

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2016 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

APRIL 21, 2016

**Senate Amendment to  
HOUSE FILE 2443**

**H-8256**

1 Amend House File 2443, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. By striking page 12, line 31, through page 13,  
4 line 29, and inserting:  
5 <(2) If an eligible taxpayer obtains a tax credit  
6 certificate from the ~~department~~ authority by way of  
7 a prohibited activity, the eligible taxpayer and any  
8 transferee shall be jointly and severally liable to  
9 the state for the amount of the tax credits so issued,  
10 interest and penalties allowed under chapter 422,  
11 and reasonable attorney fees and litigation costs,  
12 except that the liability of the transferee shall not  
13 exceed an amount equal to the amount of the tax credits  
14 acquired by the transferee. The department of revenue,  
15 upon notification or discovery that a tax credit  
16 certificate was issued to an eligible taxpayer by way  
17 of a prohibited activity, shall revoke any outstanding  
18 tax credit and seek repayment of the value of any tax  
19 credit already claimed, and the failure to make such a  
20 repayment may be treated by the department of revenue  
21 in the same manner as a failure to pay the tax shown  
22 due or required to be shown due with the filing of a  
23 return or deposit form. A qualifying transferee is not  
24 subject to the liability, revocation, and repayment  
25 imposed under this subparagraph.  
26 Sec. \_\_\_\_\_. Section 404A.3, subsection 4, paragraph  
27 c, subparagraph (3), Code 2016, is amended by adding  
28 the following new subparagraph division:  
29 NEW SUBPARAGRAPH DIVISION. (0a) "Control" means  
30 when a person, directly or indirectly or acting through  
31 or together with one or more persons, satisfies any of  
32 the following:  
33 (i) Owns, controls, or has the power to vote fifty  
34 percent or more of any class of voting securities or  
35 voting membership interests of another person.

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1 (ii) Controls, in any manner, the election of a  
2 majority of the directors, managers, trustees, or other  
3 persons exercising similar functions of another person.

4 (iii) Has the power to exercise a controlling  
5 influence over the management or policies of another  
6 person.

7 Sec. \_\_\_\_\_. Section 404A.3, subsection 4, paragraph  
8 c, subparagraph (3), subparagraph division (b),  
9 unnumbered paragraph 1, Code 2016, is amended to read  
10 as follows:

11 "Qualifying transferee" means a transferee who  
12 acquires a tax credit certificate issued under this  
13 chapter for value, in good faith, without ~~actual~~  
14 express or ~~constructive~~ implied notice of a prohibited  
15 activity of the eligible taxpayer who was originally  
16 issued the tax credit, and without ~~actual~~ express or  
17 ~~constructive~~ implied notice of any other claim to or  
18 defense against the tax credit, and which transferee is  
19 not associated with the eligible taxpayer by being one  
20 or more of the following:

21 Sec. \_\_\_\_\_. Section 404A.3, subsection 4, paragraph  
22 c, subparagraph (3), subparagraph division (b),  
23 subparagraph subdivision (i), Code 2016, is amended to  
24 read as follows:

25 (i) An owner, member, shareholder, or partner of  
26 the eligible taxpayer who directly or indirectly owns  
27 ~~or~~ and controls, in whole or in part, the eligible  
28 taxpayer.>

29 2. By striking page 15, line 22, through page 16,  
30 line 8.

31 3. Page 17, after line 12 by inserting:

32 <Sec. \_\_\_\_\_. TRANSITION PROVISIONS. The department  
33 of cultural affairs shall cooperate with the economic  
34 development authority to ensure the effective  
35 transition of powers, duties, and funds from the

1 department to the authority in implementing this  
2 division of this Act.

3 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
4 Act takes effect August 15, 2016.>

5 4. Page 17, line 16, by striking <July 1,> and  
6 inserting <August 15,>

7 5. By renumbering as necessary.

