

House File 868 - Enrolled

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HOUSE FILE 868

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1 3 AN ACT
1 4 RELATING TO ECONOMIC DEVELOPMENT, BUSINESS, WORKFORCE, AND
1 5 REGULATORY ASSISTANCE AND TAX CREDITS, PROPERTY TAX
1 6 ASSESSMENT, TO EXCISE TAXES ON E-85 GASOLINE, TO ISSUANCE
1 7 OF REVENUE BONDS, AND TO STATE DEVELOPMENTAL, RESEARCH,
1 8 AND REGULATORY OVERSIGHT, AND INCLUDING EFFECTIVE DATE
1 9 AND RETROACTIVE APPLICABILITY PROVISIONS.

1 10
1 11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

GROW IOWA VALUES FUND

1 14 Section 1. NEW SECTION. 15G.108 GROW IOWA VALUES FUND.

1 15 1. A grow Iowa values fund is created in the state
1 16 treasury under the control of the department of economic
1 17 development consisting of moneys appropriated to the
1 18 department. Moneys in the fund are not subject to section
1 19 8.33. Notwithstanding section 12C.7, interest or earnings on
1 20 moneys in the fund shall be credited to the fund. The fund
1 21 shall be administered by the department, which shall make
1 22 expenditures from the fund consistent with this chapter and
1 23 pertinent Acts of the general assembly. Any financial
1 24 assistance provided using moneys from the fund may be provided
1 25 over a period of time of more than one year. Payments of
1 26 interest, repayments of moneys loaned pursuant to this
1 27 chapter, and recaptures of grants or loans shall be deposited
1 28 in the fund.

1 29 2. In awarding financial assistance in a fiscal year from
1 30 moneys appropriated to the grow Iowa values fund, the
1 31 department shall commit, obligate, or promise not more than
1 32 fifty percent of the moneys appropriated from the grow Iowa
1 33 values fund pursuant to section 15G.111, subsection 1, if
1 34 enacted, for use during the first fiscal year following the
2 1 fiscal year in which the financial assistance is awarded and
2 2 not more than twenty-five percent of the moneys appropriated
2 3 from the grow Iowa values fund pursuant to section 15G.111,
2 4 subsection 1, if enacted, for use during the second fiscal
2 5 year following the fiscal year in which the financial
2 6 assistance is awarded.

2 7 Sec. 2. Section 15G.111, subsection 2, if enacted by 2005
2 8 Iowa Acts, House File 809, is amended by adding the following
2 9 new unnumbered paragraph after unnumbered paragraph 2:
2 10 NEW UNNUMBERED PARAGRAPH. The department may expend
2 11 additional moneys that may become available for purposes of
2 12 financial assistance to a single bioscience development
2 13 organization determined by the department to possess expertise
2 14 in the promotion and commercialization of biotechnology
2 15 entrepreneurship as described in and for the purposes set
2 16 forth in unnumbered paragraph 2.

2 17 Sec. 3. NEW SECTION. 15G.112 FINANCIAL ASSISTANCE.

2 18 1. In order to receive financial assistance from the
2 19 department from moneys appropriated from the grow Iowa values
2 20 fund, the average annual wage, including benefits, of new jobs
2 21 created must be equal to or greater than one hundred thirty
2 22 percent of the average county wage. For purposes of this
2 23 section, "average county wage" and "benefits" mean the same as
2 24 defined in section 15H.1.

2 25 2. An applicant may apply to the Iowa economic development
2 26 board for a waiver of the wage requirements in subsection 1.

2 27 3. In awarding moneys appropriated from the grow Iowa
2 28 values fund, the department shall give special consideration
2 29 to projects that include significant physical infrastructure
2 30 components designed to increase property tax revenues to local
2 31 governments.

DIVISION II

IOWA ECONOMIC DEVELOPMENT BOARD

2 34 Sec. 4. Section 15.103, Code 2005, is amended to read as
2 35 follows:

3 1 15.103 ECONOMIC DEVELOPMENT BOARD.

3 2 1. a. The Iowa economic development board is created,
3 3 consisting of ~~eleven~~ fifteen voting members appointed by the
3 4 governor and seven ex officio nonvoting members. The ex
3 5 officio nonvoting members are four legislative members; one

3 6 president, or the president's designee, of the university of
3 7 northern Iowa, the university of Iowa, or Iowa state
3 8 university of science and technology designated by the state
3 9 board of regents on a rotating basis; and one president, or
3 10 the president's designee, of a private college or university
3 11 appointed by the Iowa association of independent colleges and
3 12 universities; and one superintendent, or the superintendent's
3 13 designee, of a community college, appointed by the Iowa
3 14 association of community college presidents. The legislative
3 15 members are two state senators, one appointed by the president
3 16 of the senate, after consultation with the majority leader of
3 17 the senate, and one appointed by the minority leader of the
3 18 senate, after consultation with the president of the senate,
3 19 from their respective parties; and two state representatives,
3 20 one appointed by the speaker and one appointed by the minority
3 21 leader of the house of representatives from their respective
3 22 parties. Not more than ~~six~~ eight of the voting members shall
3 23 be from the same political party. Beginning with the first
3 24 appointment to the board made after the effective date of this
3 25 Act, at least one voting member shall have been less than
3 26 thirty years of age at the time of appointment. The secretary
~~3 27 of agriculture or the secretary's designee shall be one of the~~
~~3 28 voting members.~~ The governor shall appoint the ~~remaining ten~~
3 29 voting members of the board for a term of four years beginning
3 30 and ending as provided by section 69.19, subject to
3 31 confirmation by the senate, and the governor's appointments
3 32 shall include persons knowledgeable of the various elements of
3 33 the department's responsibilities.

3 34 b. Each of the following areas of expertise shall be
3 35 represented by at least one member of the board who has

4 1 professional experience in that area of expertise:

4 2 (1) Finance, insurance, or investment banking.

4 3 (2) Advanced manufacturing.

4 4 (3) Statewide agriculture.

4 5 (4) Life sciences.

4 6 (5) Small business development.

4 7 (6) Information technology.

4 8 (7) Economics.

4 9 (8) Labor.

4 10 (9) Marketing.

4 11 (10) Entrepreneurship.

4 12 c. At least nine members of the board shall be actively
4 13 employed in the private, for-profit sector of the economy.

4 14 2. A vacancy on the board shall be filled in the same
4 15 manner as regular appointments are made for the unexpired
4 16 portion of the regular term.

4 17 3. The board shall meet in May of each year for the
4 18 purpose of electing one of its voting members as chairperson
4 19 and one of its voting members as vice chairperson. However,
4 20 the chairperson and the vice chairperson shall not be from the
4 21 same political party. The board shall meet at the call of the
4 22 chairperson or when any ~~six~~ eight members of the board file a
4 23 written request with the chairperson for a meeting. Written
4 24 notice of the time and place of each meeting shall be given to
4 25 each member of the board. A majority of the voting members
4 26 constitutes a quorum.

4 27 4. Members of the board, the director, and other employees
4 28 of the department shall be allowed their actual and necessary
4 29 expenses incurred in the performance of their duties. All
4 30 expenses shall be paid from appropriations for those purposes
4 31 and the department is subject to the budget requirements of
4 32 chapter 8. Each member of the board may also be eligible to
4 33 receive compensation as provided in section 7E.6.

4 34 5. If a member of the board has an interest, either direct
4 35 or indirect, in a contract to which the department is or is to
5 1 be a party, the interest shall be disclosed to the board in
5 2 writing and shall be set forth in the minutes of a meeting of
5 3 the board. The member having the interest shall not
5 4 participate in action by the board with respect to the
5 5 contract. ~~This paragraph does not limit the right of a member~~
~~5 6 of the board to acquire an interest in bonds, or limit the~~
~~5 7 right of a member to have an interest in a bank or other~~
~~5 8 financial institution in which the funds of the department are~~
~~5 9 deposited or which is acting as trustee or paying agent under~~
~~5 10 a trust indenture to which the department is a party.~~

5 11 6. As part of the organizational structure of the
5 12 department, the board shall establish a due diligence
5 13 committee and a loan and credit guarantee committee composed
5 14 of members of the board. The committees shall serve in an
5 15 advisory capacity to the board and shall carry out any duties
5 16 assigned by the board in relation to programs administered by

5 17 the department.

5 18 7. For the transitional period beginning July 1, 2005, and
5 19 ending June 30, 2006, the composition of the voting members of
5 20 the board shall be determined by the governor and shall be
5 21 composed of members of the Iowa economic development board in
5 22 existence on June 30, 2005, and members of the grow Iowa
5 23 values board as it existed on June 15, 2004. During the
5 24 transitional period stated in this subsection, the
5 25 requirements of subsection 1, paragraphs "a" and "b", shall
5 26 not apply. This subsection is repealed June 30, 2006.

5 27 Sec. 5. Section 15.104, Code 2005, is amended by adding
5 28 the following new subsections:

5 29 NEW SUBSECTION. 9. By January 15 of each year, submit a
5 30 report to the general assembly and the governor that
5 31 delineates expenditures made under each component of the grow
5 32 Iowa values fund. In addition, the department shall provide
5 33 in the report the following information regarding each
5 34 business finance project and in the aggregate for projects
5 35 funded during the previous fiscal year:

6 1 a. The number of net new jobs created as of the time of
6 2 reporting. For purposes of this paragraph, "net new jobs"
6 3 means the number of jobs that have been created pursuant to
6 4 the new or retained positions identified in the contract.

6 5 b. The average wage of the jobs created as of the time of
6 6 reporting.

6 7 c. The amount of capital investment invested as of the
6 8 time of reporting.

6 9 d. The location.

6 10 e. The amount, if any, of private and local government
6 11 moneys expended as of the time of reporting.

6 12 f. The amount of moneys expended on research and
6 13 development activities that were not included in the jobs
6 14 created and wages paid criteria.

6 15 g. The number of jobs retained as of the time of
6 16 reporting.

6 17 NEW SUBSECTION. 10. By January 15 of each year, submit a
6 18 report to the general assembly and the governor identifying
6 19 the number of minority-owned businesses that received
6 20 financial assistance from moneys appropriated from the grow
6 21 Iowa values fund during the previous calendar year. The
6 22 report shall provide an analysis as to the reasons why more
6 23 minority-owned businesses have not applied for assistance and
6 24 include recommendations regarding how to encourage the
6 25 creation of more minority-owned businesses. This subsection
6 26 is repealed June 30, 2007.

6 27 NEW SUBSECTION. 11. By January 15 of each year, submit a
6 28 report to the general assembly and the governor identifying
6 29 the number of woman-owned businesses that received financial
6 30 assistance from moneys appropriated from the grow Iowa values
6 31 fund during the previous calendar year. The report shall
6 32 provide an analysis as to the reasons why more woman-owned
6 33 businesses have not applied for assistance and include
6 34 recommendations regarding how to encourage the creation of
6 35 more woman-owned businesses. This subsection is repealed June
7 1 30, 2007.

7 2 Sec. 6. APPOINTMENTS DURING BIPARTISAN CONTROL.
7 3 Appointments of general assembly members to the Iowa economic
7 4 development board, which are to be made by the president of
7 5 the senate or by the majority or minority leader of the senate
7 6 during the period that the senate for the Eighty-first General
7 7 Assembly is composed of an equal number of members of each
7 8 major political party, shall be made jointly by the co=
7 9 presidents or co=floor leaders, as appropriate, in accordance
7 10 with Senate Resolution 1, adopted during the 2005 legislative
7 11 session.

7 12 DIVISION III

7 13 REGULATORY ASSISTANCE

7 14 Sec. 7. NEW SECTION. 15E.19 REGULATORY ASSISTANCE.

7 15 1. The department of economic development shall coordinate
7 16 all regulatory assistance for the state of Iowa. Each state
7 17 agency administering regulatory programs for business shall
7 18 maintain a coordinator within the office of the director or
7 19 the administrative division of the state agency. Each
7 20 coordinator shall do all of the following:

7 21 a. Serve as the state agency's primary contact for
7 22 regulatory affairs with the department of economic
7 23 development.

7 24 b. Provide information regarding regulatory requirements
7 25 to businesses and represent the state agency to the private
7 26 sector.

7 27 c. Monitor permit applications and provide timely permit

7 28 status information to the department of economic development.
7 29 d. Require regulatory staff participation in negotiations
7 30 and discussions with businesses.
7 31 e. Notify the department of economic development regarding
7 32 proposed rulemaking activities that impact a regulatory
7 33 program and any subsequent changes to a regulatory program.
7 34 2. The department of economic development shall, in
7 35 consultation with the coordinators described in this section,
8 1 examine, and to the extent permissible, assist in the
8 2 implementation of methods, including the possible
8 3 establishment of an electronic database, to streamline the
8 4 process for issuing permits to business.
8 5 3. By January 15 of each year, the department of economic
8 6 development shall submit a written report to the general
8 7 assembly regarding the provision of regulatory assistance by
8 8 state agencies, including the department's efforts, and its
8 9 recommendations and proposed solutions, to streamline the
8 10 process of issuing permits to business.

8 11 DIVISION IV

8 12 ECONOMIC DEVELOPMENT REGIONS

8 13 Sec. 8. NEW SECTION. 15E.21 IOWA BUSINESS RESOURCE
8 14 CENTERS.

8 15 The department shall establish an Iowa business resource
8 16 center program for purposes of locating Iowa business resource
8 17 centers in the state. The department shall partner with
8 18 another entity wanting to assist with economic growth and
8 19 establish an Iowa business resource center. Operational
8 20 duties of a center shall focus on providing information and
8 21 referrals to entrepreneurs and businesses. Operational duties
8 22 of a center shall be determined pursuant to a memorandum of
8 23 agreement between the department and the other entity.

8 24 Sec. 9. NEW SECTION. 15E.231 ECONOMIC DEVELOPMENT
8 25 REGIONS.

8 26 1. In order for an economic development region to receive
8 27 moneys from the grow Iowa values fund created in section
8 28 15G.108, an economic development region's regional development
8 29 plan must be approved by the department. An economic
8 30 development region shall consist of not less than three
8 31 counties, unless two contiguous counties have a combined
8 32 population of at least three hundred thousand based on the
8 33 most recent federal decennial census. An economic development
8 34 region shall establish a focused economic development effort
8 35 that shall include a regional development plan relating to one
9 1 or more of the following areas:

- 9 2 a. Regional marketing strategies.
- 9 3 b. Development of the information solutions sector.
- 9 4 c. Development of the advanced manufacturing sector.
- 9 5 d. Development of the life sciences and biotechnology
9 6 sector.
- 9 7 e. Development of the insurance or financial services
9 8 sector.
- 9 9 f. Physical infrastructure including, but not limited to,
9 10 horizontal infrastructure, water and sewer infrastructure, and
9 11 telecommunications infrastructure.
- 9 12 g. Entrepreneurship.

9 13 2. An economic development region may create an economic
9 14 development region revolving fund as provided in section
9 15 15E.232.

9 16 Sec. 10. NEW SECTION. 15E.232 ECONOMIC DEVELOPMENT
9 17 REGION REVOLVING FUNDS == TAX CREDITS.

9 18 1. An economic development region may create an economic
9 19 development region revolving fund.

9 20 2. a. A nongovernmental entity making a contribution to
9 21 an economic development region revolving fund, except those
9 22 described in paragraph "b", may claim a tax credit equal to
9 23 twenty percent of the amount contributed to the revolving
9 24 fund. The tax credit shall be allowed against taxes imposed
9 25 in chapter 422, divisions II, III, and V, and in chapter 432,
9 26 and against the moneys and credits tax imposed in section
9 27 533.24. An individual may claim under this subsection the tax
9 28 credit of a partnership, limited liability company, S
9 29 corporation, estate, or trust electing to have income taxed
9 30 directly to the individual. The amount claimed by the
9 31 individual shall be based upon the pro rata share of the
9 32 individual's earnings from the partnership, limited liability
9 33 company, S corporation, estate, or trust. Any tax credit in
9 34 excess of the taxpayer's liability for the tax year may be
9 35 credited to the tax liability for the following ten years or
10 1 until depleted, whichever occurs first. A tax credit shall
10 2 not be carried back to a tax year prior to the tax year in
10 3 which the taxpayer redeems the tax credit. A tax credit under

10 4 this section is not transferable.

10 5 b. Subject to the provisions of paragraph "c", an
10 6 organization exempt from federal income tax pursuant to
10 7 section 501(c) of the Internal Revenue Code making a
10 8 contribution to an economic development region revolving fund,
10 9 shall be paid from the general fund of the state an amount
10 10 equal to twenty percent of such contributed amount within
10 11 thirty days after the end of the fiscal year during which the
10 12 contribution was made.

10 13 c. The total amount of tax credits and payments to
10 14 contributors, referred to as the credit amount, authorized
10 15 during a fiscal year shall not exceed two million dollars plus
10 16 any unused credit amount carried over from previous years.
10 17 Any credit amount which remains unused for a fiscal year may
10 18 be carried forward to the succeeding fiscal year. The maximum
10 19 credit amount that may be authorized in a fiscal year for
10 20 contributions made to a specific economic development region
10 21 revolving fund is equal to two million dollars plus any unused
10 22 credit amount carried over from previous years divided by the
10 23 number of economic development region revolving funds existing
10 24 in the state.

10 25 d. The department of economic development shall administer
10 26 the authorization of tax credits under this section and
10 27 payments to contributors described in paragraph "b" and shall,
10 28 in cooperation with the department of revenue, adopt rules
10 29 pursuant to chapter 17A necessary for the administration of
10 30 this section.

10 31 3. An economic development region may apply for financial
10 32 assistance from the grow Iowa values fund to assist with the
10 33 installation of physical infrastructure needs including, but
10 34 not limited to, horizontal infrastructure, water and sewer
10 35 infrastructure, and telecommunications infrastructure, related
11 1 to the development of fully served business and industrial
11 2 sites by one or more of the region's economic development
11 3 partners or for the installation of infrastructure related to
11 4 a new business location or expansion. In order to receive
11 5 financial assistance pursuant to this subsection, the economic
11 6 development region must demonstrate all of the following:

11 7 a. The ability to provide matching moneys on a basis of a
11 8 one dollar contribution of local matching moneys for every two
11 9 dollars received from the grow Iowa values fund.

