

SENATE/HOUSE FILE _____
BY (PROPOSED ECONOMIC
DEVELOPMENT AUTHORITY BILL)

A BILL FOR

1 An Act relating to the workforce housing tax incentives
2 program by increasing the maximum dollar amount that may be
3 allocated to the program, by requiring allocation to certain
4 housing projects, and by increasing the percentage of
5 investment for tax incentives for certain housing projects.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.119, subsection 2, paragraph g, Code
2 2017, is amended to read as follows:

3 *g.* The workforce housing tax incentives program administered
4 pursuant to sections 15.351 through 15.356. In allocating
5 tax credits pursuant to this subsection, the authority shall
6 not allocate more than ~~twenty~~ thirty million dollars for
7 purposes of this paragraph. Of the moneys allocated under this
8 paragraph, ten million dollars shall be reserved for allocation
9 to qualified housing projects in small cities, as defined in
10 section 15.352.

11 Sec. 2. Section 15.352, Code 2017, is amended by adding the
12 following new subsections:

13 NEW SUBSECTION. 3A. "*Greenfield site*" means a site that
14 does not meet the definition of a brownfield site or grayfield
15 site. A project proposed at a site located on previously
16 undeveloped land or agricultural land shall be presumed to be
17 a greenfield site.

18 NEW SUBSECTION. 9. "*Small city*" means any city or township
19 located in this state, except those located within the eleven
20 most populous counties in the state, as determined by the most
21 recent federal decennial census. For the purposes of this
22 part, a small city that is located in more than one county
23 shall be considered to be located in the county having the
24 greatest taxable base within the small city.

25 Sec. 3. Section 15.353, subsection 1, paragraph a, Code
26 2017, is amended to read as follows:

27 *a.* Four or more single-family dwelling units, except for a
28 project located in a small city, then two or more single-family
29 dwelling units.

30 Sec. 4. Section 15.353, subsection 2, Code 2017, is amended
31 by adding the following new paragraph:

32 NEW PARAGRAPH. *Od.* For a housing project located in a
33 small city that meets program requirements under subsection 1,
34 paragraph "*a*", development at a greenfield site.

35 Sec. 5. Section 15.353, subsection 2, paragraph d,

1 subparagraph (2), subparagraph division (c), Code 2017, is
2 amended to read as follows:

3 (c) The demand for projects applying under this paragraph
4 "d" compared to the demand for projects applying under
5 paragraphs "a" through "e" "od".

6 Sec. 6. Section 15.354, subsection 4, paragraph c, Code
7 2017, is amended to read as follows:

8 c. (1) The authority shall issue tax incentives under the
9 program on a first-come, first-served basis until the maximum
10 amount of tax incentives allocated pursuant to section 15.119,
11 subsection 2, is reached. The authority shall maintain a list
12 of registered housing projects under the program so that if
13 the maximum aggregate amount of tax incentives is reached in
14 a given fiscal year, registered housing projects that were
15 completed but for which tax incentives were not issued shall
16 be placed on a wait list in the order the registered housing
17 projects were registered and shall be given priority for
18 receiving tax incentives in succeeding fiscal years.

19 (2) The authority shall administer allocations reserved for
20 qualified housing projects in small cities separately from the
21 general allocation in subparagraph (1). The authority shall
22 issue tax incentives for small cities under the program on a
23 first-come, first-served basis until the maximum amount of the
24 allocation reserved for small cities under section 15.119,
25 subsection 2, paragraph "g", is reached. The authority shall
26 maintain a list of registered housing projects in small cities
27 under the program so that if the maximum aggregate amount
28 of tax incentives reserved for small cities is reached in a
29 given fiscal year, such registered housing projects that were
30 completed but for which tax incentives were not issued shall
31 be placed on a wait list in the order the registered housing
32 projects were registered and shall be given priority for
33 receiving tax incentives in succeeding fiscal years. If the
34 maximum aggregate amount of tax incentives reserved for small
35 cities is not reached in a given fiscal year, the authority may

1 issue tax incentives reserved under this subparagraph (2) to
2 other housing projects registered under subsection 2.

3 Sec. 7. Section 15.355, subsection 3, paragraph a, Code
4 2017, is amended to read as follows:

5 a. A housing business may claim a tax credit in an amount
6 not to exceed the following:

7 (1) For a housing project not located in a small city, ten
8 percent of the qualifying new investment of a housing project.

9 (2) For a housing project located in a small city, twenty
10 percent of the qualifying new investment of a housing project.

11 EXPLANATION

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

14 This bill relates to the workforce housing tax incentives
15 program by increasing the maximum dollar amount that may be
16 allocated to the program, by requiring that a certain dollar
17 value of tax credits be allocated to housing projects in small
18 cities, and by increasing the percentage for computing tax
19 credits for such housing projects.

20 The bill raises the annual allowable tax credits allocation
21 under the program from \$20 million to \$30 million, but
22 maintains the economic development authority's (authority)
23 \$170 million aggregate tax credit limit. The bill requires
24 the authority to allocate at least \$10 million in tax credits
25 to housing projects in small cities and to administer such
26 reserved allocations separately. If the authority does not
27 reach the \$10 million for such projects in a fiscal year, the
28 bill provides that the authority may issue tax incentives from
29 the reserved allocation to registered housing projects that
30 are not located in small cities. Under the bill, a small city
31 includes any city or township not located in one of the 11
32 most populous counties in the state, as determined by the most
33 recent federal decennial census. Under the bill, a small city
34 that is located in more than one county is considered to be
35 located in the county having the greatest taxable base within

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1 the small city.

2 The bill provides that a housing project in a small city
3 that results in two or more new single-family dwelling units
4 at a greenfield site, as defined in the bill, may receive tax
5 incentives under the program, equaling up to 20 percent of the
6 qualifying new investment.