RECEIVED FROM THE SENATE

Senate Amendment to  
HOUSE FILE 2455

H-8259

1 Amend House File 2455, as passed by the House, as  
2 follows:

3 1. Page 9, line 28, by striking < \$1,105,628> and  
4 inserting < \$580,783>

5 2. Page 11, line 25, by striking <400,000> and  
6 inserting <557,000>

7 3. Page 17, after line 10 by inserting:

8 <DIVISION \_\_\_\_

9 MISCELLANEOUS PROVISIONS ---- BUILDING REMEDIATION  
10 PROGRAM AND FUND

11 Sec. \_\_\_\_ . NEW SECTION. 15.231 Community catalyst  
12 building remediation program ---- fund.

13 1. a. The economic development authority  
14 shall, pursuant to section 15.106A, subsection 1,  
15 paragraph "o", establish a community catalyst building  
16 remediation fund for the purpose of providing grants to  
17 cities for the remediation of underutilized buildings.  
18 The authority shall administer the fund in a manner to  
19 make grant moneys annually available to cities for the  
20 purposes of this section.

21 b. The fund may consist of any moneys appropriated  
22 by the general assembly for purposes of this section  
23 and any other moneys that are lawfully available to the  
24 authority, including moneys transferred or deposited  
25 from other funds created pursuant to section 15.106A,  
26 subsection 1, paragraph "o".

27 c. The authority shall use any moneys specifically  
28 appropriated for purposes of this section only for the  
29 purposes of this section. The authority may use all  
30 other moneys in the fund, including interest, earnings,  
31 and recaptures for purposes of this section, or the  
32 authority may transfer the other moneys to other funds  
33 created pursuant to section 15.106A, subsection 1,  
34 paragraph "o".

35 d. Notwithstanding section 8.33, moneys in the

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1 community catalyst building remediation fund at the  
2 end of each fiscal year shall not revert to any other  
3 fund but shall remain in the fund for expenditure for  
4 subsequent fiscal years.

5 e. The authority may use not more than five percent  
6 of the moneys in the fund at the beginning of the  
7 fiscal year for purposes of administrative costs,  
8 marketing, and technical assistance and other program  
9 support.

10 2. The authority shall use moneys in the fund  
11 to provide grants to cities for the remediation of  
12 underutilized buildings. The authority may provide  
13 grants under this section using a competitive scoring  
14 process.

15 3. In providing grants under this section, the  
16 authority shall dedicate forty percent of the moneys  
17 available at the beginning of each fiscal year to  
18 cities with populations of less than one thousand five  
19 hundred as shown by the most recent federal decennial  
20 census. If at the end of each application period the  
21 amount of grants awarded to cities with a population  
22 of less than one thousand five hundred is less than  
23 the amount to be dedicated to such cities under this  
24 subsection, the balance may be awarded to any approved  
25 applicant city regardless of city population.

26 4. The authority shall enter into an agreement  
27 with each city for the receipt of grants under this  
28 section. For a city to receive grant moneys under this  
29 section, the agreement must require the city to provide  
30 resources, including financial or in-kind resources, to  
31 the remediation project. The authority may negotiate  
32 the terms of the agreement.

33 5. In providing grants under this section, the  
34 authority shall coordinate with a city to develop a  
35 plan for the use of grant moneys that is consistent

1 with the community development, housing, and economic  
2 development goals of the city. The terms of the  
3 agreement entered into pursuant to subsection 4 and the  
4 use of grants provided under this section shall reflect  
5 the plan developed.

6 6. If a city receives a grant under this section,  
7 the amount of any lien created for costs related to  
8 the remediation of the building shall not include any  
9 moneys that the city received pursuant to this section.

10 7. The authority shall submit a report to the  
11 general assembly and the governor's office on or  
12 before January 31, 2020, describing the results of the  
13 program implemented pursuant to this section and making  
14 recommendations for program changes.

15 Sec. \_\_\_\_\_. Section 15.335B, subsection 2, paragraph  
16 a, Code 2016, is amended by adding the following new  
17 subparagraph:

18 NEW SUBPARAGRAPH. (9) For deposit in the community  
19 catalyst building remediation fund established pursuant  
20 to section 15.231.