11 10 b. The commitment of the specific business partner
11 11 including, but not limited to, a letter of intent defining a
11 12 capital commitment or a percentage of equity.

11 13 c. That all other funding alternatives have been
11 14 exhausted.

11 15 4. The department may establish and administer a regional
11 16 economic development revenue sharing pilot project for one or
11 17 more regions. The department shall take into consideration
11 18 the geographical dispersion of the pilot projects. The
11 19 department shall provide technical assistance to the regions
11 20 participating in a pilot project.

11 21 5. An economic development region may apply for financial
11 22 assistance from the grow Iowa values fund to assist an
11 23 existing business threatened with closure due to a potential
11 24 consolidation to an out-of-state location. The economic
11 25 development region may apply for financial assistance from the
11 26 grow Iowa values fund for the purchase, rehabilitation, or
11 27 marketing of a building that has become available due to the
11 28 closing of an existing business due to a consolidation to an
11 29 out-of-state location. In order to receive financial
11 30 assistance under this subsection, an economic development
11 31 region must demonstrate the ability to provide local matching
11 32 moneys on a basis of a one dollar contribution of local moneys
11 33 for every three dollars received from the grow Iowa values
11 34 fund.

11 35 6. An economic development region may apply for financial
12 1 assistance from the grow Iowa values fund to establish and
12 2 operate an entrepreneurial initiative. In order to receive
12 3 financial assistance under this subsection, an economic
12 4 development region must demonstrate the ability to provide
12 5 local matching moneys on a basis of a one dollar contribution
12 6 of local moneys for every two dollars received from the grow
12 7 Iowa values fund.

12 8 7. a. An economic development region may apply for
12 9 financial assistance from the grow Iowa values fund to
12 10 establish and operate a business succession assistance program
12 11 for the region.

12 12 b. In order to receive financial assistance under this
12 13 subsection, an economic development region must demonstrate
12 14 the ability to provide local matching moneys on a basis of a

12 15 one dollar contribution of local moneys for every two dollars
12 16 received from the grow Iowa values fund.

12 17 8. An economic development region may apply for financial
12 18 assistance from the grow Iowa values fund to implement
12 19 economic development initiatives that are either unique to the
12 20 region or innovative in design and implementation. In order
12 21 to receive financial assistance under this subsection, an
12 22 economic development region must demonstrate the ability to
12 23 provide local matching moneys on a one-to-one basis.

12 24 9. Financial assistance under subsections 3, 5, 6, 7, and
12 25 8, and section 15E.233 shall be limited to a total of one
12 26 million dollars each fiscal year for the fiscal period
12 27 beginning July 1, 2005, and ending June 30, 2015, and shall
12 28 not be provided to assist in the establishment, operation, or
12 29 installation of a project, initiative, or activity that may
12 30 result in the provision, lease, or sale of goods or services
12 31 by a government body that competes with private enterprise.

12 32 Sec. 11. NEW SECTION. 15E.233 ECONOMIC ENTERPRISE AREAS.

12 33 1. An economic development region may apply to the
12 34 department for approval to be designated as an economic
12 35 enterprise area based on criteria provided in subsection 3.
13 1 The department shall approve no more than ten regions as
13 2 economic enterprise areas.

13 3 2. a. An approved economic enterprise area may apply to
13 4 the department for financial assistance from the grow Iowa
13 5 values fund for up to seventy-five thousand dollars each
13 6 fiscal year during the fiscal period beginning July 1, 2005,
13 7 and ending June 30, 2015, for any of the following purposes:

13 8 (1) Economic development-related strategic planning and
13 9 marketing for the region as a whole.

13 10 (2) Economic development of fully-served business sites.

13 11 (3) The construction of speculative buildings on a fully
13 12 served lot.

13 13 (4) The rehabilitation of an existing building to
13 14 marketable standards.

13 15 b. In order to receive financial assistance under this
13 16 subsection, an economic enterprise area must demonstrate the
13 17 ability to provide local matching moneys on a basis of a one
13 18 dollar contribution of local moneys for every three dollars
13 19 received from the grow Iowa values fund.

13 20 3. An economic enterprise area shall consist of at least
13 21 one county containing no city with a population of more than
13 22 twenty-three thousand five hundred and shall meet at least
13 23 three of the following criteria:

13 24 a. A per capita income of eighty percent or less than the
13 25 national average.

13 26 b. A household median income of eighty percent or less
13 27 than the national average.

13 28 c. Twenty-five percent or more of the population of the
13 29 economic enterprise area with an income level of one hundred
13 30 fifty percent or less of the United States poverty level as
13 31 defined by the most recently revised poverty income guidelines
13 32 published by the United States department of health and human
13 33 services.

13 34 d. A population density in the economic enterprise area of
13 35 less than ten people per square mile.

14 1 e. A loss of population as shown by the 2000 certified
14 2 federal census when compared with the 1990 certified federal
14 3 census.

14 4 f. An unemployment rate greater than the national rate of
14 5 unemployment.

14 6 g. More than twenty percent of the population of the
14 7 economic enterprise area consisting of people over the age of
14 8 sixty-five.

14 9 Sec. 12. NEW SECTION. 15E.351 BUSINESS ACCELERATORS.

14 10 1. The department shall establish and administer a
14 11 business accelerator program to provide financial assistance
14 12 for the establishment and operation of a business accelerator
14 13 for technology-based, value-added agricultural, information
14 14 solutions, or advanced manufacturing start-up businesses or
14 15 for a satellite of an existing business accelerator. The
14 16 program shall be designed to foster the accelerated growth of
14 17 new and existing businesses through the provision of technical
14 18 assistance. The department shall use moneys appropriated to
14 19 the department from the grow Iowa values fund pursuant to
14 20 section 15G.111, subsection 1, if enacted, subject to the
14 21 approval of the economic development board, to provide
14 22 financial assistance under this section.

14 23 2. In determining whether a business accelerator qualifies
14 24 for financial assistance, the department must find that a
14 25 business accelerator meets all of the following criteria:

14 26 a. The business accelerator must be a not-for-profit
14 27 organization affiliated with an area chamber of commerce, a
14 28 community or county organization, or economic development
14 29 region.

14 30 b. The geographic area served by a business accelerator
14 31 must include more than one county.

14 32 c. The business accelerator must possess the ability to
14 33 provide service to a specific type of business as well as to
14 34 meet the broad-based needs of other types of start-up
14 35 entrepreneurs.

15 1 d. The business accelerator must possess the ability to
15 2 market business accelerator services in the region and the
15 3 state.

15 4 e. The business accelerator must possess the ability to
15 5 communicate with and cooperate with other business
15 6 accelerators and similar service providers in the state.

15 7 f. The business accelerator must possess the ability to
15 8 engage various funding sources for start-up entrepreneurs.

15 9 g. The business accelerator must possess the ability to
15 10 communicate with and cooperate with various entities for
15 11 purposes of locating suitable facilities for clients of the
15 12 business accelerator.

15 13 h. The business accelerator must possess the willingness
15 14 to accept referrals from the department of economic
15 15 development.

15 16 3. In determining whether a business accelerator qualifies
15 17 for financial assistance, the department may consider any of
15 18 the following:

15 19 a. The business experience of the business accelerator's
15 20 professional staff.

15 21 b. The business plan review capacity of the business
15 22 accelerator's professional staff.

15 23 c. The business accelerator's professional staff with
15 24 demonstrated disciplines in all aspects of business
15 25 experience.

15 26 d. The business accelerator's professional staff with
15 27 access to external service providers including legal,
15 28 accounting, marketing, and financial services.

15 29 4. In order to receive financial assistance under this
15 30 section, the financial assistance recipient must demonstrate
15 31 the ability to provide matching moneys on a basis of a two
15 32 dollar contribution of recipient moneys for every one dollar
15 33 received in financial assistance.

15 34 Sec. 13. NEW SECTION. 422.11K ECONOMIC DEVELOPMENT
15 35 REGION REVOLVING FUND TAX CREDIT.

16 1 The taxes imposed under this division, less the credits
16 2 allowed under sections 422.12 and 422.12B, shall be reduced by
16 3 an economic development region revolving fund contribution tax
16 4 credit authorized pursuant to section 15E.232.

16 5 Sec. 14. Section 422.33, Code 2005, is amended by adding
16 6 the following new subsection:

16 7 NEW SUBSECTION. 17. The taxes imposed under this division
16 8 shall be reduced by an economic development region revolving
16 9 fund contribution tax credit authorized pursuant to section
16 10 15E.232.

16 11 Sec. 15. Section 422.60, Code 2005, is amended by adding
16 12 the following new subsection:

16 13 NEW SUBSECTION. 9. The taxes imposed under this division
16 14 shall be reduced by an economic development region revolving
16 15 fund contribution tax credit authorized pursuant to section
16 16 15E.232.

16 17 Sec. 16. NEW SECTION. 432.12F ECONOMIC DEVELOPMENT
16 18 REGION REVOLVING FUND CONTRIBUTION TAX CREDITS.

16 19 The tax imposed under this chapter shall be reduced by an
16 20 economic development region tax credit authorized pursuant to
16 21 section 15E.232.

16 22 Sec. 17. Section 533.24, Code 2005, is amended by adding
16 23 the following new subsection:

16 24 NEW SUBSECTION. 6. The moneys and credits tax imposed
16 25 under this section shall be reduced by an economic development
16 26 region revolving fund contribution tax credit authorized
16 27 pursuant to section 15E.232.

16 28 Sec. 18. BUSINESS SUCCESSION == SMALL BUSINESS DEVELOPMENT
16 29 CENTERS. As the loss of a community's small businesses is a
16 30 major concern for communities around the state, small business
16 31 development centers shall design a plan which includes all of
16 32 the following:

16 33 1. The pursuit of public and private partnerships with
16 34 family business consultants, experts in the area of employee
16 35 stock ownership plans, attorneys, certified public
17 1 accountants, the department of economic development, and other

17 2 service providers to assist communities with issues related to
17 3 business succession.

17 4 2. The development of a comprehensive internet website
17 5 with resources related to business succession including a
17 6 listing of family business consultants and service providers
17 7 by area of expertise, appropriate articles, links to related
17 8 resources, and a listing of businesses for sale. The internet
17 9 website should also be designed to promote the state and to
17 10 encourage former Iowa residents and others to locate in Iowa.

17 11 3. Basic training on business succession issues for all
17 12 small business development center directors and staff
17 13 counselors.

17 14 4. Courses on business succession issues available in
17 15 person in communities and on the internet.

17 16 5. Small business development centers in the state shall
17 17 develop and administer programs to assist small businesses to
17 18 plan for the transfer of ownership of the business, including
17 19 the transfer of all or a part of the ownership of a business
17 20 to an employee stock ownership plan.

17 21 DIVISION V

17 22 CULTURAL AND ENTERTAINMENT DISTRICTS

17 23 Sec. 19. NEW SECTION. 303.3B CULTURAL AND ENTERTAINMENT
17 24 DISTRICTS.

17 25 1. The department of cultural affairs shall establish and
17 26 administer a cultural and entertainment district certification
17 27 program. The program shall encourage the growth of
17 28 communities through the development of areas within a city or
17 29 county for public and private uses related to cultural and
17 30 entertainment purposes.

17 31 2. A city or county may create and designate a cultural
17 32 and entertainment district subject to certification by the
17 33 department of cultural affairs, in consultation with the
17 34 department of economic development. A cultural and
17 35 entertainment district is encouraged to include a unique form
18 1 of transportation within the district and for transportation
18 2 between the district and recreational trails. A cultural and
18 3 entertainment district certification shall remain in effect
18 4 for ten years following the date of certification. Two or
18 5 more cities or counties may apply jointly for certification of
18 6 a district that extends across a common boundary. Through the
18 7 adoption of administrative rules, the department of cultural
18 8 affairs shall develop a certification application for use in
18 9 the certification process. The provisions of this subsection
18 10 relating to the adoption of administrative rules shall be
18 11 construed narrowly.

18 12 3. The department of cultural affairs shall encourage
18 13 development projects and activities located in certified
18 14 cultural and entertainment districts through incentives under
18 15 cultural grant programs pursuant to section 303.3, chapter
18 16 303A, and any other grant programs.

18 17 DIVISION VI

18 18 HISTORIC PRESERVATION AND CULTURAL
18 19 AND ENTERTAINMENT DISTRICT TAX CREDITS

18 20 Sec. 20. Section 404A.1, subsection 1, Code 2005, is
18 21 amended to read as follows:

18 22 1. A ~~property rehabilitation~~ historic preservation and
18 23 cultural and entertainment district tax credit, subject to the
18 24 availability of the credit, is granted against the tax imposed
18 25 under chapter 422, division II, III, or V, or chapter 432, for
18 26 the rehabilitation of eligible property located in this state
18 27 as provided in this chapter. Tax credits in excess of tax
18 28 liabilities shall be refunded as provided in section 404A.4,
18 29 subsection 3.

18 30 Sec. 21. Section 404A.1, subsection 2, unnumbered
18 31 paragraph 1, Code 2005, is amended to read as follows:

18 32 Eligible property for which a taxpayer may receive the
18 33 ~~property rehabilitation~~ historic preservation and cultural and
18 34 entertainment district tax credit computed under this chapter
18 35 includes all of the following:

19 1 Sec. 22. Section 404A.3, subsection 2, unnumbered
19 2 paragraph 2, Code 2005, is amended to read as follows:

19 3 The selection standards shall provide that a person who
19 4 qualifies for the rehabilitation tax credit under section 47
19 5 of the Internal Revenue Code shall automatically qualify for
19 6 the state ~~property rehabilitation~~ historic preservation and
19 7 cultural and entertainment district tax credit under this
19 8 chapter.

19 9 Sec. 23. Section 404A.4, subsection 2, Code 2005, is
19 10 amended to read as follows:

19 11 2. After verifying the eligibility for the tax credit, the
19 12 state historic preservation office, in consultation with the

19 13 department of economic development, shall issue a ~~property~~
19 14 ~~rehabilitation historic preservation and cultural and~~
19 15 ~~entertainment district tax credit certificate~~ to be attached
19 16 to the person's tax return. The tax credit certificate shall
19 17 contain the taxpayer's name, address, tax identification
19 18 number, the date of project completion, the amount of credit,
19 19 other information required by the department of revenue, and a
19 20 place for the name and tax identification number of a
19 21 transferee and the amount of the tax credit being transferred.

19 22 Sec. 24. Section 404A.4, subsection 3, Code 2005, is
19 23 amended to read as follows:

19 24 3. A person receiving a ~~property rehabilitation historic~~
19 25 ~~preservation and cultural and entertainment district tax~~
19 26 credit under this chapter which is in excess of the person's
19 27 tax liability for the tax year is entitled to a refund of the
19 28 excess at a discounted value. The discounted value of the tax
19 29 credit refund, as calculated by the department of economic
19 30 development, in consultation with the department of revenue,
19 31 shall be determined based on the discounted value of the tax
19 32 credit five years after the tax year of the project completion
19 33 at an interest rate equivalent to the prime rate plus two
19 34 percent. The refunded tax credit shall not exceed seventy=
19 35 five percent of the allowable tax credit.

20 1 Sec. 25. Section 404A.4, subsection 4, Code 2005, is
20 2 amended to read as follows:

20 3 4. The total amount of tax credits that may be approved
20 4 for a fiscal year under this chapter shall not exceed two
20 5 million four hundred thousand dollars. For the fiscal ~~years~~
20 6 ~~period~~ beginning July 1, 2005, ~~and July 1, 2006 and ending~~
20 7 ~~June 30, 2015~~, an additional ~~five hundred thousand four~~
20 8 ~~million~~ dollars of tax credits may be approved each fiscal
20 9 year for purposes of projects located in cultural and
20 10 entertainment districts certified pursuant to section 303.3B.
20 11 Any of the additional tax credits allocated for projects
20 12 located in certified cultural and entertainment districts that
20 13 are not approved during a fiscal year ~~may be carried over to~~
20 14 ~~the succeeding fiscal year shall be applied to reserved tax~~
20 15 ~~credits issued in accordance with section 404A.3 in order of~~

20 16 ~~original reservation.~~ The department of cultural affairs
20 17 shall establish by rule the procedures for the application,
20 18 review, selection, and awarding of certifications of
20 19 completion. The departments of economic development, cultural
20 20 affairs, and revenue shall each adopt rules to jointly
20 21 administer this subsection and shall provide by rule for the
20 22 method to be used to determine for which fiscal year the tax
20 23 credits are available. With the exception of tax credits
20 24 issued pursuant to contracts entered into prior to July 1,
20 25 2005, tax credits shall not be reserved for more than five
20 26 years.

20 27 Sec. 26. Section 404A.5, Code 2005, is amended to read as
20 28 follows:

20 29 404A.5 ECONOMIC IMPACT == RECOMMENDATIONS.

20 30 The department of cultural affairs, in consultation with
20 31 the department of economic development, shall be responsible
20 32 for keeping the general assembly and the legislative services
20 33 agency informed on the overall economic impact to the state of
20 34 the rehabilitation of eligible properties. An annual report
20 35 shall be filed which shall include, but is not limited to,
21 1 data on the number and potential value of rehabilitation
21 2 projects begun during the latest twelve-month period, the
21 3 total ~~property rehabilitation historic preservation and~~
21 4 ~~cultural and entertainment district tax credits~~ originally
21 5 granted during that period, the potential reduction in state
21 6 tax revenues as a result of all tax credits still unused and
21 7 eligible for refund, and the potential increase in local
21 8 property tax revenues as a result of the rehabilitated
21 9 projects. The department, to the extent it is able, shall
21 10 provide recommendations on whether a limit on tax credits
21 11 should be established, the need for a broader or more
21 12 restrictive definition of eligible property, and other
21 13 adjustments to the tax credits under this chapter.

