455

1 Amend the amendment, H-8404, to House File 2771, as follows:

2 1. Page 23, after line 18 by inserting:

3 <DIVISION ____

4 WATER QUALITY FUNDING

5 Sec. ____ . REBUILD IOWA INFRASTRUCTURE FUND — SPECIAL
6 APPROPRIATIONS. There is appropriated from the rebuild Iowa
7 infrastructure fund created in section 8.57 to the Iowa finance
8 authority for the fiscal year beginning July 1, 2026, and
9 ending June 30, 2027, the following amounts, or so much thereof
10 as is necessary, to be used for the purposes designated:

11 1. a. For deposit in the water quality financial assistance
12 fund created in section 16.134A for the purposes of supporting
13 the wastewater and drinking water treatment financial
14 assistance program created in section 16.134:

15 \$ 8,000,000

16 b. The moneys appropriated in paragraph "a" shall be used to
17 provide financial assistance, including grants, for projects
18 designed to improve water quality by addressing point and
19 nonpoint sources, with a higher prioritization provided to
20 collaborative effort.

21 2. For deposit in the rural Iowa infrastructure bank program
22 fund created in section 16.240, as enacted in this division of
23 this Act:

24 \$ 10,000,000

25 Sec. ____ . Section 16.134, subsection 4, paragraph i, Code
26 2026, is amended to read as follows:

27 i. An applicant shall not receive a grant that exceeds ~~five~~
28 ~~hundred thousand~~ one million dollars.

29 Sec. ____ . Section 16.134A, subsection 3, Code 2026, is
30 amended to read as follows:

31 3. ~~For~~ Except for moneys deposited in the fund for
32 a specified purpose, for each fiscal year in the period
33 beginning July 1, 2018 2026, and ending June 30, 2039, there
34 is appropriated the following ~~percentages of~~ amounts from the
35 balance of the fund for all of the following purposes:

1 ~~a. Forty percent to the Iowa finance authority to support~~
2 ~~the wastewater and drinking water treatment financial~~
3 ~~assistance program created in section 16.134~~ Five hundred
4 thousand dollars to the department of natural resources for
5 the purposes of water quality monitoring, including, at the
6 department's discretion, continuous monitoring.

7 ~~b. Forty-five percent to the Iowa finance authority to be~~
8 ~~credited to the water quality financing program fund created~~
9 ~~pursuant to section 16.153.~~ The following percentages of moneys
10 remaining in the fund for the following purposes:

11 (1) Sixty-five percent to the Iowa finance authority to
12 support the wastewater and drinking water treatment financial
13 assistance program created in section 16.134.

14 ~~e.~~ (2) Fifteen percent to the division of soil conservation
15 and water quality of the department of agriculture and land
16 stewardship to support the water quality urban infrastructure
17 program created in section 466B.44.

18 (3) Twenty percent to the division of soil conservation
19 and water quality of the department of agriculture and land
20 stewardship for deposit in the water quality initiative fund
21 created in section 466B.45 to provide technical assistance
22 and support conservation practices, including but not limited
23 to buffers, cover crops, edge-of-field structures, grazing
24 systems, and working lands, in counties located in the
25 following United States geological survey hydrologic unit code
26 8 watersheds:

27 (a) Boone.

28 (b) East fork Des Moines.

29 (c) Middle Des Moines.

30 (d) North Raccoon.

31 (e) South Raccoon.

32 (f) Upper Des Moines.

33 Sec. ____. Section 16.152, Code 2026, is amended by adding
34 the following new subsections:

35 NEW SUBSECTION. 5. The authority shall not initiate any

1 new loans under this part after June 30, 2026. Any loan or
2 interest payments received by the authority on or after July
3 1, 2026, shall be deposited in the water quality financial
4 assistance fund created pursuant to section 16.134A for the
5 purposes of supporting the wastewater and drinking water
6 treatment financial assistance program created in section
7 16.134.

8 NEW SUBSECTION. 6. For the fiscal year beginning July 1,
9 2026, and ending June 30, 2027, the authority shall allocate
10 a sum not to exceed twenty-five million dollars from any
11 unencumbered or unobligated moneys in the water quality
12 financing program fund to a regional water authority, with
13 membership consisting of public utilities, as defined in
14 section 476.1, rural water districts organized and existing
15 under chapter 357A, and other governmental entities, which
16 serves a population of at least six hundred thousand and
17 is headquartered in the most populous county in the state
18 based on the 2020 federal decennial census, for the purpose
19 of constructing and installing additional nutrient removal
20 technology. These moneys shall remain available for
21 expenditure until June 30, 2029.

22 NEW SUBSECTION. 7. Any unencumbered or unobligated moneys
23 in the water quality financing program fund created pursuant to
24 section 16.153 remaining after July 31, 2026, are transferred
25 to the water quality financial assistance fund created pursuant
26 to section 16.134A, to be used for purposes specified in
27 section 16.134A, subsection 3, paragraph "b", subparagraph
28 (3). An amount equal to the amount of moneys obligated by the
29 authority prior to July 1, 2026, shall remain in the water
30 quality financing program fund.

31 NEW SUBSECTION. 8. This part is repealed on the date that
32 all loans made pursuant to this part are paid in full. The
33 authority shall notify the Iowa Code editor of this occurrence.

34 Sec. _____. NEW SECTION. 16.240 Rural Iowa infrastructure
35 bank revolving loan program — fund.

1 1. As used in this section, "*small or medium sized*
2 *community*" means a city with a population of eleven thousand or
3 less.

4 2. The authority shall establish and administer a rural
5 Iowa infrastructure bank revolving loan program. The purpose
6 of the program is to provide loans to small or medium sized
7 communities to upgrade water or wastewater infrastructure.

8 3. a. A small or medium size community shall apply to the
9 authority for a loan under the program in a manner approved by
10 the authority.

11 b. Loan agreements may contain terms and conditions the
12 authority deems advisable, but the interest rate on any loan
13 shall not exceed one percent.

14 4. A rural Iowa infrastructure bank program fund is created
15 in the state treasury under the control of the authority and
16 consisting of moneys appropriated by the general assembly and
17 any other moneys available to and obtained or accepted by the
18 authority for placement in the fund. Moneys in the fund are
19 appropriated to the authority for the purpose of providing
20 loans to small or medium sized communities under the program
21 established in this section. Repayments of moneys loaned and
22 recaptures of loans shall be deposited in the fund. Moneys
23 in the fund are not subject to section 8.33. Notwithstanding
24 section 12C.7, interest or earnings on moneys in the fund shall
25 be credited to the fund.

26 5. The authority may adopt rules pursuant to chapter 17A to
27 administer this section.

28 Sec. _____. CODE EDITOR DIRECTIVE. The Code editor is
29 directed to designate section 16.240, as enacted by this
30 division of this Act, as chapter 16, subchapter X, part
31 12, entitled "Rural Iowa Infrastructure Bank Revolving Loan
32 Program".>>

33 2. By renumbering as necessary.

MOMMSEN of Clinton