21 DIVISION \_\_\_\_  
22 MISCELLANEOUS PROVISIONS ---- RENEWABLE CHEMICAL  
23 PRODUCTION TAX CREDIT PROGRAM

24 Sec. \_\_\_\_\_. Section 15.316, subsection 3, as enacted  
25 by 2016 Iowa Acts, [Senate File 2300](#), section 5, is  
26 amended to read as follows:

27 3. "Building block chemical" means a molecule  
28 converted from biomass feedstock as a first product  
29 or a secondarily derived product that can be further  
30 refined into a higher-value chemical, material, or  
31 consumer product. "Building block chemical" includes  
32 but is not limited to high-purity glycerol, oleic  
33 acid, lauric acid, methanoic or formic acid, arabonic  
34 acid, erythronic acid, glyceric acid, glycolic acid,  
35 lactic acid, 3-hydroxypropionate, propionic acid,

1 malonic acid, serine, succinic acid, fumaric acid,  
2 malic acid, aspartic acid, 3-hydroxybutyrolactone,  
3 acetoin, threonine, itaconic acid, furfural, levulinic  
4 acid, glutamic acid, xylonic acid, xylaric acid,  
5 xylitol, arabitol, citric acid, aconitic acid,  
6 5-hydroxymethylfurfural, lysine, gluconic acid,  
7 glucaric acid, sorbitol, gallic acid, ferulic acid,  
8 butyric acid, nonfuel butanol, nonfuel ethanol, or  
9 such additional molecules as may be included by the  
10 authority by rule after consultation with appropriate  
11 experts from Iowa state university, including but  
12 not limited to the Iowa state university center for  
13 biorenewable chemicals.>

14 4. Title page, line 5, after <institutions> by  
15 inserting <, and properly related matters>

16 5. By renumbering as necessary.

RECEIVED FROM THE SENATE

SENATE FILE 2320

H-8265

1 Amend Senate File 2320, as passed by the Senate, as  
2 follows:  
3 1. By striking page 1, line 20, through page 2,  
4 line 5, and inserting:  
5 <2. For salaries, support, maintenance, and  
6 miscellaneous purposes:  
7 a. Operations:  
8 ..... \$ ~~3,279,911~~  
9 6,643,821  
10 b. Planning:  
11 ..... \$ ~~219,487~~  
12 438,973  
13 c. Motor vehicles:  
14 ..... \$ ~~17,962,673~~  
15 35,925,345  
16 d. Performance and technology:  
17 ..... \$ ~~254,520~~  
18 509,040>>  
19 2. By striking page 3, line 26, through page 4,  
20 line 25, and inserting:  
21 <1. For salaries, support, maintenance,  
22 miscellaneous purposes, and for not more than the  
23 following full-time equivalent positions:  
24 a. Operations:  
25 ..... \$ ~~20,148,023~~  
26 40,812,045  
27 ..... FTEs ~~267.00~~  
28 261.00  
29 b. Planning:  
30 ..... \$ ~~4,170,241~~  
31 8,340,481  
32 ..... FTEs ~~102.00~~  
33 98.00  
34 c. Highways:  
35 ..... \$~~119,414,428~~

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Page 2

1 240,485,855  
2 ..... FTEs ~~2,056.00~~  
3 1,994.00  
4 d. Motor vehicles:  
5 ..... \$ ~~748,445~~  
6 1,496,889  
7 ..... FTEs ~~412.00~~  
8 402.00  
9 e. Performance and technology:  
10 ..... \$ ~~1,563,480~~  
11 3,126,960  
12 ..... FTEs ~~35.00~~  
13 34.00>

COMMITTEE ON APPROPRIATIONS  
GRASSLEY of Butler, Chairperson

H-8265

FILED APRIL 20, 2016

SENATE FILE 492

H-8264

1 Amend Senate File 492, as passed by the Senate, as  
2 follows:  
3 1. Page 1, line 1, by striking <Code 2015> and  
4 inserting <Code 2016>  
5 2. Page 1, by striking lines 18 through 21 and  
6 inserting <additional needs. Upon request of the  
7 department of human services, the executive council  
8 may make available up to one hundred thousand dollars,  
9 or so much as is necessary, for contract entity staff  
10 support and case management training.>

COMMITTEE ON APPROPRIATIONS  
GRASSLEY of Butler, Chairperson

H-8264 FILED APRIL 20, 2016

SENATE FILE 2187

H-8258

1 Amend the amendment, H-8103, to Senate File 2187, as  
2 passed by the Senate, as follows:  
3 1. Page 1, line 5, after <discharged.> by inserting  
4 <If the license is issued upon presentation of the  
5 licensee's certification of release or discharge  
6 from active duty, DD form 214, the department shall  
7 notify the commission of veteran affairs of the county  
8 of the licensee's residence that the licensee was  
9 issued a license marked to reflect the licensee's  
10 veteran status. After receiving notification from the  
11 department, the commission shall initiate contact with  
12 the licensee.>