21 14 DIVISION VII
21 15 COMMERCIALIZATION

21 16 Sec. 27. NEW SECTION. 15.115 TECHNOLOGY
21 17 COMMERCIALIZATION SPECIALIST.

21 18 The department shall ensure that businesses in the state
21 19 are well informed about the technology patents, licenses, and
21 20 options available to them from colleges and universities in
21 21 the state and to ensure the department's business development
21 22 and marketing efforts are conducted in a way that maximizes
21 23 the advantage to the state of research and technology

21 24 commercialization efforts at colleges and universities in the
21 25 state. The department shall establish a technology
21 26 commercialization specialist position which shall be
21 27 responsible for the obligations imposed by this section and
21 28 for performance of all of the following activities:

21 29 1. Establishing and maintaining communication with
21 30 personnel in charge of intellectual property management and
21 31 technology at colleges and universities in the state.

21 32 2. Meeting at least quarterly with personnel in charge of
21 33 intellectual property management and technology
21 34 commercialization regarding new technology disclosures and
21 35 technology patents, licenses, or options available to Iowa
22 1 businesses at colleges and universities in the state.

22 2 3. Being knowledgeable regarding intellectual property,
22 3 patent, license, and option policies of colleges and
22 4 universities in the state as well as applicable federal law.

22 5 4. Establishing and maintaining an internet website to
22 6 link other internet websites which provide electronic access
22 7 to information regarding available patents, licenses, or
22 8 options for technology at colleges and universities in the
22 9 state.

22 10 5. Establishing and maintaining communications with
22 11 business and development organizations in the state regarding
22 12 available technology patents, licenses, and options.

22 13 6. Cooperating with colleges and universities in the state
22 14 in establishing technology fairs or other public events
22 15 designed to make businesses in the state aware of available
22 16 technology patents, licenses, or options available to
22 17 businesses in the state.

22 18 Sec. 28. NEW SECTION. 15.115A TECHNOLOGY
22 19 COMMERCIALIZATION COMMITTEE.

22 20 To evaluate and approve funding for projects and programs
22 21 under section 15G.111, subsection 2, if enacted, the economic
22 22 development board shall create a technology commercialization
22 23 committee composed of members with expertise in the areas of
22 24 biosciences, engineering, manufacturing, pharmaceuticals,
22 25 materials, information solutions, software, and energy. At
22 26 least one member of the technology commercialization committee
22 27 shall be a member of the economic development board. An
22 28 organization designated by the department, composed of members
22 29 from both the public and private sectors and composed of
22 30 subunits or subcommittees in the areas of already identified
22 31 bioscience platforms, education and workforce development,
22 32 commercialization, communication, policy and governance, and
22 33 finance, shall provide funding recommendations to the
22 34 technology commercialization committee.

22 35 Sec. 29. NEW SECTION. 15.116 CHIEF TECHNOLOGY OFFICER.

23 1 The governor shall appoint a chief technology officer for
23 2 the state. The chief technology officer shall serve a four=
23 3 year term and shall have national or international stature.
23 4 The chief technology officer shall coordinate the activities
23 5 of the technology commercialization specialist employed
23 6 pursuant to section 15.115. The chief technology officer
23 7 shall serve as a spokesperson for the department for purposes
23 8 of promoting to private sector businesses the technology
23 9 commercialization efforts of the department and the research
23 10 and technology capabilities of institutions of higher learning
23 11 in the state.

23 12 Sec. 30. Section 262B.1, Code 2005, is amended by striking
23 13 the section and inserting in lieu thereof the following:

23 14 262B.1 TITLE.

23 15 This chapter shall be known and may be cited as the
23 16 "Commercialization of Research for Iowa Act".

23 17 Sec. 31. Section 262B.2, Code 2005, is amended by striking
23 18 the section and inserting in lieu thereof the following:

23 19 262B.2 LEGISLATIVE INTENT.

23 20 It is the intent of the general assembly that the three
23 21 universities under the control of the state board of regents
23 22 have as part of their missions the use of their universities'
23 23 expertise to expand and stimulate economic growth across the
23 24 state. This activity may be accomplished through a wide
23 25 variety of partnerships, public and private joint ventures,
23 26 and cooperative endeavors, primarily, but not exclusively, in
23 27 the area of high technology, and may result in investments by
23 28 the private sector for commercialization of the technology and
23 29 job creation. It is imperative that whenever possible, the
23 30 investments and job creation be in Iowa but need not be in the
23 31 proximity of the universities. The purpose of the investments
23 32 and job creation shall be to expand and stimulate Iowa's
23 33 economy, increase the wealth of Iowans, and increase the
23 34 population of Iowa, which may be accomplished through research

23 35 conducted within the state that will competitively position
24 1 Iowa on an economic basis with other states and create high=
24 2 wage, high-growth employers and jobs. Accredited private
24 3 universities located in the state are encouraged to
24 4 incorporate the intent of this section into the mission of
24 5 their universities.

24 6 Sec. 32. Section 262B.3, Code 2005, is amended by striking
24 7 the section and inserting in lieu thereof the following:

24 8 262B.3 DUTIES AND RESPONSIBILITIES.

24 9 1. The state board of regents, as part of its mission and
24 10 strategic plan, shall establish mechanisms for the purpose of
24 11 carrying out the intent of this chapter. In addition to other
24 12 board initiatives, the board shall work with the department of
24 13 economic development, other state agencies, and the private
24 14 sector to facilitate the commercialization of research.

24 15 2. The state board of regents, in cooperation with the
24 16 department of economic development, shall implement this
24 17 chapter through any of the following activities:

24 18 a. Developing strategies to market and disseminate
24 19 information on university research for commercialization in
24 20 Iowa.

24 21 b. Evaluating university research for commercialization
24 22 potential, where relevant.

24 23 c. Developing a plan to improve private sector access to
24 24 the university licenses and patent information and the
24 25 transfer of technology from the university to the private
24 26 sector.

24 27 d. Identifying research and technical assistance needs of
24 28 existing Iowa businesses and start-up companies and
24 29 recommending ways in which the universities can meet these
24 30 needs.

24 31 e. Linking research and instruction activities to economic
24 32 development.

24 33 f. Reviewing and monitoring activities related to
24 34 technology transfer.

24 35 g. Coordinating activities to facilitate a focus on
25 1 research in the state's targeted industry clusters.

25 2 h. Surveying similar activities in other states and at
25 3 other universities.

25 4 i. Establishing a single point of contact to facilitate
25 5 commercialization of research.

25 6 j. Sustaining faculty and staff resources needed to
25 7 implement commercialization.

25 8 k. Implementing programs to provide public recognition of
25 9 university faculty and staff who demonstrate success in
25 10 technology transfer and commercialization.

25 11 l. Implementing rural entrepreneurial and regional
25 12 development assistance programs.

25 13 m. Providing market research ranging from early stage
25 14 feasibility to extensive market research.

25 15 n. Creating real or virtual research parks that may or may
25 16 not be located near universities, but with the goal of
25 17 providing economic stimulus to the entire state.

25 18 o. Capacity building in key biosciences platform areas.

25 19 p. Encouraging biosciences entrepreneurship by faculty.

25 20 q. Providing matching grants for joint biosciences
25 21 projects involving public and private entities.

25 22 r. Encouraging biosciences entrepreneurship by faculty
25 23 using faculty research and entrepreneurship grants.

25 24 s. Pursuing bioeconomy initiatives in key platform areas
25 25 as recommended by a consultant report on bioeconomy issues
25 26 contracted for by the department of economic development.

25 27 3. Each January 15, the state board of regents shall
25 28 submit a written report to the general assembly detailing the
25 29 patents and licenses held by each institution of higher
25 30 learning under the control of the state board of regents and
25 31 by nonprofit foundations acting solely for the support of
25 32 institutions governed by the state board of regents.

25 33 Sec. 33. Sections 262B.4, 262B.5, and 262B.12, Code 2005,
25 34 are repealed.

25 35 Sec. 34. STUDIES.

26 1 1. The state board of regents shall conduct a study to
26 2 determine the feasibility of establishing a graduate school in
26 3 western Iowa in cooperation with other public or private
26 4 institutions of higher learning. By December 15, 2005, the
26 5 board shall submit a report to the general assembly and the
26 6 governor regarding the findings and recommendations of the
26 7 study.

26 8 2. The state board of regents shall conduct a study
26 9 relating to cost-effective methods of recognizing the efforts
26 10 of faculty to achieve commercialization. By December 15,

26 11 2005, the board shall submit a report to the general assembly
26 12 and the governor regarding the findings and recommendations of
26 13 the study.

26 14 DIVISION VIII

26 15 WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

26 16 Sec. 35. Section 260C.18A, subsection 2, paragraph b, Code
26 17 2005, is amended to read as follows:

26 18 b. Projects in which an agreement between a community
26 19 college and a business meet all the requirements of the Iowa
26 20 jobs training Act under chapter 260F. However, projects
26 21 funded by moneys provided by a local workforce training and
26 22 economic development fund of a community college are not
26 23 subject to the maximum advance or award limitations contained
26 24 in section 260F.6, subsection 2, or the allocation limitations
26 25 contained in section 260F.8, subsection 1.

26 26 Sec. 36. Section 260C.18A, subsection 2, Code 2005, is
26 27 amended by adding the following new paragraph:

26 28 NEW PARAGRAPH. f. Training and retraining programs for
26 29 targeted industries as authorized in section 15.343,
26 30 subsection 2, paragraph "a".

26 31 Sec. 37. Section 260C.18A, subsection 5, Code 2005, is
26 32 amended by striking the subsection.

26 33 Sec. 38. OPERATIONAL EXPENSES. Moneys that are
26 34 appropriated to the department of economic development
26 35 pursuant to section 15G.111, if enacted, for deposit in
27 1 workforce training and economic development funds of community
27 2 colleges may be used by community colleges for operational
27 3 expenses associated with vocational technical training.

27 4 DIVISION IX

27 5 LOAN AND CREDIT GUARANTEE PROGRAM

27 6 Sec. 39. Section 15E.224, subsections 1, 5, and 7, Code
27 7 2005, are amended to read as follows:

27 8 1. The department shall establish and administer a loan
27 9 and credit guarantee program. The department, pursuant to
27 10 agreements with financial institutions, shall provide loan and
27 11 credit guarantees, or other forms of credit guarantees for
27 12 qualified businesses and targeted industry businesses for
27 13 eligible project costs. The department may invest up to ten
27 14 percent of the assets of the loan and credit guarantee fund,
27 15 or five hundred thousand dollars, whichever is greater, to
27 16 provide loan and credit guarantees or other forms of credit
27 17 guarantees for eligible project costs to microenterprises
27 18 located in a municipality with a population under fifty
27 19 thousand that is not contiguous to a municipality with a
27 20 population of fifty thousand or more. For purposes of this
27 21 division, "microenterprise" means a business providing
27 22 services with five or fewer full-time equivalent employee
27 23 positions. A loan or credit guarantee provided under the

27 24 program may stand alone or may be used in conjunction with or
27 25 to enhance other loans or credit guarantees offered by
27 26 private, state, or federal entities. The department may
27 27 purchase insurance to cover defaulted loans meeting the
27 28 requirements of the program. However, the department shall
27 29 not in any manner directly or indirectly pledge the credit of
27 30 the state. Eligible project costs include expenditures for
27 31 productive equipment and machinery, working capital for
27 32 operations and export transactions, research and development,
27 33 marketing, and such other costs as the department may so
27 34 designate.

27 35 5. The department shall adopt a loan or credit guarantee
28 1 application procedure for a financial institution on behalf of
28 2 a qualified business, microenterprise, or targeted industry
28 3 business.

28 4 7. The department may adopt loan and credit guarantee
28 5 application procedures that allow a qualified business,
28 6 microenterprise, or targeted industry business to apply
28 7 directly to the department for a preliminary guarantee
28 8 commitment. A preliminary guarantee commitment may be issued
28 9 by the department subject to the qualified business,
28 10 microenterprise, or targeted industry business securing a
28 11 commitment for financing from a financial institution. The
28 12 application procedures shall specify the process by which a
28 13 financial institution may obtain a final loan and credit
28 14 guarantee.

28 15 Sec. 40. Section 15E.225, subsection 3, Code 2005, is
28 16 amended to read as follows:

28 17 3. For a preliminary guarantee commitment, the department
28 18 may charge a qualified business, microenterprise, or targeted
28 19 industry business a preliminary guarantee commitment fee. The
28 20 application fee shall be in addition to any other fees charged
28 21 by the department under this section and shall not exceed one

28 22 thousand dollars for an application.

28 23 DIVISION X

28 24 ECONOMIC DEVELOPMENT TAX INCENTIVES

28 25 Sec. 41. Section 15.113, Code 2005, is amended to read as
28 26 follows:

28 27 15.113 ECONOMIC DEVELOPMENT ASSISTANCE == REPORT.

28 28 In order for the general assembly to have accurate and
28 29 complete information regarding expenditures for economic
28 30 development and job training incentives and to respond to the
28 31 job training needs of Iowa workers, the department shall
28 32 provide to the legislative services agency by January 15 of
28 33 each year data on all assistance or benefits provided under
28 34 the community economic betterment program, the ~~new jobs and~~
~~28 35 income program, high quality job creation program, and the~~
29 1 Iowa industrial new jobs training Act during the previous
29 2 calendar year. The department shall meet with the legislative
29 3 services agency prior to submitting the data to assure that
29 4 its form and specificity are sufficient to provide accurate
29 5 and complete information to the general assembly. The
29 6 department shall also contact other state agencies providing
29 7 financial assistance to Iowa businesses and, to the extent
29 8 practical, coordinate the submission of the data to the
29 9 legislative services agency.

29 10 Sec. 42. Section 15.326, Code 2005, is amended to read as
29 11 follows:

29 12 15.326 SHORT TITLE.

29 13 This part shall be known and may be cited as the "~~New Jobs~~
~~29 14 and Income~~ "High Quality Job Creation Act".

29 15 Sec. 43. Section 15.327, Code 2005, is amended to read as
29 16 follows:

29 17 15.327 DEFINITIONS.

29 18 As used in this part, unless the context otherwise
29 19 requires:

29 20 1. "Community" means a city, county, or entity established
29 21 pursuant to chapter 28E.

29 22 2. "Contractor or subcontractor" means a person who
29 23 contracts with the eligible business ~~or a supporting business~~
29 24 or subcontracts with a contractor for the provision of
29 25 property, materials, or services for the construction or
29 26 equipping of a facility, ~~located within the economic~~
~~29 27 development area, of the eligible business or a supporting~~
~~29 28 business.~~

29 29 3. "Department" means the Iowa department of economic
29 30 development.

29 31 ~~4. "Director" means the director of the department or the~~
~~29 32 director's designee.~~

29 33 ~~5. "Economic development area" means a site or sites~~
~~29 34 designated by the department of economic development for the~~
~~29 35 purpose of attracting an eligible business and supporting~~
~~30 1 businesses to locate facilities within the state.~~

30 2 ~~6. 4. "Eligible business" means a business meeting the~~
30 3 conditions of section 15.329.

30 4 ~~7. 5. "Program" means the new jobs and income high~~
30 5 ~~quality job creation program.~~

30 6 ~~8. 6. "Project completion" means the first date upon~~
30 7 ~~which the average annualized production of finished product~~
30 8 ~~for the preceding ninety-day period at the manufacturing~~
30 9 ~~facility operated by the eligible business within the economic~~
~~30 10 development area is at least fifty percent of the initial~~
30 11 ~~design capacity of the facility. The eligible business shall~~
30 12 ~~inform the department of revenue in writing within two weeks~~
30 13 ~~of project completion.~~

30 14 ~~9. "Supporting business" means a business under contract~~
~~30 15 with the eligible business to provide property, materials, or~~
~~30 16 services which are a necessary component of the operation of~~
~~30 17 the manufacturing facility. To qualify as a supporting~~
~~30 18 business, the business shall have a permanent facility or~~
~~30 19 operations located within the economic development area and~~
~~30 20 the revenue from fulfilling the contract with the eligible~~
~~30 21 business shall constitute at least seventy-five percent of the~~
~~30 22 revenue generated by the business from all activities~~
~~30 23 undertaken from the facility within the economic development~~
~~30 24 area.~~

30 25 7. "Qualifying investment" means a capital investment in
30 26 real property including the purchase price of land and
30 27 existing buildings and structures, site preparation,
30 28 improvements to the real property, building construction, and
30 29 long-term lease costs. "Qualifying investment" also means a
30 30 capital investment in depreciable assets.

30 31 Sec. 44. Section 15.329, Code 2005, is amended by striking
30 32 the section and inserting in lieu thereof the following:

30 33 15.329 ELIGIBLE BUSINESS.

30 34 1. To be eligible to receive incentives under this part, a
30 35 business shall meet all of the following requirements:

31 1 a. If the qualifying investment is ten million dollars or
31 2 more, the community has approved by ordinance or resolution
31 3 the start-up, location, or expansion of the business for the
31 4 purpose of receiving the benefits of this part.

31 5 b. The business has not closed or substantially reduced
31 6 its operation in one area of the state and relocated
31 7 substantially the same operation in the community. This
31 8 subsection does not prohibit a business from expanding its
31 9 operation in the community if existing operations of a similar
31 10 nature in the state are not closed or substantially reduced.

31 11 c. The business is not a retail or service business.

31 12 2. In addition to the requirements of subsection 1, a
31 13 business shall do at least four of the following in order to
31 14 be eligible for incentives under the program:

31 15 a. Offer a pension or profit sharing plan to full-time
31 16 employees.

