

SENATE/HOUSE FILE _____
BY (PROPOSED IOWA FINANCE
AUTHORITY BILL)

A BILL FOR

1 An Act relating to the duties of the Iowa finance authority.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 16.5E Application or award —
2 prohibition.

3 1. The authority may prohibit a person from receiving an
4 award of financial assistance, or from being selected as a
5 vendor to provide goods or services to the authority in any of
6 the following circumstances:

7 a. An act or omission by the person seriously affects or
8 threatens public health, public safety, or the environment.

9 b. The person is charged with or convicted of a crime
10 involving dishonesty.

11 c. An act or omission by the person indicates a lack of
12 integrity or honesty.

13 d. The person violates the terms of an agreement or
14 transaction that detrimentally impacts the integrity of a
15 program administered by the authority, or other governmental
16 entity as defined in section 8A.101.

17 e. A compelling cause exists that is relevant to and affects
18 the person's obligations under the programs administered by the
19 authority, or is relevant to and affects the provision of goods
20 and services to the authority by a vendor.

21 2. Upon a determination by the authority, a person shall
22 be prohibited from receiving an award of financial assistance,
23 or from being selected as a vendor pursuant to subsection 1.
24 The authority shall provide written notice to the prohibited
25 person stating the reason for the prohibition. The authority
26 may immediately disqualify a prohibited person from receiving
27 financial assistance, or from being selected as a vendor.

28 3. The authority shall adopt rules as necessary pursuant to
29 chapter 17A to administer this section.

30 Sec. 2. Section 16.35, subsection 2, Code 2024, is amended
31 by striking the subsection and inserting in lieu thereof the
32 following:

33 2. The authority shall adopt a qualified allocation
34 plan that satisfies the requirements of section 42 of
35 the Internal Revenue Code. The authority may revise the

1 qualified allocation plan provided the revision satisfies the
2 requirements of section 42 of the Internal Revenue Code. When
3 adopting the qualified allocation plan, the authority shall
4 specify the selection criteria, the application procedure, and
5 the allocation of low-income housing credits under the state
6 housing credit ceiling. The selection criteria described
7 in the qualified allocation plan shall include all of the
8 following:

9 *a.* The selection criteria described in section 42 of the
10 Internal Revenue Code.

11 *b.* The statutory preferences described in section 42 of the
12 Internal Revenue Code.

13 *c.* The economic feasibility of the proposed project.

14 *d.* The ability of the applicant to complete the project in a
15 timely manner.

16 Sec. 3. Section 16.35, subsection 3, Code 2024, is amended
17 by striking the subsection.

18 Sec. 4. Section 16.154, subsection 1, Code 2024, is amended
19 to read as follows:

20 1. An eligible entity may apply to the authority for
21 financial assistance under the program by submitting a plan
22 ~~that meets~~ on an application form as required by the authority.
23 To be approved for an award of financial assistance, the plan
24 must meet all of the following requirements:

25 *a.* The plan ~~includes~~ proposes one or more projects that
26 improve water quality in the local area or watershed. Projects
27 ~~shall~~ may use practices identified in the Iowa nutrient
28 reduction strategy.

29 *b.* The plan ~~describes in detail~~ describes the manner in
30 which the projects will be financed and undertaken, including,
31 as applicable, the sources of revenue directed to financing
32 the improvements as well as the eligible entities that will be
33 receiving the revenues and how such revenues will be spent on
34 the projects.

35

EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill relates to the duties of the Iowa finance authority
4 (authority).

5 The bill specifies the circumstances in which the authority
6 may prohibit a person from receiving an award or financial
7 assistance, or from being selected as a vendor to provide goods
8 or services to the authority. The circumstances include:
9 an act or omission by the person that seriously affects or
10 threatens public health, public safety, or the environment;
11 the person is charged with or convicted of a crime involving
12 dishonesty; an act or omission by the person that indicates a
13 lack of integrity or honesty; the person violates the terms
14 of an agreement or transaction; or a compelling cause exists
15 that is relevant to and affects the obligations of the person
16 or vendor under programs administered by the authority. The
17 authority is required to provide written notification to the
18 person of the reason for the prohibition, and may immediately
19 disqualify such a person from receiving financial assistance
20 or being selected as a vendor.

21 The authority is the designated housing credit agency
22 for the allowance of low-income housing credits under
23 the state housing credit ceiling. The bill requires the
24 authority to adopt a qualified allocation plan that satisfies
25 the requirements of section 42 of the Internal Revenue
26 Code (IRC). The bill allows the authority to revise the
27 qualified allocation plan provided the revision satisfies the
28 requirements of section 42 of the IRC. When adopting the
29 qualified allocation plan under the bill, the authority is
30 required to specify the selection criteria, the application
31 procedure, and the allocation of low-income housing credits
32 under the state housing credit ceiling.

33 Under the bill, the selection criteria shall include all of
34 the following: the selection criteria described in section 42
35 of the IRC, the statutory preferences described in section 42

1 of the IRC, the economic feasibility of the proposed project,
2 and the ability of the applicant to complete the project in a
3 timely manner.

4 The bill strikes a provision allowing the authority to adopt
5 rules specifying the application procedure and the allowance
6 of low-income housing credits under the state housing credit
7 ceiling.

8 The bill amends Code section 16.154 relating to entities
9 applying for financial assistance under the water quality
10 financing program. The bill requires an applicant to submit
11 the plan project to the authority on a form required by the
12 authority. The bill strikes the requirement the plan project
13 use practices identified in the Iowa nutrient reduction
14 strategy. The bill provides the plan project describe
15 the manner in which the plan project will be financed and
16 undertaken, and strikes the requirement the description be
17 detailed.