By NUNN of Polk

H-8258 FILED APRIL 20, 2016

SENATE FILE 2314

H-8252

1 Amend Senate File 2314, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, after line 25 by inserting:  
4 <2A. Notwithstanding subsection 2, the first  
5 \$115,000 in franchise fee refunds that are deposited  
6 in the fund are appropriated to the child advocacy  
7 board in the department of inspections and appeals for  
8 the fiscal year beginning July 1, 2016, and ending  
9 June 30, 2017, for the purpose of providing additional  
10 funding for the court-appointed special advocacy  
11 program, including salaries, support, maintenance, and  
12 miscellaneous purposes.>  
13 2. Page 13, by striking lines 8 through 23.

By BERRY of Black Hawk

H-8252 FILED APRIL 20, 2016

SENATE FILE 2314

H-8253

1 Amend Senate File 2314, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, line 33, by striking <department> and  
4 inserting <Iowa division of labor of the department of  
5 workforce development>  
6 2. Page 3, line 5, after <period,> by inserting  
7 <testimony solicited and received by the division  
8 of labor of the department of workforce development  
9 from employees regarding the experiences of  
10 employees resulting from the use of such third-party  
11 administration services,>  
12 3. Page 3, line 8, by striking <department> and  
13 inserting <Iowa division of labor of the department of  
14 workforce development>

By HUNTER of Polk

H-8253 FILED APRIL 20, 2016

SENATE FILE 2314

H-8254

1 Amend Senate File 2314, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 4, line 21, by striking <547,501> and  
4 inserting <550,335>  
5 2. Page 19, line 32, by striking <348,198> and  
6 inserting <350,000>

By KELLEY of Jasper

H-8254 FILED APRIL 20, 2016

SENATE FILE 2314

H-8255

1 Amend Senate File 2314, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 17, line 3, by striking <December 15, 2016,  
4 and each December 15> and inserting <November 30, 2016,  
5 and each November 30>

By HUNTER of Polk

H-8255 FILED APRIL 20, 2016



SENATE FILE 2323

H-8257

1 Amend Senate File 2323, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 30, after line 26 by inserting:  
4 <Sec. \_\_\_\_ . STATE BOARD OF EDUCATION ---- RULE  
5 NULLIFICATION. 281 Iowa administrative code, rule  
6 12.8, subrule 1, paragraph h, is nullified.>

7 2. Page 31, after line 1 by inserting:  
8 <5. The section of this Act nullifying an  
9 administrative rule adopted by the state board of  
10 education.>

11 3. By renumbering as necessary.

**By** VANDER LINDEN of Mahaska

H-8257 FILED APRIL 20, 2016

SENATE FILE 2323

H-8260

1 Amend Senate File 2323, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 4, line 4, by striking <48,689,681> and  
4 inserting <48,939,681>

5 2. Page 13, by striking lines 26 through 29.

6 3. By renumbering as necessary.

**By** JORGENSEN of Woodbury

H-8260 FILED APRIL 20, 2016

SENATE FILE 2323

H-8261

1 Amend Senate File 2323, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 17, line 17, by striking <232,223,005> and  
4 inserting <230,923,005>

5 2. Page 21, line 10, by striking <97,057,732> and  
6 inserting <98,357,732>

**By** ROGERS of Black Hawk

H-8261 FILED APRIL 20, 2016

SENATE FILE 2323

H-8262

1 Amend Senate File 2323, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 34, after line 6 by inserting:

4 <DIVISION \_\_\_\_

5 SCHOOL DISTRICT BUDGET ADJUSTMENT

6 Sec. \_\_\_\_\_. Section 257.2, subsection 2, Code 2016,  
7 is amended by striking the subsection.

8 Sec. \_\_\_\_\_. Section 257.4, subsection 1, paragraph  
9 a, Code 2016, is amended by adding the following new  
10 subparagraph:

11 NEW SUBPARAGRAPH. (10) The amount of revenue  
12 received from the secure an advanced vision for  
13 education fund and approved by the school district for  
14 reducing the school district's additional property tax  
15 levy pursuant to a revenue purpose statement adopted  
16 under section 423F.3.