31 17 b. Produce or manufacture high value-added goods or
31 18 services or be engaged in one of the following industries:

31 19 (1) Value-added agricultural products.
31 20 (2) Insurance and financial services.
31 21 (3) Plastics.
31 22 (4) Metals.
31 23 (5) Printing paper or packaging products.
31 24 (6) Drugs and pharmaceuticals.
31 25 (7) Software development.
31 26 (8) Instruments and measuring devices and medical
31 27 instruments.
31 28 (9) Recycling and waste management.
31 29 (10) Telecommunications.
31 30 (11) Trucking and warehousing.

31 31 Retail and service businesses shall not be eligible for
31 32 benefits under this part.

31 33 c. Provide and pay at least eighty percent of the cost of
31 34 a standard medical and dental insurance plan for all full-time
31 35 employees working at the facility in which the new investment
32 1 occurred.

32 2 d. Make child care services available to its employees.

32 3 e. Invest annually no less than one percent of pretax
32 4 profits, from the facility located to Iowa or expanded under
32 5 the program, in research and development in Iowa.

32 6 f. Invest annually no less than one percent of pretax
32 7 profits, from the facility located to Iowa or expanded under
32 8 the program, in worker training and skills enhancement.

32 9 g. Have an active productivity and safety improvement
32 10 program involving management and worker participation and
32 11 cooperation with benchmarks for gauging compliance.

32 12 h. Occupy an existing facility, at least one of the
32 13 buildings of which shall be vacant and shall contain at least
32 14 twenty thousand square feet.

32 15 3. Any business located in a quality jobs enterprise zone
32 16 is ineligible to receive the economic development incentives
32 17 under the program.

32 18 4. If the department finds that a business has a record of
32 19 violations of the law, including but not limited to
32 20 environmental and worker safety statutes, rules, and
32 21 regulations, over a period of time that tends to show a
32 22 consistent pattern, the business shall not qualify for
32 23 economic development assistance under this part, unless the
32 24 department finds that the violations did not seriously affect
32 25 public health or safety, or the environment, or if it did,
32 26 that there were mitigating circumstances. In making the
32 27 findings and determinations regarding violations, mitigating
32 28 circumstances, and whether the business is disqualified for
32 29 economic development assistance under this part, the
32 30 department shall be exempt from chapter 17A.

32 31 5. The department shall also consider a variety of
32 32 factors, including but not limited to the following in
32 33 determining the eligibility of a business to participate in
32 34 the program:

32 35 a. The quality of the jobs to be created. In rating the
33 1 quality of the jobs, the department shall place greater
33 2 emphasis on those jobs that have a higher wage scale, have a
33 3 lower turnover rate, are full-time or career-type positions,
33 4 provide comprehensive health benefits, or have other related
33 5 factors which could be considered to be higher in quality,
33 6 than to other jobs. Businesses that have wage scales
33 7 substantially below that of existing Iowa businesses in that
33 8 area should be rated as providing the lowest quality of jobs

33 9 and should therefore be given the lowest ranking for providing
33 10 such assistance.

33 11 b. The impact of the proposed project on other businesses
33 12 in competition with the business being considered for
33 13 assistance. The department shall make a good faith effort to
33 14 identify existing Iowa businesses within an industry in
33 15 competition with the business being considered for assistance.
33 16 The department shall make a good faith effort to determine the
33 17 probability that the proposed financial assistance will
33 18 displace employees of the existing businesses. In determining
33 19 the impact on businesses in competition with the business
33 20 being considered for assistance, jobs created as a result of
33 21 other jobs being displaced elsewhere in the state shall not be
33 22 considered direct jobs created.

33 23 c. The impact to the state of the proposed project. In
33 24 measuring the economic impact, the department shall place
33 25 greater emphasis on projects which have greater consistency
33 26 with the state strategic plan than other projects. Greater
33 27 consistency may include any or all of the following:

33 28 (1) A business with a greater percentage of sales out-of=
33 29 state or of import substitution.

33 30 (2) A business with a higher proportion of in=state
33 31 suppliers.

33 32 (3) A project which would provide greater diversification
33 33 of the state economy.

33 34 (4) A business with fewer in=state competitors.

33 35 (5) A potential for future job growth.

34 1 (6) A project which is not a retail operation.

34 2 d. If a business has, within three years of application
34 3 for assistance, acquired or merged with an Iowa corporation or
34 4 company and the business has made a good faith effort to hire
34 5 the workers of the acquired or merged company.

34 6 e. Whether a business provides for a preference for hiring
34 7 residents of the state, except for out-of=state employees
34 8 offered a transfer to Iowa.

34 9 f. Whether all known required environmental permits have
34 10 been issued and regulations met before moneys are released.

34 11 6. The department may waive any of the requirements of
34 12 this section for good cause shown.

34 13 7. An application to receive incentives under this part
34 14 may be submitted to the department at any time within one year
34 15 from the time the job for which benefits are sought commences.

34 16 Sec. 45. Section 15.330, Code 2005, is amended by striking
34 17 the section and inserting in lieu thereof the following:
34 18 15.330 AGREEMENT.

34 19 A business shall enter into an agreement with the
34 20 department specifying the requirements that must be met to
34 21 confirm eligibility pursuant to this part. The department
34 22 shall consult with the community during negotiations relating
34 23 to the agreement. The agreement shall contain, at a minimum,
34 24 the following provisions:

34 25 1. A business that is approved to receive incentives
34 26 shall, for the length of the agreement, certify annually to
34 27 the department the compliance of the business with the
34 28 requirements of the agreement. If the business receives a
34 29 local property tax exemption, the business shall also certify
34 30 annually to the community the compliance of the business with
34 31 the requirements of the agreement.

34 32 2. The repayment of incentives by the business if the
34 33 business does not meet any of the requirements of this part or
34 34 the resulting agreement.

34 35 3. If a business that is approved to receive incentives
35 1 under this part experiences a layoff within the state or
35 2 closes any of its facilities within the state, the department
35 3 shall have the discretion to reduce or eliminate some or all
35 4 of the incentives. If a business has received incentives
35 5 under this part and experiences a layoff within the state or
35 6 closes any of its facilities within the state, the business
35 7 may be subject to repayment of all or a portion of the
35 8 incentives that it has received.

35 9 4. A business creating fifteen or fewer new high quality
35 10 jobs shall have up to three years to complete a project and
35 11 shall be required to maintain the jobs for an additional two
35 12 years. A business creating sixteen or more new high quality
35 13 jobs shall have up to five years to complete a project and
35 14 shall be required to maintain the jobs for an additional two
35 15 years.

35 16 Sec. 46. Section 15.331A, Code 2005, is amended to read as
35 17 follows:

35 18 15.331A SALES AND USE TAX REFUND == CONTRACTOR OR
35 19 SUBCONTRACTOR.

35 20 The eligible business ~~or a supporting business~~ shall be
35 21 entitled to a refund of the sales and use taxes paid under
35 22 chapter 423 for gas, electricity, water, or sewer utility
35 23 services, goods, wares, or merchandise, or on services
35 24 rendered, furnished, or performed to or for a contractor or
35 25 subcontractor and used in the fulfillment of a written
35 26 contract relating to the construction or equipping of a
35 27 facility ~~within the economic development area~~ of the eligible
35 28 business ~~or a supporting business~~. Taxes attributable to
35 29 intangible property and furniture and furnishings shall not be
35 30 refunded. However, an eligible business shall be entitled to
35 31 a refund for taxes attributable to racks, shelving, and
35 32 conveyor equipment to be used in a warehouse or distribution
35 33 center subject to section 15.331C.

35 34 To receive the refund a claim shall be filed by the
35 35 eligible business ~~or a supporting business~~ with the department
36 1 of revenue as follows:

36 2 1. The contractor or subcontractor shall state under oath,
36 3 on forms provided by the department, the amount of the sales
36 4 of goods, wares, or merchandise or services rendered,
36 5 furnished, or performed including water, sewer, gas, and
36 6 electric utility services ~~for use in the economic development~~
36 7 ~~area~~ upon which sales or use tax has been paid prior to the
36 8 project completion, and shall file the forms with the eligible
36 9 business ~~or supporting business~~ before final settlement is
36 10 made.

36 11 2. The eligible business ~~or a supporting business~~ shall,
36 12 not more than one year after project completion, make
36 13 application to the department for any refund of the amount of
36 14 the sales and use taxes paid pursuant to chapter 423 upon any
36 15 goods, wares, or merchandise, or services rendered, furnished,
36 16 or performed, including water, sewer, gas, and electric
36 17 utility services. The application shall be made in the manner
36 18 and upon forms to be provided by the department, and the
36 19 department shall audit the claim and, if approved, issue a
36 20 warrant to the eligible business ~~or supporting business~~ in the
36 21 amount of the sales or use tax which has been paid to the
36 22 state of Iowa under a contract. A claim filed by the eligible
36 23 business ~~or a supporting business~~ in accordance with this
36 24 section shall not be denied by reason of a limitation
36 25 provision set forth in chapter 421 or 423.

36 26 3. A contractor or subcontractor who willfully makes a
36 27 false report of tax paid under the provisions of this section
36 28 is guilty of a simple misdemeanor and in addition is liable
36 29 for the payment of the tax and any applicable penalty and
36 30 interest.

36 31 Sec. 47. Section 15.331C, Code 2005, is amended to read as
36 32 follows:

36 33 15.331C CORPORATE TAX CREDIT FOR CERTAIN SALES TAXES PAID
36 34 BY THIRD-PARTY DEVELOPER.

36 35 1. An eligible business ~~or a supporting business~~ may claim
37 1 a corporate tax credit in an amount equal to the taxes paid by
37 2 a third-party developer under chapters 422 and 423 for gas,
37 3 electricity, water, or sewer utility services, goods, wares,
37 4 or merchandise, or on services rendered, furnished, or
37 5 performed to or for a contractor or subcontractor and used in
37 6 the fulfillment of a written contract relating to the
37 7 construction or equipping of a facility ~~within the economic~~
37 8 ~~development area~~ of the eligible business ~~or supporting~~
37 9 ~~business~~. Taxes attributable to intangible property and
37 10 furniture and furnishings shall not be included, but taxes
37 11 attributable to racks, shelving, and conveyor equipment to be
37 12 used in a warehouse or distribution center shall be included.
37 13 Any credit in excess of the tax liability for the tax year may
37 14 be credited to the tax liability for the following seven years
37 15 or until depleted, whichever occurs earlier. An eligible
37 16 business may elect to receive a refund of all or a portion of
37 17 an unused tax credit.

37 18 2. A third-party developer shall state under oath, on
37 19 forms provided by the department of economic development, the
37 20 amount of taxes paid as described in subsection 1 and shall
37 21 submit such forms to the department. The taxes paid shall be
37 22 itemized to allow identification of the taxes attributable to
37 23 racks, shelving, and conveyor equipment to be used in a
37 24 warehouse or distribution center. After receiving the form
37 25 from the third-party developer, the department shall issue a
37 26 tax credit certificate to the eligible business ~~or supporting~~
37 27 ~~business~~ equal to the taxes paid by a third-party developer
37 28 under chapters 422 and 423 for gas, electricity, water, or
37 29 sewer utility services, goods, wares, or merchandise, or on
37 30 services rendered, furnished, or performed to or for a

37 31 contractor or subcontractor and used in the fulfillment of a
37 32 written contract relating to the construction or equipping of
37 33 a facility. The department shall also issue a tax credit
37 34 certificate to the eligible business ~~or supporting business~~
37 35 equal to the taxes paid and attributable to racks, shelving,
38 1 and conveyor equipment to be used in a warehouse or
38 2 distribution center. The aggregate combined total amount of
38 3 tax refunds under section 15.331A for taxes attributable to
38 4 racks, shelving, and conveyor equipment to be used in a
38 5 warehouse or distribution center and of tax credit
38 6 certificates issued by the department for the taxes paid and
38 7 attributable to racks, shelving, and conveyor equipment to be
38 8 used in a warehouse or distribution center shall not exceed
38 9 five hundred thousand dollars in a fiscal year. If an
38 10 applicant for a tax credit certificate does not receive a
38 11 certificate for the taxes paid and attributable to racks,
38 12 shelving, and conveyor equipment to be used in a warehouse or
38 13 distribution center, the application shall be considered in
38 14 succeeding fiscal years. The eligible business ~~or supporting~~
~~38 15 business~~ shall not claim a tax credit under this section
38 16 unless a tax credit certificate issued by the department of
38 17 economic development is attached to the taxpayer's tax return
38 18 for the tax year for which the tax credit is claimed. A tax
38 19 credit certificate shall contain the eligible business's ~~or~~
~~38 20 supporting business's~~ name, address, tax identification
38 21 number, the amount of the tax credit, and other information
38 22 required by the department of revenue.

38 23 Sec. 48. Section 15.333, Code 2005, is amended by striking
38 24 the section and inserting in lieu thereof the following:

38 25 15.333 INVESTMENT TAX CREDIT.

38 26 1. An eligible business may claim a tax credit equal to a
38 27 percentage of the new investment directly related to new jobs
38 28 created by the location or expansion of an eligible business
38 29 under the program. The tax credit shall be amortized equally
38 30 over five calendar years. The tax credit shall be allowed
38 31 against taxes imposed under chapter 422, division II, III, or
38 32 V, and against the moneys and credits tax imposed in section
38 33 533.24. If the business is a partnership, S corporation,
38 34 limited liability company, cooperative organized under chapter
38 35 501 and filing as a partnership for federal tax purposes, or
39 1 estate or trust electing to have the income taxed directly to
39 2 the individual, an individual may claim the tax credit
39 3 allowed. The amount claimed by the individual shall be based
39 4 upon the pro rata share of the individual's earnings of the
39 5 partnership, S corporation, limited liability company,
39 6 cooperative organized under chapter 501 and filing as a
39 7 partnership for federal tax purposes, or estate or trust. The
39 8 percentage shall be determined as provided in section 15.335A.
39 9 Any tax credit in excess of the tax liability for the tax year
39 10 may be credited to the tax liability for the following seven
39 11 years or until depleted, whichever occurs first.

39 12 Subject to prior approval by the department of economic
39 13 development, in consultation with the department of revenue,
39 14 an eligible business whose project primarily involves the
39 15 production of value-added agricultural products or uses
39 16 biotechnology-related processes may elect to receive a refund
39 17 of all or a portion of an unused tax credit. For purposes of
39 18 this subsection, such an eligible business includes a
39 19 cooperative described in section 521 of the Internal Revenue
39 20 Code which is not required to file an Iowa corporate income
39 21 tax return, and whose project primarily involves the
39 22 production of ethanol. The refund may be applied against a
39 23 tax liability imposed under chapter 422, division II, III, or
39 24 V, and against the moneys and credits tax imposed in section
39 25 533.24. If the business is a partnership, S corporation,
39 26 limited liability company, cooperative organized under chapter
39 27 501 and filing as a partnership for federal tax purposes, or
39 28 estate or trust electing to have the income taxed directly to
39 29 the individual, an individual may claim the tax credit
39 30 allowed. The amount claimed by the individual shall be based
39 31 upon the pro rata share of the individual's earnings of the
39 32 partnership, S corporation, limited liability company,
39 33 cooperative organized under chapter 501 and filing as a
39 34 partnership for federal tax purposes, or estate or trust.

39 35 2. For purposes of this subsection, "new investment
40 1 directly related to new jobs created by the location or
40 2 expansion of an eligible business under the program" means the
40 3 cost of machinery and equipment, as defined in section 427A.1,
40 4 subsection 1, paragraphs "e" and "j", purchased for use in the
40 5 operation of the eligible business, the purchase price of
40 6 which has been depreciated in accordance with generally

40 7 accepted accounting principles, the purchase price of real
40 8 property and any buildings and structures located on the real
40 9 property, and the cost of improvements made to real property
40 10 which is used in the operation of the eligible business. "New
40 11 investment directly related to new jobs created by the
40 12 location or expansion of an eligible business under the
40 13 program" also means the annual base rent paid to a third=
40 14 party developer by an eligible business for a period not to
40 15 exceed ten years, provided the cumulative cost of the base
40 16 rent payments for that period does not exceed the cost of the
40 17 land and the third=party developer's costs to build or
40 18 renovate the building for the eligible business. The eligible
40 19 business shall enter into a lease agreement with the third=
40 20 party developer for a minimum of five years. If, however,
40 21 within five years of purchase, the eligible business sells,
40 22 disposes of, razes, or otherwise renders unusable all or a
40 23 part of the land, buildings, or other existing structures for
40 24 which tax credit was claimed under this section, the tax
40 25 liability of the eligible business for the year in which all
40 26 or part of the property is sold, disposed of, razed, or
40 27 otherwise rendered unusable shall be increased by one of the
40 28 following amounts:

40 29 a. One hundred percent of the tax credit claimed under
40 30 this section if the property ceases to be eligible for the tax
40 31 credit within one full year after being placed in service.

40 32 b. Eighty percent of the tax credit claimed under this
40 33 section if the property ceases to be eligible for the tax
40 34 credit within two full years after being placed in service.

40 35 c. Sixty percent of the tax credit claimed under this
41 1 section if the property ceases to be eligible for the tax
41 2 credit within three full years after being placed in service.

41 3 d. Forty percent of the tax credit claimed under this
41 4 section if the property ceases to be eligible for the tax
41 5 credit within four full years after being placed in service.

41 6 e. Twenty percent of the tax credit claimed under this
41 7 section if the property ceases to be eligible for the tax
41 8 credit within five full years after being placed in service.

41 9 3. a. An eligible business whose project primarily
41 10 involves the production of value=added agricultural products
41 11 or uses biotechnology=related processes, which elects to
41 12 receive a refund of all or a portion of an unused tax credit,
41 13 shall apply to the department of economic development for tax
41 14 credit certificates. Such an eligible business shall not
41 15 claim a tax credit refund under this subsection unless a tax
41 16 credit certificate issued by the department of economic
41 17 development is attached to the taxpayer's tax return for the
41 18 tax year for which the tax credit refund is claimed. For
41 19 purposes of this subsection, an eligible business includes a
41 20 cooperative described in section 521 of the Internal Revenue
41 21 Code which is not required to file an Iowa corporate income
41 22 tax return, and whose project primarily involves the
41 23 production of ethanol. For purposes of this subsection, an
41 24 eligible business also includes a cooperative described in
41 25 section 521 of the Internal Revenue Code which is required to
41 26 file an Iowa corporate income tax return and whose project
41 27 primarily involves the production of ethanol. Such
41 28 cooperative may elect to transfer all or a portion of its tax
41 29 credit to its members. The amount of tax credit transferred
41 30 and claimed by a member shall be based upon the pro rata share
41 31 of the member's earnings of the cooperative.

41 32 b. A tax credit certificate issued under this subsection
41 33 shall not be valid until the tax year following the date of
41 34 the capital investment project completion. A tax credit
41 35 certificate shall contain the taxpayer's name, address, tax
42 1 identification number, the date of project completion, the
42 2 amount of the tax credit, and other information required by
42 3 the department of revenue. The department of economic
42 4 development shall not issue tax credit certificates under this
42 5 subsection which total more than four million dollars during a
42 6 fiscal year. If the department receives and approves
42 7 applications for tax credit certificates under this subsection
42 8 in excess of four million dollars, the applicants shall
42 9 receive certificates for a prorated amount. The tax credit
42 10 certificates shall not be transferred except as provided in
42 11 this subsection for a cooperative described in section 521 of
42 12 the Internal Revenue Code which is required to file an Iowa
42 13 corporate income tax return and whose project primarily
42 14 involves the production of ethanol. For a cooperative
42 15 described in section 521 of the Internal Revenue Code, the
42 16 department of economic development shall require that the
42 17 cooperative submit a list of its members and the share of each

42 18 member's interest in the cooperative. The department shall
42 19 issue a tax credit certificate to each member contained on the
42 20 submitted list.

42 21 Sec. 49. Section 15.333A, Code 2005, is amended by
42 22 striking the section and inserting in lieu thereof the
42 23 following:

42 24 15.333A INSURANCE PREMIUM TAX CREDITS.

42 25 1. An eligible business may claim an insurance premium tax
42 26 credit equal to a percentage of the new investment directly
42 27 related to new jobs created by the location or expansion of an
42 28 eligible business under the program. The tax credit shall be
42 29 amortized equally over a five-year period. The tax credit
42 30 shall be allowed against taxes imposed in chapter 432. A tax
42 31 credit in excess of the tax liability for the tax year may be
42 32 credited to the tax liability for the following seven years or
42 33 until depleted, whichever occurs first. The percentage shall
42 34 be determined as provided in section 15.335A.

42 35 2. For purposes of this section, "new investment directly
43 1 related to new jobs created by the location or expansion of an
43 2 eligible business under the program" means the cost of
43 3 machinery and equipment, as defined in section 427A.1,
43 4 subsection 1, paragraphs "e" and "j", purchased for use in the
43 5 operation of the eligible business, the purchase price of
43 6 which has been depreciated in accordance with generally
43 7 accepted accounting principles, the purchase price of real
43 8 property and any buildings and structures located on the real
43 9 property, and the cost of improvements made to real property
43 10 which is used in the operation of the eligible business. "New
43 11 investment directly related to new jobs created by the
43 12 location or expansion of an eligible business under the
43 13 program" also means the annual base rent paid to a third-party
43 14 developer by an eligible business for a period not to exceed
43 15 ten years, provided the cumulative cost of the base rent
43 16 payments for that period does not exceed the cost of the land
43 17 and the third-party developer's costs to build or renovate the
43 18 building for the eligible business. The eligible business
43 19 shall enter into a lease agreement with the third-party
43 20 developer for a minimum of five years. If, however, within
43 21 five years of purchase, the eligible business sells, disposes
43 22 of, razes, or otherwise renders unusable all or a part of the
43 23 land, buildings, or other existing structures for which tax
43 24 credit was claimed under this section, the tax liability of
43 25 the eligible business for the year in which all or part of the
43 26 property is sold, disposed of, razed, or otherwise rendered
43 27 unusable shall be increased by one of the following amounts:

43 28 a. One hundred percent of the tax credit claimed under
43 29 this section if the property ceases to be eligible for the tax
43 30 credit within one full year after being placed in service.

43 31 b. Eighty percent of the tax credit claimed under this
43 32 section if the property ceases to be eligible for the tax
43 33 credit within two full years after being placed in service.

43 34 c. Sixty percent of the tax credit claimed under this
43 35 section if the property ceases to be eligible for the tax
44 1 credit within three full years after being placed in service.

44 2 d. Forty percent of the tax credit claimed under this
44 3 section if the property ceases to be eligible for the tax
44 4 credit within four full years after being placed in service.

44 5 e. Twenty percent of the tax credit claimed under this
44 6 section if the property ceases to be eligible for the tax
44 7 credit within five full years after being placed in service.

44 8 Sec. 50. NEW SECTION. 15.335A TAX INCENTIVES.

44 9 1. Tax incentives are available to eligible businesses as
44 10 provided in this section. The incentives are based upon the
44 11 number of new high quality jobs created and the amount of the
44 12 qualifying investment made according to the following
44 13 schedule:

44 14 a. The number of new high quality jobs created with an
44 15 annual wage, including benefits, equal to or greater than one
44 16 hundred thirty percent of the average county wage is one of
44 17 the following:

44 18 (1) The number of jobs is zero and economic activity is
44 19 furthered by the qualifying investment and the amount of the
44 20 qualifying investment is one of the following:

44 21 (a) Less than one hundred thousand dollars, then the tax
44 22 incentive is the investment tax credit of up to one percent.

44 23 (b) At least one hundred thousand dollars but less than
44 24 five hundred thousand dollars, then the tax incentives are the
44 25 investment tax credit of up to one percent and the sales tax
44 26 refund.

44 27 (c) At least five hundred thousand dollars, then the tax
44 28 incentives are the investment tax credit of up to one percent,

44 29 the sales tax refund, and the additional research and
44 30 development tax credit.

44 31 (2) The number of jobs is one but not more than five and
44 32 the amount of the qualifying investment is one of the
44 33 following:

44 34 (a) Less than one hundred thousand dollars, then the tax
44 35 incentive is the investment tax credit of up to two percent.

45 1 (b) At least one hundred thousand dollars but less than
45 2 five hundred thousand dollars, then the tax incentives are the
45 3 investment tax credit of up to two percent and the sales tax
45 4 refund.

45 5 (c) At least five hundred thousand dollars, then the tax
45 6 incentives are the investment tax credit of up to two percent,
45 7 the sales tax refund, and the additional research and
45 8 development tax credit.

45 9 (3) The number of jobs is six but not more than ten and
45 10 the amount of the qualifying investment is one of the
45 11 following:

45 12 (a) Less than one hundred thousand dollars, then the tax
45 13 incentive is the investment tax credit of up to three percent.

45 14 (b) At least one hundred thousand dollars but less than
45 15 five hundred thousand dollars, then the tax incentives are the
45 16 investment tax credit of up to three percent and the sales tax
45 17 refund.

45 18 (c) At least five hundred thousand dollars, then the tax
45 19 incentives are the investment tax credit of up to three
45 20 percent, the sales tax refund, and the additional research and
45 21 development tax credit.

45 22 (4) The number of jobs is eleven but not more than fifteen
45 23 and the amount of the qualifying investment is one of the
45 24 following:

45 25 (a) Less than one hundred thousand dollars, then the tax
45 26 incentive is the investment tax credit of up to four percent.

45 27 (b) At least one hundred thousand dollars but less than
45 28 five hundred thousand dollars, then the tax incentives are the
45 29 investment tax credit of up to four percent and the sales tax
45 30 refund.

45 31 (c) At least five hundred thousand dollars, then the tax
45 32 incentives are the investment tax credit of up to four
45 33 percent, the sales tax refund, and the additional research and
45 34 development tax credit.

45 35 (5) The number of jobs is sixteen or more and the amount
46 1 of the qualifying investment is one of the following:

46 2 (a) Less than one hundred thousand dollars, then the tax
46 3 incentive is the investment tax credit of up to five percent.

46 4 (b) At least one hundred thousand dollars but less than
46 5 five hundred thousand dollars, then the tax incentives are the
46 6 investment tax credit of up to five percent and the sales tax
46 7 refund.

46 8 (c) At least five hundred thousand dollars, then the tax
46 9 incentives are the investment tax credit of up to five
46 10 percent, the sales tax refund, and the additional research and
46 11 development tax credit.

46 12 b. In lieu of paragraph "a", the number of new high
46 13 quality jobs created with an annual wage, including benefits,
46 14 equal to or greater than one hundred sixty percent of the
46 15 average county wage is one of the following:

46 16 (1) The number of jobs is twenty-one but not more than
46 17 thirty and the amount of the qualifying investment is at least
46 18 ten million dollars, then the tax incentives are the local
46 19 property tax exemption, the investment tax credit of up to six
46 20 percent, the sales tax refund, and the additional research and
46 21 development tax credit.

46 22 (2) The number of jobs is thirty-one but not more than
46 23 forty and the amount of the qualifying investment is at least
46 24 ten million dollars, then the tax incentives are the local
46 25 property tax exemption, the investment tax credit of up to
46 26 seven percent, the sales tax refund, and the additional
46 27 research and development tax credit.

46 28 (3) The number of jobs is forty-one but not more than
46 29 fifty and the amount of the qualifying investment is at least
46 30 ten million dollars, then the tax incentives are the local
46 31 property tax exemption, the investment tax credit of up to
46 32 eight percent, the sales tax refund, and the additional
46 33 research and development tax credit.

46 34 (4) The number of jobs is fifty-one but not more than
46 35 sixty and the amount of the qualifying investment is at least
47 1 ten million dollars, then the tax incentives are the local
47 2 property tax exemption, the investment tax credit of up to
47 3 nine percent, the sales tax refund, and the additional
47 4 research and development tax credit.

47 5 (5) The number of jobs is at least sixty-one and the
47 6 amount of the qualifying investment is at least ten million
47 7 dollars, then the tax incentives are the local property tax
47 8 exemption, the investment tax credit of up to ten percent, the
47 9 sales tax refund, and the additional research and development
47 10 tax credit.

47 11 2. For purposes of this section:

47 12 a. "Additional research and development tax credit" means
47 13 the research activities credit as provided under section
47 14 15.335.

47 15 b. "Average county wage" means the same as defined in
47 16 section 15H.1.

47 17 c. "Benefits" means the same as defined in section 15H.1.

47 18 d. "Investment tax credit" means the investment tax credit
47 19 or the insurance premium tax credit as provided under section
47 20 15.333 or 15.333A, respectively.

47 21 e. "Local property tax exemption" means the property tax
47 22 exemption as provided under section 15.332.

47 23 f. "Sales tax refund" means the sales and use tax refund
47 24 as provided under section 15.331A or the corporate tax credit
47 25 for certain sales taxes paid by third-party developers as
47 26 provided under section 15.331C.

47 27 3. A community may apply to the Iowa economic development
47 28 board for a project-specific waiver from the average county
47 29 wage calculations provided in subsection 1 in order for an
47 30 eligible business to receive tax incentives. The board may
47 31 grant a project-specific waiver from the average county wage
47 32 calculations in subsection 1 for the remainder of the calendar
47 33 year, based on average county or regional wage calculations
47 34 brought forth by the applicant county including, but not
47 35 limited to, any of the following:

48 1 a. The average county wage calculated without wage data
48 2 from the business in the county employing the greatest number
48 3 of full-time employees.

48 4 b. The average regional wage calculated without wage data
48 5 from up to two adjacent counties.

48 6 c. The average county wage calculated without wage data
48 7 from the largest city in the county.

48 8 d. A qualifying wage guideline for a specific project
48 9 based upon unusual economic circumstances present in the city
48 10 or county.

48 11 e. The annualized, average hourly wage paid by all
48 12 businesses in the county located outside the largest city of
48 13 the county.

48 14 f. The annualized, average hourly wage paid by all
48 15 businesses other than the largest employer in the entire
48 16 county.

48 17 4. Average wage calculations made under this section shall
48 18 be calculated quarterly using wage data submitted to the
48 19 department of workforce development during the previous four
48 20 quarters.

48 21 5. Each calendar year, the department shall not approve
48 22 more than three million six hundred thousand dollars worth of
48 23 investment tax credits for projects with qualifying
48 24 investments of less than one million dollars.

48 25 6. The department shall negotiate the amount of tax
48 26 incentives provided to an applicant under the program in
48 27 accordance with this section.

48 28 Sec. 51. Section 15.336, Code 2005, is amended to read as
48 29 follows:

48 30 15.336 OTHER INCENTIVES.

48 31 An eligible business may receive other applicable federal,
48 32 state, and local incentives and credits in addition to those
48 33 provided in this part. However, a business which participates
48 34 in the program under this part shall not receive any funds
48 35 ~~from the community economic development account under the~~
49 1 ~~community economic betterment program wage-benefits tax~~
49 2 ~~credits under chapter 15H.~~

49 3 Sec. 52. Section 15E.196, subsection 1, paragraph a, Code
49 4 2005, is amended to read as follows:

49 5 a. New jobs credit from withholding, as provided in
49 6 section ~~15.331~~ 15E.197.

49 7 Sec. 53. Section 15E.196, subsections 3 and 6, Code 2005,
49 8 are amended to read as follows:

49 9 3. Investment tax credit of up to ten percent, as provided
49 10 in section 15.333.

49 11 6. Insurance premium tax credit of up to ten percent, as
49 12 provided in section 15.333A.

49 13 Sec. 54. NEW SECTION. 15E.197 NEW JOBS CREDIT FROM
49 14 WITHHOLDING.

49 15 An eligible business may enter into an agreement with the

49 16 department of revenue and a community college for a
49 17 supplemental new jobs credit from withholding from jobs
49 18 created under the program. The agreement shall be for program
49 19 services for an additional job training project, as defined in
49 20 chapter 260E. The agreement shall provide for the following:
49 21 1. That the project shall be administered in the same
49 22 manner as a project under chapter 260E and that a supplemental
49 23 new jobs credit from withholding in an amount equal to one and
49 24 one-half percent of the gross wages paid by the eligible
49 25 business pursuant to section 422.16 is authorized to fund the
49 26 program services for the additional project.
49 27 2. That the supplemental new jobs credit from withholding
49 28 shall be collected, accounted for, and may be pledged by the
49 29 community college in the same manner as described in section
49 30 260E.5.
49 31 3. That the auditor of state shall perform an annual audit
49 32 regarding how the training funds are being used.
49 33 To provide funds for the payment of the costs of the
49 34 additional project, a community college may borrow money,
49 35 issue and sell certificates, and secure the payment of the
50 1 certificates in the same manner as described in section
50 2 260E.6, including but not limited to providing the assessment
50 3 of an annual levy as described in section 260E.6, subsection
50 4 4. The program and credit authorized by this section is in
50 5 addition to, and not in lieu of, the program and credit
50 6 authorized in chapter 260E.
50 7 4. For purposes of this section, "eligible business" means
50 8 a business which has been approved to receive incentives and
50 9 assistance by the department of economic development pursuant
50 10 to application as provided in section 15E.195.
50 11 Sec. 55. NEW SECTION. 15H.1 DEFINITIONS.
50 12 For purposes of this chapter, unless the context otherwise
50 13 requires:
50 14 1. "Average county wage" means the annualized, average
50 15 hourly wage based on wage information compiled by the
50 16 department of workforce development.
50 17 2. "Benefits" means all of the following:
50 18 a. Medical and dental insurance plans.
50 19 b. Pension and profit sharing plans.
50 20 c. Child care services.
50 21 d. Life insurance coverage.
50 22 e. Other benefits identified by rule of the department.
50 23 3. "Department" means the department of revenue.
50 24 4. a. "Qualified new job" means a job that meets all of
50 25 the following:
50 26 (1) Is a new full-time job that has not existed in the
50 27 business within the previous twelve months in the state.
50 28 (2) Is filled by a new employee for at least twelve
50 29 months.
50 30 (3) Is filled by a resident of the state.
50 31 (4) Is not created as a result of a change in ownership.
50 32 b. "Qualified new job" does not include any of the
50 33 following:
50 34 (1) A job previously filled by the same employee in the
50 35 state.
51 1 (2) A job that was relocated from another location in the
51 2 state.
51 3 (3) A job that is created as a result of a consolidation,
51 4 merger, or restructuring of a business entity if the job does
51 5 not represent a new job in the state.
51 6 5. "Retained qualified new job" means the continued
51 7 employment for another twelve months of the same employee in a
51 8 qualified new job.
51 9 Sec. 56. NEW SECTION. 15H.2 WAGE=BENEFITS TAX CREDIT.
51 10 1. a. Any nonretail, nonservice business may claim a tax
51 11 credit equal to a percentage of the annual wages and benefits
51 12 paid for a qualified new job created by the location or
51 13 expansion of the business in the state. The tax credit shall
51 14 be allowed against taxes imposed under chapter 422, division
51 15 II, III, or V, and chapter 432 and against the moneys and
51 16 credits tax imposed in section 533.24. The percentage shall
51 17 be equal to the amount provided in subsection 2.
51 18 Any credit in excess of the tax liability shall be
51 19 refunded. In lieu of claiming a refund, a taxpayer may elect
51 20 to have the overpayment shown on the taxpayer's final,
51 21 completed return credited to the tax liability for the
51 22 following taxable year.
51 23 b. If the business is a partnership, S corporation,
51 24 limited liability company, or estate or trust electing to have
51 25 the income taxed directly to the individual, an individual may
51 26 claim the tax credit allowed. The amount claimed by the

51 27 individual shall be based upon the pro rata share of the
51 28 individual's earnings of the partnership, S corporation,
51 29 limited liability company, or estate or trust.

51 30 2. The percentage of the annual wages and benefits paid
51 31 for a qualified new job is determined as follows:

51 32 a. If the annual wage and benefits for the qualified new
51 33 job equals less than one hundred thirty percent of the average
51 34 county wage, zero percent.