17 Sec. \_\_\_\_\_. NEW SECTION. 257.14A District cost per  
18 pupil equity ---- budget adjustment.

19 1. The board of directors of a school district  
20 with a regular program district cost per pupil that is  
21 less than the highest regular program district cost  
22 per pupil among all school districts in the state for  
23 the same budget year that wishes to receive the budget  
24 adjustment under this section may adopt a resolution  
25 by May 15 preceding the budget year and shall notify  
26 the department of management of the adoption of the  
27 resolution and the amount of the budget adjustment to  
28 be received.

29 2. a. For budget years beginning on or after  
30 July 1, 2017, each school district that satisfies the  
31 requirements of subsection 1 shall be eligible for a  
32 budget adjustment for that budget year in an amount not  
33 to exceed the difference between the school district's  
34 regular program district cost per pupil and the  
35 highest regular program district cost per pupil among

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1 all school districts in the state multiplied by the  
2 district's budget enrollment. The resolution adopted  
3 under subsection 1 may specify a budget adjustment  
4 amount that is less than the maximum amount authorized  
5 under this paragraph "a".

6 b. The school district shall fund the budget  
7 adjustment solely using moneys from its distribution of  
8 moneys received from the secure an advanced vision for  
9 education fund under section 423F.3 and authorized for  
10 such purpose by a revenue purpose statement. Amounts  
11 used to fund the budget adjustment may be used by the  
12 school district for any school general fund purpose.

13 3. A budget adjustment received under this section  
14 shall not affect the eligibility for or amount of any  
15 other budget adjustment authorized by law for the same  
16 budget year. In addition, a budget adjustment under  
17 this section shall be limited to the budget year for  
18 which the adjustment was authorized and shall not be  
19 included in any computation of a school district's cost  
20 for any future budget year.

21 Sec. \_\_\_\_\_. Section 423.2, subsection 11, paragraph  
22 b, subparagraph (3), Code 2016, is amended to read as  
23 follows:

24 (3) Transfer one-sixth of the remaining revenues  
25 to the secure an advanced vision for education fund  
26 created in section 423F.2. This subparagraph (3) is  
27 repealed ~~December 31, 2029~~ January 1, 2050.

28 Sec. \_\_\_\_\_. Section 423.2, subsection 14, Code 2016,  
29 is amended to read as follows:

30 14. The sales tax rate of six percent is reduced to  
31 five percent beginning on January 1, ~~2030~~ 2050.

32 Sec. \_\_\_\_\_. Section 423.5, subsection 5, Code 2016,  
33 is amended to read as follows:

34 5. The use tax rate of six percent is reduced to  
35 five percent beginning on January 1, ~~2030~~ 2050.

1 Sec. \_\_\_\_\_. Section 423.43, subsection 1, paragraph  
2 b, Code 2016, is amended to read as follows:

3 b. Subsequent to the deposit into the general fund  
4 of the state and after the transfer of such revenues  
5 collected under chapter 423B, the department shall  
6 transfer one-sixth of such remaining revenues to the  
7 secure an advanced vision for education fund created in  
8 section 423F.2. This paragraph is repealed ~~December~~  
9 ~~31, 2029~~ January 1, 2050.

10 Sec. \_\_\_\_\_. Section 423F.1, Code 2016, is amended to  
11 read as follows:

12 423F.1 Legislative intent.

13 It is the intent of the general assembly that the  
14 increase in the state sales, services, and use taxes  
15 under chapter 423, subchapters II and III, from five  
16 percent to six percent on July 1, 2008, shall be used  
17 solely for purposes of providing revenues to local  
18 school districts under this chapter to be used solely  
19 for school infrastructure purposes, ~~or~~ school district  
20 property tax relief, and school district budget  
21 adjustments under section 254.14A.

22 Sec. \_\_\_\_\_. Section 423F.3, subsection 1, paragraph  
23 d, Code 2016, is amended to read as follows:

24 d. For any authorized school infrastructure  
25 purpose or project of the school district as defined  
26 in subsection 6, excluding purposes specified in  
27 subsection 6, paragraph "0d", if the total cost of the  
28 authorized infrastructure purpose does not exceed three  
29 million dollars.