51 35 b. If the annual wage and benefits for the qualified new
52 1 job equals at least one hundred thirty percent but less than
52 2 one hundred sixty percent of the average county wage, five
52 3 percent.

52 4 c. If the annual wage and benefits for the qualified new
52 5 job equals at least one hundred sixty percent of the average
52 6 county wage, ten percent.

52 7 3. A qualified new job is entitled to the tax credit upon
52 8 the end of the twelfth month of the job having been filled.
52 9 Once a qualified new job is approved for a tax credit, tax
52 10 credits for the next four subsequent tax years may be approved
52 11 if the job continues to be filled and application is made as
52 12 provided in section 15H.3. The percentage determined under
52 13 subsection 2 for the first tax year shall continue to apply to
52 14 subsequent tax credits as the credits relate to that qualified
52 15 new job.

52 16 Sec. 57. NEW SECTION. 15H.3 TAX CREDIT CERTIFICATION ==
52 17 CREDIT LIMITATION.

52 18 1. In order for a wage-benefit tax credit to be claimed,
52 19 the business shall submit an application to the department
52 20 along with information on the qualified new job or retained
52 21 qualified new job and any other information required.
52 22 Applications for approval of the tax credit shall be on forms
52 23 approved by the department. Within forty-five days of receipt
52 24 of the application, the department shall either approve or
52 25 disapprove the application. After the forty-five-day limit,
52 26 the application is deemed approved.

52 27 2. Upon approval of the tax credit and subject to
52 28 subsection 4, a tax credit certificate shall be issued by the
52 29 department. A tax credit certificate shall identify the
52 30 business claiming the tax credit under this chapter and the
52 31 wage and benefit costs incurred during the previous twelve
52 32 months.

52 33 3. The tax credit certificate shall contain the taxpayer's
52 34 name, address, tax identification number, the date of the
52 35 qualified new job, the amount of credit, and other information
53 1 required by the department.

53 2 4. The total amount of tax credit certificates that may be
53 3 issued for a fiscal year under this chapter shall not exceed
53 4 ten million dollars. The department shall establish by rule
53 5 the procedures for the application, review, selection,
53 6 awarding of certificates, and the method to be used to
53 7 determine for which fiscal year the tax credits are available.
53 8 If the approved tax credits exceed the maximum amount for a
53 9 fiscal year, tax credit certificates shall be issued on an
53 10 earliest date applied basis.

53 11 5. a. A nonretail, nonservice business that has created a
53 12 qualified new job for which a tax credit certificate under
53 13 this chapter is issued is eligible to receive a tax credit
53 14 certificate for each of the four subsequent tax years if the
53 15 business retains the qualified new job during each of the
53 16 twelve months ending in each of the tax years by applying for
53 17 the credit under this section. Preference in issuing these
53 18 tax credit certificates shall be given to businesses applying
53 19 for the credit for retained qualified new jobs.

53 20 b. A nonretail, nonservice business that created a
53 21 qualified new job but failed to receive all or part of the tax
53 22 credit because of the limitation in subsection 4 is eligible
53 23 to reapply for the tax credit for the retained qualified new
53 24 job.

53 25 6. a. A business whose application has been disapproved
53 26 by the department may appeal the decision to the Iowa economic
53 27 development board within thirty days of notice of disapproval.
53 28 If the board subsequently approves the application, the
53 29 business shall receive the tax credit certificates subject to
53 30 the availability of the amount of credits that may be issued
53 31 as provided in subsection 4.

53 32 b. A nonretail, nonservice business may apply to the Iowa
53 33 economic development board for a waiver of any provision of
53 34 this chapter as it relates to the requirements for qualifying
53 35 for the wage-benefits tax credit. The Iowa economic
54 1 development board shall establish by rule the conditions under
54 2 which a waiver of such requirements will be granted. A waiver

54 3 from average county wage calculations shall be applied for and
54 4 considered by the board according to the procedures provided
54 5 in section 15.335A.

54 6 Sec. 58. NEW SECTION. 15H.4 MONITORING OF JOB CREATION.

54 7 The department shall develop definitions for the terms "job
54 8 creation" and "job retention" to measure and identify the
54 9 number of permanent, full-time positions which businesses
54 10 actually create and retain and which can be documented by
54 11 comparison of the payroll reports during the twenty-four-month
54 12 period before and after tax credits are earned.

54 13 Sec. 59. NEW SECTION. 15H.5 OTHER INCENTIVES.

54 14 A nonretail, nonservice business may receive other
54 15 applicable federal, state, and local incentives and tax
54 16 credits in addition to those provided in this chapter.
54 17 However, a business which has received a tax credit under this
54 18 chapter shall not receive tax incentives under the high
54 19 quality job creation program in chapter 15, subchapter II,
54 20 part 13 or moneys from the grow Iowa values fund.

54 21 Sec. 60. NEW SECTION. 422.11L WAGE-BENEFITS TAX CREDIT.

54 22 The taxes imposed under this division, less the credits
54 23 allowed under sections 422.12 and 422.12B, shall be reduced by
54 24 a wage-benefits tax credit authorized pursuant to section
54 25 15H.2.

54 26 Sec. 61. Section 422.16A, Code 2005, is amended to read as
54 27 follows:

54 28 422.16A JOB TRAINING WITHHOLDING == CERTIFICATION AND
54 29 TRANSFER.

54 30 Upon the completion by a business of its repayment
54 31 obligation for a training project funded under chapter 260E,
54 32 including a job training project funded under section 15A.8 or
54 33 repaid in whole or in part by the supplemental new jobs credit
54 34 from withholding under section 15A.7 or section ~~15.331~~
54 35 15E.197, the sponsoring community college shall report to the
55 1 department of economic development the amount of withholding
55 2 paid by the business to the community college during the final
55 3 twelve months of withholding payments. The department of
55 4 economic development shall notify the department of revenue of
55 5 that amount. The department shall credit to the workforce
55 6 development fund account established in section 15.342A
55 7 twenty-five percent of that amount each quarter for a period
55 8 of ten years. If the amount of withholding from the business
55 9 or employer is insufficient, the department shall prorate the
55 10 quarterly amount credited to the workforce development fund
55 11 account. The maximum amount from all employers which shall be
55 12 transferred to the workforce development fund account in any
55 13 year is four million dollars.

55 14 Sec. 62. Section 422.33, Code 2005, is amended by adding
55 15 the following new subsection:

55 16 NEW SUBSECTION. 18. The taxes imposed under this division
55 17 shall be reduced by a wage-benefits tax credit authorized
55 18 pursuant to section 15H.2.

55 19 Sec. 63. Section 422.60, Code 2005, is amended by adding
55 20 the following new subsection:

55 21 NEW SUBSECTION. 10. The taxes imposed under this division
55 22 shall be reduced by a wage-benefits tax credit authorized
55 23 pursuant to section 15H.2.

55 24 Sec. 64. Section 427B.17, subsection 5, unnumbered
55 25 paragraph 2, Code 2005, is amended to read as follows:

55 26 Any electric power generating plant which operated during
55 27 the preceding assessment year at a net capacity factor of more
55 28 than twenty percent, shall not receive the benefits of this
55 29 section or of ~~sections section~~ 15.332 and ~~15.334~~. For

55 30 purposes of this section, "electric power generating plant"

55 31 means any nameplate rated electric power generating plant, in
55 32 which electric energy is produced from other forms of energy,
55 33 including all taxable land, buildings, and equipment used in
55 34 the production of such energy. "Net capacity factor" means

55 35 net actual generation divided by the product of net maximum
56 1 capacity times the number of hours the unit was in the active
56 2 state during the assessment year. Upon commissioning, a unit
56 3 is in the active state until it is decommissioned. "Net
56 4 actual generation" means net electrical megawatt hours
56 5 produced by the unit during the preceding assessment year.

56 6 "Net maximum capacity" means the capacity the unit can sustain
56 7 over a specified period when not restricted by ambient
56 8 conditions or equipment deratings, minus the losses associated
56 9 with station service or auxiliary loads.

56 10 Sec. 65. NEW SECTION. 432.12G WAGE-BENEFITS TAX CREDIT.

56 11 The taxes imposed under this chapter shall be reduced by a
56 12 wage-benefits tax credit authorized pursuant to section 15H.2.

56 13 Sec. 66. Section 533.24, Code 2005, is amended by adding

56 14 the following new subsection:

56 15 NEW SUBSECTION. 7. The moneys and credits tax imposed
56 16 under this section shall be reduced by a wage=benefits tax
56 17 credit authorized pursuant to section 15H.2.

56 18 Sec. 67. Sections 15.331, 15.331B, 15.334, 15.334A,
56 19 15.337, and 15.381 through 15.387, Code 2005, are repealed.

56 20 Sec. 68. CONTRACT VALIDITY == NEW JOBS AND INCOME PROGRAM
56 21 == NEW CAPITAL INVESTMENT PROGRAM. Any contract entered into
56 22 for a project or activity approved by the department of
56 23 economic development under the new jobs and income program and
56 24 the new capital investment program remains valid. The
56 25 elimination of the new jobs and income program and the new
56 26 capital investment program under this Act shall not constitute
56 27 grounds for rescission or modification of contracts entered into
56 28 with the department under the programs.

56 29 Sec. 69. EFFECTIVE AND APPLICABILITY DATE. The provisions
56 30 of this division of this Act relating to Code chapter 15H,
56 31 being deemed of immediate importance, take effect upon
56 32 enactment and apply to qualified new jobs created on or after
56 33 the effective date of this division of this Act. This
56 34 division of this Act applies to tax years ending on or after
56 35 the effective date of this division of this Act.

57 1 DIVISION XI

57 2 RESEARCH AND DEVELOPMENT

57 3 TAX CREDIT

57 4 Sec. 70. Section 15.335, subsection 1, unnumbered
57 5 paragraph 1, Code 2005, is amended to read as follows:

57 6 An eligible business may claim a corporate tax credit for
57 7 increasing research activities in this state during the period
57 8 the eligible business is participating in the program. For
57 9 purposes of this section, "research activities" includes the
57 10 development and deployment of innovative renewable energy
57 11 generation components manufactured or assembled in this state.
57 12 For purposes of this section, "innovative renewable energy
57 13 generation components" does not include a component with more
57 14 than two hundred megawatts of installed effective nameplate
57 15 capacity. The tax credits for innovative renewable energy
57 16 generation components shall not exceed one million dollars.

57 17 DIVISION XII

57 18 ENDOW IOWA

57 19 Sec. 71. Section 15E.303, subsections 4 and 6, Code 2005,
57 20 are amended to read as follows:

57 21 4. "Endowment gift" means an irrevocable contribution to a
57 22 permanent endowment held by ~~a~~ an endow Iowa qualified
57 23 community foundation.

57 24 6. ~~"Qualified "~~Endow Iowa qualified community foundation"
57 25 means a community foundation organized or operating in this
57 26 state that ~~meets or exceeds~~ substantially complies with the
57 27 national standards established by the national council on
57 28 foundations as determined by the department in collaboration
57 29 with the Iowa council of foundations.

57 30 Sec. 72. Section 15E.304, subsection 2, paragraphs c and
57 31 d, Code 2005, are amended to read as follows:

57 32 c. Identify ~~a~~ an endow Iowa qualified community foundation
57 33 to hold all funds. ~~A~~ An endow Iowa qualified community
57 34 foundation shall not be required to meet this requirement.

57 35 d. Provide a plan to the board demonstrating the method
58 1 for distributing grant moneys received from the board to
58 2 organizations within the community or geographic area as
58 3 defined by the endow Iowa qualified community foundation or
58 4 the community affiliate organization.

58 5 Sec. 73. Section 15E.304, subsection 3, Code 2005, is
58 6 amended to read as follows:

58 7 3. Endow Iowa grants awarded to new and existing endow
58 8 Iowa qualified community foundations and to community
58 9 affiliate organizations shall not exceed twenty=five thousand
58 10 dollars per foundation or organization unless a foundation or
58 11 organization demonstrates a multiple county or regional
58 12 approach. Endow Iowa grants may be awarded on an annual basis
58 13 with not more than three grants going to one county in a
58 14 fiscal year.

58 15 Sec. 74. Section 15E.305, subsection 1, Code 2005, is
58 16 amended to read as follows:

58 17 1. For tax years beginning on or after January 1, 2003, a
58 18 tax credit shall be allowed against the taxes imposed in
58 19 chapter 422, divisions II, III, and V, and in chapter 432, and
58 20 against the moneys and credits tax imposed in section 533.24
58 21 equal to twenty percent of a taxpayer's endowment gift to ~~a~~ an
58 22 endow Iowa qualified community foundation. An individual may
58 23 claim a tax credit under this section of a partnership,
58 24 limited liability company, S corporation, estate, or trust

58 25 electing to have income taxed directly to the individual. The
58 26 amount claimed by the individual shall be based upon the pro
58 27 rata share of the individual's earnings from the partnership,
58 28 limited liability company, S corporation, estate, or trust. A
58 29 tax credit shall be allowed only for an endowment gift made to
58 30 ~~a~~ an endow Iowa qualified community foundation for a permanent
58 31 endowment fund established to benefit a charitable cause in
58 32 this state. Any tax credit in excess of the taxpayer's tax
58 33 liability for the tax year may be credited to the tax
58 34 liability for the following five years or until depleted,
58 35 whichever occurs first. A tax credit shall not be carried
59 1 back to a tax year prior to the tax year in which the taxpayer
59 2 claims the tax credit.

59 3 Sec. 75. Section 15E.305, subsection 2, Code 2005, is
59 4 amended to read as follows:

59 5 2. The aggregate amount of tax credits authorized pursuant
59 6 to this section shall not exceed a total of two million
59 7 dollars annually. The maximum amount of tax credits granted
59 8 to a taxpayer shall not exceed five percent of the aggregate
59 9 amount of tax credits authorized.

59 10 Sec. 76. Section 15E.305, subsection 2, Code 2005, is
59 11 amended by adding the following new unnumbered paragraph:

59 12 NEW UNNUMBERED PARAGRAPH. Ten percent of the aggregate
59 13 amount of tax credits authorized in a calendar year shall be
59 14 reserved for those endowment gifts in amounts of thirty
59 15 thousand dollars or less. If by September 1 of a calendar
59 16 year the entire ten percent of the reserved tax credits is not
59 17 distributed, the remaining tax credits shall be available to
59 18 any other eligible applicants.

59 19 Sec. 77. Section 15E.305, subsection 4, Code 2005, is
59 20 amended to read as follows:

59 21 4. A tax credit shall not be authorized pursuant to this
59 22 section after December 31, ~~2005~~ 2008.

59 23 Sec. 78. Section 15E.311, subsection 3, paragraphs a and
59 24 c, Code 2005, are amended to read as follows:

59 25 a. At the end of each fiscal year, moneys in the fund
59 26 shall be transferred into separate accounts within the fund
59 27 and designated for use by each county in which no licensee
59 28 authorized to conduct gambling games under chapter 99F was
59 29 located during that fiscal year. Moneys transferred to county
59 30 accounts shall be divided equally among the counties. Moneys
59 31 transferred into an account for a county shall be transferred
59 32 by the department to an eligible county recipient for that
59 33 county. Of the moneys transferred, an eligible county
59 34 recipient shall distribute seventy-five percent of the moneys
59 35 as grants to charitable organizations for ~~educational, civic,~~
~~60 1 public, charitable, patriotic, or religious uses, as defined~~
~~60 2 in section 99B.7, subsection 3, paragraph "b", charitable~~
~~60 3 purposes~~ in that county and shall retain twenty-five percent
60 4 of the moneys for use in establishing a permanent endowment
60 5 fund for the benefit of charitable organizations for
60 6 ~~educational, civic, public, charitable, patriotic, or~~
~~60 7 religious uses, as defined in section 99B.7, subsection 3,~~
~~60 8 paragraph "b" charitable purposes.~~

60 9 c. ~~For purposes of~~
60 10 3A. As used in this subsection section, an "eligible
60 11 unless the context otherwise requires:

60 12 a. "Charitable organization" means an organization that is
60 13 described in section 501(c)(3) of the Internal Revenue Code
60 14 that is exempt from taxation under section 501(a) of the
60 15 Internal Revenue Code or an organization that is established
60 16 for a charitable purpose.

60 17 b. "Charitable purpose" means a purpose described in
60 18 section 501(c)(3) of the Internal Revenue Code, or a
60 19 benevolent, educational, philanthropic, humane, scientific,
60 20 patriotic, social welfare or advocacy, public health,
60 21 environmental conservation, civic, or other eleemosynary
60 22 objective.

60 23 c. "Eligible county recipient" means a an endow Iowa
60 24 qualified community foundation or community affiliate
60 25 organization, as defined in section 15E.303, that is selected,
60 26 in accordance with the procedures described in section
60 27 15E.304, to receive moneys from an account created in this
60 28 section for a particular county. To be selected as an
60 29 eligible county recipient, a community affiliate organization
60 30 shall establish a county affiliate fund to receive moneys as
60 31 provided by this section.

60 32 Sec. 79. Section 15E.311, Code 2005, is amended by adding
60 33 the following new subsection:

60 34 NEW SUBSECTION. 5. Three percent of the moneys deposited
60 35 in the county endowment fund shall be used by the lead

61 1 philanthropic organization identified by the department
61 2 pursuant to section 15E.304 for purposes of administering and
61 3 marketing the county endowment fund.
61 4 Sec. 80. LEGISLATIVE INTENT. It is the intent of the
61 5 general assembly that the entire two million dollars worth of
61 6 tax credits allowed under section 15E.305, subsection 2, shall
61 7 be issued each calendar year.
61 8 Sec. 81. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
61 9 This division of this Act, being deemed of immediate
61 10 importance, takes effect upon enactment and applies
61 11 retroactively to January 1, 2005.