30 Sec. \_\_\_\_\_. Section 423F.3, subsection 3, paragraph  
31 b, Code 2016, is amended to read as follows:

32 b. If the board of directors intends to use funds  
33 for purposes or projects other than those listed in  
34 paragraph "a", or change the use of funds to purposes  
35 or projects other than those listed in paragraph "a",

1 the board shall adopt a revenue purpose statement  
2 or amend an existing revenue purpose statement,  
3 subject to approval of the electors, listing the  
4 proposed use of the funds. If the board of directors  
5 intends to use funds for a school infrastructure  
6 purpose or project that was approved by the board  
7 on or after July 1, 2016, the total cost of which  
8 exceeds three million dollars, the board shall adopt  
9 a revenue purpose statement or amend an existing  
10 revenue purpose statement, subject to approval of the  
11 electors, to specifically authorize the use of funds  
12 for that school infrastructure purpose or project.  
13 Both the ballot presented to the electors and the  
14 revenue purpose statement shall describe each school  
15 infrastructure purpose or project that has a total cost  
16 exceeding three million dollars, specify the estimated  
17 commencement and completion dates for each such purpose  
18 or project, and specify a maximum amount of funds  
19 received under this section that may be used for each  
20 such purpose or project. School districts shall submit  
21 the statement to the voters no later than sixty days  
22 prior to the expiration of any existing revenue purpose  
23 statement or change in use not included in the existing  
24 revenue purpose statement.

25 Sec. \_\_\_\_ Section 423F.3, subsection 6, Code 2016,  
26 is amended by adding the following new paragraph:

27 NEW PARAGRAPH. 0d. For school budget years  
28 beginning on or after July 1, 2017, "school  
29 infrastructure" includes any of the following if  
30 specified in a revenue purpose statement approved at  
31 election:

32 (1) If a school district's average transportation  
33 costs per pupil exceed the state average transportation  
34 costs per pupil determined under section 257.31,  
35 subsection 17, paragraph "c", the payment of school

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1 district transportation costs not to exceed an amount  
2 equal to the district's actual enrollment for the  
3 school year multiplied by the difference between the  
4 district's average transportation costs per pupil and  
5 the state average transportation costs per pupil for  
6 the school year.

7 (2) Funding a district cost per pupil equity budget  
8 adjustment under section 257.14A.

9 (3) Reduction of the school district's additional  
10 property tax levy under section 257.4.

11 Sec. \_\_\_\_\_. Section 423F.3, subsection 7, Code 2016,  
12 is amended to read as follows:

13 7. The general assembly shall not alter the  
14 purposes for which the revenues received under this  
15 section may be used from infrastructure ~~and purposes,~~  
16 property tax relief purposes, and budget adjustment  
17 purposes under section 257.14A to any other purpose  
18 unless the bill is approved by a vote of at least  
19 two-thirds of the members of both chambers of the  
20 general assembly and is signed by the governor.

21 Sec. \_\_\_\_\_. Section 423F.6, Code 2016, is amended to  
22 read as follows:

23 423F.6 Repeal.

24 This chapter is repealed ~~December 31, 2029~~ January  
25 1, 2050.

26 Sec. \_\_\_\_\_. IMPLEMENTATION. The approval requirement  
27 of section 423F.3, subsection 7, Code 2016, shall not  
28 apply to this division of this Act.>

29 2. Title page, line 5, after < matters, > by  
30 inserting < modifying provisions relating to the secure  
31 an advanced vision for education fund, >

32 3. By renumbering, redesignating, and correcting  
33 internal references as necessary.

**By PAUSTIAN of Scott**

**H-8262** FILED APRIL 20, 2016

**SENATE FILE 2323**

**H-8263**

1 Amend Senate File 2323, as amended, passed, and  
2 reprinted by the Senate, as follows:

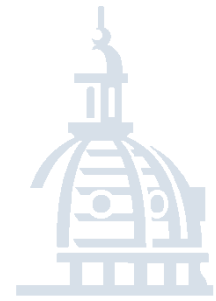
3 1. Page 23, after line 33 by inserting:

4 < Sec. \_\_\_\_\_. Section 256.11, subsection 16, paragraph  
5 d, Code 2016, is amended by striking the paragraph.>

6 2. By renumbering as necessary.