DIVISION XIII

E=85 BLENDED GASOLINE

61 12
61 13
61 14 Sec. 82. NEW SECTION. 15.401 E=85 BLENDED GASOLINE.
61 15 The department shall provide a cost-share program for
61 16 financial incentives for the installation or conversion of
61 17 infrastructure used by service stations to sell and dispense
61 18 E=85 blended gasoline and for the installation or conversion
61 19 of infrastructure required to establish on-site and off-site
61 20 terminal facilities that store biodiesel for distribution to
61 21 service stations. The department shall provide for an
61 22 addition of at least thirty new or converted E=85 retail
61 23 outlets and four new or converted on-site or off-site terminal
61 24 facilities with a maximum expenditure of three hundred twenty=
61 25 five thousand dollars per year for the fiscal period beginning
61 26 July 1, 2005, and ending June 30, 2008. The department may
61 27 provide for the marketing of these products in conjunction
61 28 with this infrastructure program.

61 29 Sec. 83. Section 452A.3, Code 2005, is amended by adding
61 30 the following new subsection:

61 31 NEW SUBSECTION. 1B. An excise tax of seventeen cents is
61 32 imposed on each gallon of E=85 gasoline, which contains at
61 33 least eighty-five percent denatured alcohol by volume from the
61 34 first day of April until the last day of October or seventy
61 35 percent denatured alcohol from the first day of November until
62 1 the last day of March, used for the privilege of operating
62 2 motor vehicles in this state.

62 3 Sec. 84. Section 452A.3, Code 2005, is amended by adding
62 4 the following new subsection:

62 5 NEW SUBSECTION. 1C. The rate of the excise tax on E=85
62 6 gasoline imposed in subsection 1B shall be determined based on
62 7 the number of gallons of E=85 gasoline that is distributed in
62 8 this state during the previous calendar year. The department
62 9 shall determine the actual tax paid for E=85 gasoline for each
62 10 period beginning January 1 and ending December 31. The amount
62 11 of the tax paid on E=85 gasoline during the past calendar year
62 12 shall be compared to the amount of tax on E=85 gasoline that
62 13 would have been paid using the tax rate for gasoline imposed
62 14 in subsection 1 or 1A and a difference shall be established.
62 15 If this difference is equal to or greater than twenty-five
62 16 thousand dollars, the tax rate for E=85 gasoline for the
62 17 period beginning July 1 following the end of the determination
62 18 period shall be the rate in effect as stated in subsection 1
62 19 or 1A.

62 20 Sec. 85. STUDY. The state department of transportation
62 21 shall review the current revenue levels of the road use tax
62 22 fund and its sufficiency for the projected construction and
62 23 maintenance needs of city, county, and state governments in
62 24 the future. The department shall submit a written report to
62 25 the general assembly regarding its findings on or before
62 26 December 31, 2006. The report may include recommendations
62 27 concerning funding levels needed to support the future
62 28 mobility and accessibility for users of Iowa's public road
62 29 system.

62 30 Sec. 86. EFFECTIVE DATE. The sections of this division of
62 31 this Act amending chapter 452A take effect January 1, 2006.

DIVISION XIV

IOWA GREAT PLACES

62 34 Sec. 87. NEW SECTION. 303.3C IOWA GREAT PLACES PROGRAM.

62 35 1. a. The department of cultural affairs shall establish
63 1 and administer an Iowa great places program for purposes of
63 2 combining resources of state government in an effort to
63 3 showcase the unique and authentic qualities of communities,
63 4 regions, neighborhoods, and districts that make such places
63 5 exceptional places to work and live. The department of
63 6 cultural affairs shall provide administrative assistance to
63 7 the Iowa great places board. The department of cultural
63 8 affairs shall coordinate the efforts of the Iowa great places
63 9 board with the efforts of state agencies participating in the
63 10 program which shall include, but not be limited to, the
63 11 department of economic development, the Iowa finance

63 12 authority, the department of human rights, the department of
63 13 natural resources, the department of transportation, and the
63 14 department of workforce development.

63 15 b. The program shall combine resources from state
63 16 government to capitalize on all of the following aspects of
63 17 the chosen Iowa great places:

- 63 18 (1) Arts and culture.
- 63 19 (2) Historic fabric.
- 63 20 (3) Architecture.
- 63 21 (4) Natural environment.
- 63 22 (5) Housing options.
- 63 23 (6) Amenities.
- 63 24 (7) Entrepreneurial incentive for business development.
- 63 25 (8) Diversity.

63 26 c. Initially, three Iowa great places projects shall be
63 27 identified by the Iowa great places board. Two years after
63 28 the third project is identified by the board, the board may
63 29 identify additional Iowa great places for participation under
63 30 the program.

63 31 2. a. The Iowa great places board is established
63 32 consisting of twelve members. The board shall be located for
63 33 administrative purposes within the department of cultural
63 34 affairs and the director shall provide office space, staff
63 35 assistance, and necessary supplies and equipment for the
64 1 board. The director shall budget moneys to pay the
64 2 compensation and expenses of the board. In performing its
64 3 functions, the board is performing a public function on behalf
64 4 of the state and is a public instrumentality of the state.

64 5 b. The members of the board shall be appointed by the
64 6 governor, subject to confirmation by the senate. At least one
64 7 member shall be less than thirty years old on the date the
64 8 member is appointed by the governor. The board shall include
64 9 representatives of cities and counties, local government
64 10 officials, cultural leaders, housing developers, business
64 11 owners, and parks officials.

64 12 c. The chairperson and vice chairperson shall be elected
64 13 by the board members from the membership of the board. In the
64 14 case of the absence or disability of the chairperson and vice
64 15 chairperson, the members of the board shall elect a temporary
64 16 chairperson by a majority vote of those members who are
64 17 present and voting, provided a quorum is present.

64 18 d. Members of the board shall be appointed to three-year
64 19 staggered terms and the terms shall commence and end as
64 20 provided in section 69.19. If a vacancy occurs, a successor
64 21 shall be appointed in the same manner and subject to the same
64 22 qualifications as the original appointment to serve the
64 23 unexpired term.

64 24 e. A majority of the members of the board constitutes a
64 25 quorum.

64 26 f. A member of the board shall abstain from voting on the
64 27 provision of financial assistance to a project which is
64 28 located in the county in which the member of the board
64 29 resides.

64 30 g. The members of the board are entitled to receive
64 31 reimbursement for actual expenses incurred while engaged in
64 32 the performance of official duties. A board member may also
64 33 be eligible to receive compensation as provided in section
64 34 7E.6.

64 35 3. The board shall do all of the following:

65 1 a. Organize.

65 2 b. Identify three Iowa great places for purposes of
65 3 receiving a package of resources under the program.

65 4 c. Identify a combination of state resources which can be
65 5 provided to Iowa great places.

65 6 DIVISION XV
65 7 PORT AUTHORITIES

65 8 Sec. 88. Section 12.30, subsection 1, paragraph a, Code
65 9 2005, is amended to read as follows:

65 10 a. "Authority" means a department, or public or quasi=
65 11 public instrumentality of the state including, but not limited
65 12 to, the authority created under chapter 12E, 16, 16A, 175,
65 13 257C, 261A, or 327I, which has the power to issue obligations,
65 14 except that "authority" does not include the state board of
65 15 regents or the Iowa finance authority to the extent it acts
65 16 pursuant to chapter 260C. "Authority" also includes a port
65 17 authority created under chapter 28J.

65 18 Sec. 89. NEW SECTION. 28J.1 DEFINITIONS.

65 19 As used in this chapter, unless the context otherwise
65 20 requires:

65 21 1. "Authorized purposes" means an activity that enhances,
65 22 fosters, aids, provides, or promotes transportation, economic

65 23 development, housing, recreation, education, governmental
65 24 operations, culture, or research within the jurisdiction of a
65 25 port authority.

65 26 2. "Board" means the board of directors of a port
65 27 authority established pursuant to section 28J.2.

65 28 3. "City" means the same as defined in section 362.2.

65 29 4. "Construction" means alteration, creation, development,
65 30 enlargement, erection, improvement, installation,
65 31 reconstruction, remodeling, and renovation.

65 32 5. "Contracting governmental agency" means any
65 33 governmental agency or taxing district of the state that, by
65 34 action of its legislative authority, enters into an agreement
65 35 with a port authority pursuant to section 28J.17.

66 1 6. "Cost" as applied to a port authority facility means
66 2 any of the following:

66 3 a. The cost of construction contracts, land, rights-of=
66 4 way, property rights, easements, franchise rights, and
66 5 interests required for acquisition or construction.

66 6 b. The cost of demolishing or removing any buildings or
66 7 structures on land, including the cost of acquiring any lands
66 8 to which those buildings or structures may be moved.

66 9 c. The cost of diverting a highway, interchange of a
66 10 highway, and access roads to private property, including the
66 11 cost of land or easements, and relocation of a facility of a
66 12 utility company or common carrier.

66 13 d. The cost of machinery, furnishings, equipment,
66 14 financing charges, interest prior to and during construction
66 15 and for no more than twelve months after completion of
66 16 construction, engineering, and expenses of research and
66 17 development with respect to a facility.

66 18 e. Legal and administrative expenses, plans,
66 19 specifications, surveys, studies, estimates of cost and
66 20 revenues, engineering services, and other expenses necessary
66 21 or incident to determining the feasibility or practicability
66 22 of acquiring or constructing a facility.

66 23 f. The interest upon the revenue bonds and pledge orders
66 24 during the period or estimated period of construction and for
66 25 twelve months thereafter, or for twelve months after the
66 26 acquisition date, reserve funds as the port authority deems
66 27 advisable in connection with a facility and the issuance of
66 28 port authority revenue bonds and pledge orders.

66 29 g. The costs of issuance of port authority revenue bonds
66 30 and pledge orders.

66 31 h. The cost of diverting a rail line, rail spur track, or
66 32 rail spur track switch, including the cost of land or
66 33 easements, and relocation of a facility of a utility company
66 34 or common carrier.

66 35 i. The cost of relocating an airport's runways, terminals,
67 1 and related facilities including the cost of land or
67 2 easements, and relocation of a facility of a utility company
67 3 or common carrier.

67 4 7. "Facility" or "port authority facility" means real or
67 5 personal property owned, leased, or otherwise controlled or
67 6 financed by a port authority and related to or in furtherance
67 7 of one or more authorized purposes.

67 8 8. "Governmental agency" means a department, division, or
67 9 other unit of state government of this state or any other
67 10 state, city, county, township, or other governmental
67 11 subdivision, or any other public corporation or agency created
67 12 under the laws of this state, any other state, the United
67 13 States, or any department or agency thereof, or any agency,
67 14 commission, or authority established pursuant to an interstate
67 15 compact or agreement or combination thereof.

67 16 9. "Person" means the same as defined in section 4.1.

67 17 10. "Pledge order" means a promise to pay out of the net
67 18 revenues of a port authority, which is delivered to a
67 19 contractor or other person in payment of all or part of the
67 20 cost of a facility.

67 21 11. "Political subdivision" means a city, county, city=
67 22 county consolidation, or multicounty consolidation, or
67 23 combination thereof.

67 24 12. "Political subdivisions comprising the port authority"
67 25 means the political subdivisions which created or participated
67 26 in the creation of the port authority under section 28J.2, or
67 27 which joined an existing port authority under section 28J.4.

67 28 13. "Port authority" means an entity created pursuant to
67 29 section 28J.2.

67 30 14. "Port authority revenue bonds" means revenue bonds and
67 31 revenue refunding bonds issued pursuant to section 28J.21.

67 32 15. "Public roads" means all public highways, roads, and
67 33 streets in this state, whether maintained by the state or by a

67 34 county or city.

67 35 16. "Revenues" means rental fees and other charges
68 1 received by a port authority for the use or services of a
68 2 facility, a gift or grant received with respect to a facility,
68 3 moneys received with respect to the lease, sublease, sale,
68 4 including installment sale or conditional sale, or other
68 5 disposition of a facility, moneys received in repayment of and
68 6 for interest on any loans made by the port authority to a
68 7 person or governmental agency, proceeds of port authority
68 8 revenue bonds for payment of principal, premium, or interest
68 9 on the bonds authorized by the port authority, proceeds from
68 10 any insurance, condemnation, or guarantee pertaining to the
68 11 financing of the facility, and income and profit from the
68 12 investment of the proceeds of port authority revenue bonds or
68 13 of any revenues.

68 14 Sec. 90. NEW SECTION. 28J.2 CREATION AND POWERS OF PORT
68 15 AUTHORITY.

68 16 1. Two or more political subdivisions may create a port
68 17 authority under this chapter by resolution. If a proposal to
68 18 create a port authority receives a favorable majority of the
68 19 members of the elected legislative body of the political
68 20 subdivision, the port authority is created at the time
68 21 provided in the resolution. The jurisdiction of a port
68 22 authority includes the territory described in section 28J.8.

68 23 2. A port authority created pursuant to this section may
68 24 sue and be sued, complain, and defend in its name and has the
68 25 powers and jurisdiction enumerated in this chapter.

68 26 3. At the time a port authority is created pursuant to
68 27 this section, the political subdivisions comprising the port
68 28 authority may restrict the powers granted the port authority
68 29 pursuant to this chapter by specifically adopting such
68 30 restrictions in the resolution creating the port authority.

68 31 4. The political subdivisions comprising the port
68 32 authority whose powers have been restricted pursuant to
68 33 subsection 3 may at any time adopt a resolution to grant
68 34 additional powers to the port authority, so long as the
68 35 additional powers do not exceed the powers permitted under

69 1 this chapter.
69 2 Sec. 91. NEW SECTION. 28J.3 APPROPRIATION AND
69 3 EXPENDITURE OF PUBLIC FUNDS == DISSOLUTION.

69 4 1. The political subdivisions comprising a port authority
69 5 may appropriate and expend public funds to finance or
69 6 subsidize the operation and authorized purposes of the port
69 7 authority. A port authority shall control tax revenues
69 8 allocated to the facilities the port authority administers and
69 9 all revenues derived from the operation of the port authority,
69 10 the sale of its property, interest on investments, or from any
69 11 other source related to the port authority.

69 12 2. All revenues received by the port authority shall be
69 13 held in a separate fund in a manner agreed to by the political
69 14 subdivisions comprising the port authority. Revenues may be
69 15 paid out only at the direction of the board of directors of
69 16 the port authority.

69 17 3. A port authority shall comply with section 331.341,
69 18 subsections 1, 2, 4, and 5, and section 331.342, when
69 19 contracting for public improvements.

69 20 4. Subject to making due provisions for payment and
69 21 performance of any outstanding obligations, the political
69 22 subdivisions comprising the port authority may dissolve the
69 23 port authority, and transfer the property of the port
69 24 authority to the political subdivisions comprising the port
69 25 authority in a manner agreed upon between the political
69 26 subdivisions comprising the port authority prior to the
69 27 dissolution of the port authority.

69 28 Sec. 92. NEW SECTION. 28J.4 JOINING AN EXISTING PORT
69 29 AUTHORITY.

69 30 1. A political subdivision which is contiguous to either a
69 31 political subdivision which participated in the creation of
69 32 the port authority or a political subdivision which proposes
69 33 to join the port authority at the same time which is
69 34 contiguous to a political subdivision which participated in
69 35 the creation of the port authority may join the port authority
70 1 by resolution.

70 2 2. If more than one such political subdivision proposes to
70 3 join the port authority at the same time, the resolution of
70 4 each such political subdivision shall designate the political
70 5 subdivisions which are to be so joined.

70 6 3. Any territory or city not included in a port authority
70 7 which is annexed to a city included within the jurisdiction of
70 8 a port authority shall, on such annexation and without further
70 9 proceedings, be annexed to and be included in the jurisdiction

70 10 of the port authority.

70 11 4. Before a political subdivision is joined to a port
70 12 authority, other than by annexation to a city, the political
70 13 subdivisions comprising the port authority shall agree upon
70 14 the terms and conditions pursuant to which such political
70 15 subdivision is to be joined.

70 16 5. For the purpose of this chapter, such political
70 17 subdivision shall be considered to have participated in the
70 18 creation of the port authority, except that the initial term
70 19 of any director of the port authority appointed by a joining
70 20 political subdivision shall be four years.

70 21 6. After each resolution proposing a political subdivision
70 22 to join a port authority has become effective and the terms
70 23 and conditions of joining the port authority have been agreed
70 24 to, the board of directors of the port authority shall by
70 25 resolution either accept or reject the proposal. Such
70 26 proposal to join a port authority shall be effective upon
70 27 adoption of the resolution by the board of directors of the
70 28 port authority and thereupon the jurisdiction of the port
70 29 authority includes the joining political subdivision.

70 30 Sec. 93. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD OF
70 31 DIRECTORS.

70 32 1. A port authority created pursuant to section 28J.2
70 33 shall be governed by a board of directors. Members of a board
70 34 of directors of a port authority shall be divided among the
70 35 political subdivisions comprising the port authority in such
71 1 proportions as the political subdivisions may agree and shall
71 2 be appointed by the respective political subdivision's elected
71 3 legislative body.

71 4 2. The number of directors comprising the board shall be
71 5 determined by agreement between the political subdivisions
71 6 comprising the port authority, and which number may be changed
71 7 by resolution of the political subdivisions comprising the
71 8 port authority.

71 9 3. A majority of the directors shall have been qualified
71 10 electors of, or owned a business or been employed in, one or
71 11 more political subdivisions within the area of the
71 12 jurisdiction of the port authority for a period of at least
71 13 three years preceding appointment.

71 14 4. The directors of a port authority first appointed shall
71 15 serve staggered terms. Thereafter each successor director
71 16 shall serve for a term of four years, except that any person
71 17 appointed to fill a vacancy shall be appointed to only the
71 18 unexpired term. A director is eligible for reappointment.

71 19 5. The board may provide procedures for the removal of a
71 20 director who fails to attend three consecutive regular
71 21 meetings of the board. If a director is so removed, a
71 22 successor shall be appointed for the remaining term of the
71 23 removed director in the same manner provided for the original
71 24 appointment. The appointing body may at any time remove a
71 25 director appointed by it for misfeasance, nonfeasance, or
71 26 malfeasance in office.