**By HEARTSILL of Marion**

**H-8263** FILED APRIL 20, 2016



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**HF 2463** – Sales Tax Rebates, Baseball and Softball Tournament Facilities (LSB6009HV)  
Analyst: Kent Ohms (Phone: 515-725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

**House File 2463** modifies the rebate of state sales tax to the owner or operator of a baseball and softball tournament facility and movie site. Any facility seeking the rebate must make an application to the Iowa Economic Development Authority (IEDA) Board through the Community Attraction and Tourism (CAT) Program, and the bill specifies the evaluation provision of the projects. The bill changes the qualifying entity to any baseball and softball complex with construction costs of at least \$10.0 million completed after July 1, 2016. The requirement that the legal owner or operator be a for-profit is modified. A cap of \$2.5 million or 10 years of rebates is applied to individual complexes, whichever comes first.

Under the bill, a complex remains eligible until one of the following conditions is met:

- More than 10 years have passed from the project completion date, or the award date, whichever is later.
- A complex reaches the \$2.5 million individual rebate cap.
- The aggregate \$16.5 million cap is reached on the Program.
- There is a change in control in the ownership of a complex making it ineligible.

With a \$16.5 million Program cap, and a \$2.5 million individual rebate cap, there could be as many as six or seven projects financed under this Program if they meet the \$10.0 million investment requirement. The Program sunset in 2024 is repealed, but the Program will continue until \$16.5 million in funds have been rebated.

### **Background**

In 2012, Iowa Acts, chapter **1098** (Sales Tax Rebate – Baseball and Softball Tournament Facility and Movie Site), a sales tax rebate was enacted that applies to the owner or operator of a baseball and softball tournament facility and movie site. The provision provides a rebate of sales tax between January 1, 2014, and January 1, 2024, from the sales tax imposed and collected by retailers at the All-Star Ballpark Heaven facility in Dyersville, Iowa. The aggregate amount is not to exceed \$16.5 million. The provision is repealed June 30, 2024 (or 30 days after the \$16.5 million cap is achieved).

### **Assumptions**

- No entity qualified for the rebate established currently in Iowa Code section **423.4(10)**.
- Two facilities in the planning stages will likely qualify for the rebate: one in Dyersville and one in Cedar Rapids. Neither facility is anticipated to be in operation until the summer of 2017.
- Based on figures from the Strategic Economics Group and other similar complexes in other areas of the country, sales at the two facilities are estimated to range between \$3.0 million and \$6.0 million annually.
- Based on the individual cap and overall rebate cap, additional entities could qualify at a later date, but are not factored into the estimate at this time.
- The IEDA will be able to evaluate applications with existing staffing capacity.

## **Fiscal Impact**

The total maximum fiscal impact will be a sales tax rebate amount of \$16.5 million, with individual project caps of \$2.5 million or 10 years. The actual timing and specific rebate amounts by fiscal year are currently unknown. Based on the assumptions noted above, the following table provides an estimate of the annual diversion and rebate of State General Fund revenues that will be deposited into the rebate fund.

	<b>Dyersville</b>	<b>Cedar Rapids</b>	<b>Total Impact</b>	<b>Cumulative Impact</b>
FY 2017	\$ 0	\$ 0	\$ 0	\$ 0
FY 2018	-292,000	-75,000	-367,000	-367,000
FY 2019	-305,000	-157,000	-462,000	-829,000
FY 2020	-316,000	-163,000	-479,000	-1,308,000
FY 2021	-328,000	-169,000	-497,000	-1,805,000
FY 2022	-340,000	-175,000	-515,000	-2,320,000
FY 2023	-352,000	-181,000	-533,000	-2,853,000
FY 2024	-365,000	-188,000	-553,000	-3,406,000
FY 2025	-202,000	-195,000	-397,000	-3,803,000
FY 2026	0	-202,000	-202,000	-4,005,000
FY 2027	0	-210,000	-210,000	-4,215,000
FY 2028	0	-109,000	-109,000	-4,324,000
<b>Total Rebate</b>	<b><u>\$-2,500,000</u></b>	<b><u>\$-1,824,000</u></b>		

The sales tax rebate will only impact the General Fund. State sales/use tax for school infrastructure (Secure an Advanced Vision for Education – SAVE) funds are not rebated and Local Option Sales Tax revenue is not rebated.

In addition to the sales tax rebate amounts, the Department of Revenue will incur \$25,000 in administrative costs in FY 2017 and future fiscal years until the expiration of this provision.

## **Sources**

Iowa Department of Revenue  
Iowa Economic Development Authority  
All-Star Ballpark Heaven (Dyersville, IA)  
Prospect Meadows (Cedar Rapids, IA)  
Strategic Economics Group  
LSA Analysis and Calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.

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