71 27 6. The board may adopt bylaws and shall elect one director
71 28 as chairperson and one director as vice chairperson, designate
71 29 terms of office, and appoint a secretary who need not be a
71 30 director.

71 31 7. A majority of the board of directors shall constitute a
71 32 quorum for the purpose of holding a meeting of the board. The
71 33 affirmative vote of a majority of a quorum shall be necessary
71 34 for any action taken by the port authority unless the board
71 35 determines that a greater number of affirmative votes is
72 1 necessary for particular actions to be taken by the port
72 2 authority. A vacancy in the membership of the board shall not
72 3 impair the rights of a quorum to exercise all the rights and
72 4 perform all the duties of the port authority.

72 5 8. Each director shall be entitled to receive from the
72 6 port authority such sum of money as the board may determine as
72 7 compensation for services as a director and reimbursement for
72 8 reasonable expenses in the performance of official duties.

72 9 Sec. 94. NEW SECTION. 28J.6 CIVIL IMMUNITY OF DIRECTORS.

72 10 A director of a port authority shall not be personally
72 11 liable for any monetary damages that arise from actions taken
72 12 in the performance of the director's official duties, except
72 13 for acts or omissions that are not in good faith or that
72 14 involve intentional misconduct, a knowing violation of law, or
72 15 any transaction from which the director derived an improper
72 16 personal benefit.

72 17 Sec. 95. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY BOARD,
72 18 PEACE OFFICERS.

72 19 1. A port authority shall employ and fix the
72 20 qualifications, duties, and compensation of any employees and

72 21 enter into contracts for any services that may be required to
72 22 conduct the business of the port authority, and may appoint an
72 23 advisory board, which shall serve without compensation.

72 24 2. An employee of a port authority is a public employee
72 25 for the purposes of collective bargaining under chapter 20.

72 26 3. a. A port authority may provide for the administration
72 27 and enforcement of the laws of the state by employing peace
72 28 officers who shall have all the powers conferred by law on
72 29 peace officers of this state with regard to the apprehension
72 30 of violators upon all property under its control within and
72 31 without the port authority. The peace officers may seek the
72 32 assistance of other appropriate law enforcement officers to
72 33 enforce its rules and maintain order.

72 34 b. Peace officers employed by a port authority shall meet
72 35 all requirements as police officers appointed under the civil
73 1 service law of chapter 400 and shall participate in the
73 2 retirement system established by chapter 411.

73 3 c. Peace officers employed by a port authority shall serve
73 4 as a peace officer force with respect to the property,
73 5 grounds, buildings, equipment, and facilities under the
73 6 control of the port authority, to prevent hijacking of
73 7 aircraft or watercraft, protect the property of the authority
73 8 and the property of others located thereon, suppress nuisances
73 9 and disturbances and breaches of the peace, and enforce laws
73 10 and the rules of the port authority for the preservation of
73 11 good order. Peace officers are vested with the same powers of
73 12 arrest as peace officers under section 804.7.

73 13 4. If an employee of a political subdivision comprising
73 14 the port authority is transferred to a comparable position
73 15 with the port authority, the employee is entitled to suffer no
73 16 loss in pay, pension, fringe benefits, or other benefits and
73 17 shall be entitled to a comparable rank and grade as the
73 18 employee's prior position. Sick leave, longevity, and
73 19 vacation time accrued to such employees shall be credited to
73 20 them as employees of the port authority. All rights and
73 21 accruals of such employees as members of the Iowa public
73 22 employees' retirement system pursuant to chapter 97B and the
73 23 retirement system for police officers pursuant to chapter 411
73 24 shall remain in force and shall be automatically transferred
73 25 to the port authority.

73 26 Sec. 96. NEW SECTION. 28J.8 AREA OF JURISDICTION.

73 27 1. The area of jurisdiction of a port authority shall
73 28 include all of the territory of the political subdivisions
73 29 comprising the port authority and, if the port authority owns
73 30 or leases a railroad line or airport, the territory on which
73 31 the railroad's line, terminals, and related facilities or the
73 32 airport's runways, terminals, and related facilities are
73 33 located, regardless of whether the territory is located in the
73 34 political subdivisions comprising the port authority.

73 35 2. A political subdivision that has created a port
74 1 authority or joined an existing port authority shall not be
74 2 included in any other port authority.

74 3 Sec. 97. NEW SECTION. 28J.9 POWERS OF PORT AUTHORITY.

74 4 A port authority may exercise all of the following powers:

74 5 1. Adopt bylaws for the regulation of the port authority's
74 6 affairs and the conduct of the port authority's business.

74 7 2. Adopt an official seal.

74 8 3. Maintain a principal office and branch offices within
74 9 the port authority's jurisdiction.

74 10 4. Acquire, construct, furnish, equip, maintain, repair,
74 11 sell, exchange, lease, lease with an option to purchase,
74 12 convey interests in real or personal property, and operate any
74 13 property of the port authority in connection with
74 14 transportation, recreational, governmental operations, or
74 15 cultural activities in furtherance of an authorized purpose.

74 16 5. Straighten, deepen, and improve any channel, river,
74 17 stream, or other watercourse or way which may be necessary or
74 18 proper in the development of the facilities of the port
74 19 authority.

74 20 6. Make available the use or services of any facility of
74 21 the port authority to any person or governmental agency.

74 22 7. Issue bonds or pledge orders pursuant to the
74 23 requirements and limitations in section 28J.21.

74 24 8. Issue port authority revenue bonds beyond the limit of
74 25 bonded indebtedness provided by law, payable solely from
74 26 revenues as provided in section 28J.21, for the purpose of
74 27 providing funds to pay the costs of any facility or facilities
74 28 of the port authority or parts thereof.

74 29 9. Apply to the proper authorities of the United States
74 30 for the right to establish, operate, and maintain foreign
74 31 trade zones and establish, operate, and maintain foreign trade

74 32 zones and to acquire, exchange, sell, lease to or from, lease
74 33 with an option to purchase, or operate facilities, land, or
74 34 property in accordance with the federal Foreign Trade Zones
74 35 Act, 19 U.S.C. } 81a=81u.

75 1 10. Enjoy and possess the same legislative and executive
75 2 rights, privileges, and powers granted cities under chapter
75 3 364 and counties under chapter 331, including the exercise of
75 4 police power but excluding the power to levy taxes.

75 5 11. Maintain such funds as it considers necessary and
75 6 adhere to the public funds investment standards of chapter
75 7 12B, as applicable.

75 8 12. Direct port authority agents or employees, after at
75 9 least five days' written notice, to enter upon lands within
75 10 the port authority's jurisdiction to make surveys and
75 11 examinations preliminary to location and construction of works
75 12 for the port authority, without liability of the port
75 13 authority or its agents or employees except for actual
75 14 damages.

75 15 13. Promote, advertise, and publicize the port authority
75 16 and its facilities, and provide information to shippers and
75 17 other commercial interests.

75 18 14. Adopt bylaws, not in conflict with state or federal
75 19 law, necessary or incidental to the performance of the duties
75 20 of and the execution of the powers of the port authority under
75 21 this chapter.

75 22 15. Do any of the following in regard to interests in real
75 23 or personal property, including machinery, equipment, plants,
75 24 factories, offices, and other structures and facilities
75 25 related to or in furtherance of any authorized purpose as the
75 26 board in its sole discretion may determine:

75 27 a. Loan money to any person or governmental agency for the
75 28 acquisition, construction, furnishing, or equipping of the
75 29 property.

75 30 b. Acquire, construct, maintain, repair, furnish, or equip
75 31 the property.

75 32 c. Sell to, exchange with, lease, convey other interests
75 33 in, or lease with an option to purchase the same or any lesser
75 34 interest in the property to the same or any other person or
75 35 governmental agency.

76 1 d. Guarantee the obligations of any person or governmental
76 2 agency.

76 3 e. Accept and hold as consideration for the conveyance of
76 4 property or any interest therein such property or interests
76 5 therein as the board may determine, notwithstanding any
76 6 restrictions that apply to the investment of funds by a port
76 7 authority.

76 8 16. Sell, lease, or convey other interests in real and
76 9 personal property, and grant easements or rights-of-way over
76 10 property of the port authority. The board shall specify the
76 11 consideration and terms for the sale, lease, or conveyance of
76 12 other interests in real and personal property. A
76 13 determination made by the board under this subsection shall be
76 14 conclusive. The sale, lease, or conveyance may be made
76 15 without advertising and the receipt of bids.

76 16 17. Enter into an agreement with a political subdivision
76 17 comprising the port authority for the political subdivision to
76 18 exercise its right of eminent domain pursuant to chapters 6A
76 19 and 6B on behalf of the port authority. However, a
76 20 condemnation exercised on behalf of a port authority pursuant
76 21 to this subsection shall not take or disturb property or a
76 22 facility belonging to a governmental agency, utility company,
76 23 or common carrier, which property or facility is necessary and
76 24 convenient in the operation of the governmental agency,
76 25 utility company, or common carrier, unless provision is made
76 26 for the restoration, relocation, or duplication of such
76 27 property or facility, or upon the election of the governmental
76 28 agency, utility company, or common carrier, for the payment of
76 29 compensation, if any, at the sole cost of the port authority,
76 30 provided that both of the following apply:

76 31 a. If a restoration or duplication proposed to be made
76 32 under this subsection involves a relocation of the property or
76 33 facility, the new facility and location shall be of at least
76 34 comparable utilitarian value and effectiveness and shall not
76 35 impair the ability of the utility company or common carrier to
77 1 compete in its original area of operation.

77 2 b. If a restoration or duplication made under this
77 3 subsection involves a relocation of the property or facility,
77 4 the port authority shall acquire no interest or right in or to
77 5 the appropriated property or facility, until the relocated
77 6 property or facility is available for use and until marketable
77 7 title thereto has been transferred to the utility company or

77 8 common carrier.

77 9 18. a. Make and enter into all contracts and agreements
77 10 and execute all instruments necessary or incidental to the
77 11 performance of the duties of and the execution of powers of
77 12 the port authority under this chapter.

77 13 b. Except as provided in paragraph "c", when the cost of a
77 14 contract for the construction of a building, structure, or
77 15 other improvement undertaken by a port authority involves an
77 16 expenditure exceeding twenty-five thousand dollars, and the
77 17 port authority is the contracting entity, the port authority
77 18 shall make a written contract after notice calling for bids
77 19 for the award of the contract has been given by publication
77 20 twice, with at least seven days between publications, in a
77 21 newspaper of general circulation in the area of the port
77 22 authority. Each such contract shall be let to the lowest
77 23 responsive and responsible bidder. Every contract shall be
77 24 accompanied by or shall refer to plans and specifications for
77 25 the work to be done, prepared for and approved by the port
77 26 authority, and signed by an authorized officer of the port
77 27 authority and by the contractor.

77 28 c. The board of directors may provide criteria for the
77 29 negotiation and award without competitive bidding of any
77 30 contract as to which the port authority is the contracting
77 31 entity for the construction of any building or structure or
77 32 other improvement under any of the following circumstances:

77 33 (1) A real and present emergency exists that threatens
77 34 damage or injury to persons or property of the port authority
77 35 or other persons, provided that a statement specifying the
78 1 nature of the emergency that is the basis for the negotiation
78 2 and award of a contract without competitive bidding shall be
78 3 signed by the officer of the port authority that executes that
78 4 contract at the time of the contract's execution and shall be
78 5 attached to the contract.

78 6 (2) A commonly recognized industry or other standard or
78 7 specification does not exist and cannot objectively be
78 8 articulated for the improvement.

78 9 (3) The contract is for any energy conservation measure as
78 10 defined in section 7D.34.

78 11 (4) With respect to material to be incorporated into the
78 12 improvement, only a single source or supplier exists for the
78 13 material.

78 14 (5) A single bid is received by the port authority after
78 15 complying with the provisions of paragraph "b".

78 16 d. (1) If a contract is to be negotiated and awarded
78 17 without competitive bidding for the reason set forth in
78 18 paragraph "c", subparagraph (2), the port authority shall
78 19 publish a notice calling for technical proposals at least
78 20 twice, with at least seven days between publications, in a
78 21 newspaper of general circulation in the area of the port
78 22 authority. After receipt of the technical proposals, the port
78 23 authority may negotiate with and award a contract for the
78 24 improvement to the person making the proposal considered to be
78 25 the most advantageous to the port authority.

78 26 (2) If a contract is to be negotiated and awarded without
78 27 competitive bidding for the reason set forth in paragraph "c",
78 28 subparagraph (4), construction activities related to the
78 29 incorporation of the material into the improvement also may be
78 30 provided without competitive bidding by the source or supplier
78 31 of that material.

78 32 e. A purchase, exchange, sale, lease, lease with an option
78 33 to purchase, conveyance of other interests in, or other
78 34 contract with a person or governmental agency that pertains to
78 35 the acquisition, construction, maintenance, repair,
79 1 furnishing, equipping, or operation of any real or personal
79 2 property, related to or in furtherance of economic development
79 3 and the provision of adequate housing, shall be made in such
79 4 manner and subject to such terms and conditions as may be
79 5 determined in the board's discretion. This paragraph applies
79 6 to all contracts that are subject to this section,
79 7 notwithstanding any other provision of law that might
79 8 otherwise apply, including a requirement of notice,
79 9 competitive bidding or selection, or for the provision of
79 10 security. However, this paragraph shall not apply to a
79 11 contract secured exclusively by or to be paid exclusively from
79 12 the general revenues of the port authority. For the purposes
79 13 of this paragraph, any revenues derived by the port authority
79 14 under a lease or other agreement that, by its terms,
79 15 contemplates the use of amounts payable under the agreement
79 16 either to pay the costs of the improvement that is the subject
79 17 of the contract or to secure obligations of the port authority
79 18 issued to finance costs of such improvement, are excluded from

79 19 general revenues.
79 20 19. Employ managers, superintendents, and other employees
79 21 and retain or contract with consulting engineers, financial
79 22 consultants, accounting experts, architects, attorneys, and
79 23 any other consultants and independent contractors as are
79 24 necessary in the port authority's judgment to carry out this
79 25 chapter, and fix the compensation thereof. All expenses
79 26 thereof shall be payable from any available funds of the port
79 27 authority or from funds appropriated for that purpose by the
79 28 political subdivisions comprising the port authority.
79 29 20. Receive and accept from a governmental agency grants
79 30 and loans for the construction of a port authority facility,
79 31 for research and development with respect to a port authority
79 32 facility, or any other authorized purpose, and receive and
79 33 accept aid or contributions from any source of moneys,
79 34 property, labor, or other things of value, to be held, used,
79 35 and applied only for the purposes for which the grants, loans,
80 1 aid, or contributions are made.
80 2 21. Engage in research and development with respect to a
80 3 port authority facility.
80 4 22. Purchase fire and extended coverage and liability
80 5 insurance for a port authority facility and for the principal
80 6 office and branch offices of the port authority, insurance
80 7 protecting the port authority and its officers and employees
80 8 against liability for damage to property or injury to or death
80 9 of persons arising from its operations, and any other
80 10 insurance the port authority may agree to provide under a
80 11 resolution authorizing port authority revenue bonds, pledge
80 12 orders, or in any trust agreement securing the same.
80 13 23. Charge, alter, and collect rental fees and other
80 14 charges for the use or services of a port authority facility
80 15 as provided in section 28J.16.
80 16 24. Perform all acts necessary or proper to carry out the
80 17 powers expressly granted in this chapter.
80 18 Sec. 98. NEW SECTION. 28J.10 PARTICIPATION OF PRIVATE
80 19 ENTERPRISE.
80 20 The port authority shall foster and encourage the
80 21 participation of private enterprise in the development of the
80 22 port authority facilities to the fullest extent practicable in
80 23 the interest of limiting the necessity of construction and
80 24 operation of the facilities by the port authority.
80 25 Sec. 99. NEW SECTION. 28J.11 PROVISIONS DO NOT AFFECT
80 26 OTHER LAWS OR POWERS.
80 27 This chapter shall not do any of the following:
80 28 1. Impair a provision of law directing the payment of
80 29 revenues derived from public property into sinking funds or
80 30 dedicating those revenues to specific purposes.
80 31 2. Impair the powers of a political subdivision to develop
80 32 or improve a port and terminal facility except as restricted
80 33 by section 28J.15.
80 34 3. Enlarge, alter, diminish, or affect in any way, a lease
80 35 or conveyance made, or action taken prior to the creation of a
81 1 port authority under section 28J.2 by a city or a county.
81 2 4. Impair or interfere with the exercise of a permit for
81 3 the removal of sand or gravel, or other similar permits issued
81 4 by a governmental agency.
81 5 5. Impair or contravene applicable federal regulations.
81 6 Sec. 100. NEW SECTION. 28J.12 CONVEYANCE, LEASE, OR
81 7 EXCHANGE OF PUBLIC PROPERTY.
81 8 A port authority may convey or lease, lease with an option
81 9 to purchase, or exchange with any governmental agency or other
81 10 port authority without competitive bidding and on mutually
81 11 agreeable terms, any personal or real property, or any
81 12 interest therein.
81 13 Sec. 101. NEW SECTION. 28J.13 ANNUAL BUDGET == USE OF
81 14 RENTS AND CHARGES.
81 15 The board shall annually prepare a budget for the port
81 16 authority. Revenues received by the port authority shall be
81 17 used for the general expenses of the port authority and to pay
81 18 interest, amortization, and retirement charges on money
81 19 borrowed. Except as provided in section 28J.26, if there
81 20 remains, at the end of any fiscal year, a surplus of such
81 21 funds after providing for the above uses, the board shall pay
81 22 such surplus into the general funds of the political
81 23 subdivisions comprising the port authority as agreed to by the
81 24 subdivisions.
81 25 Sec. 102. NEW SECTION. 28J.14 SECRETARY TO FURNISH BOND
81 26 == DEPOSIT AND DISBURSEMENT OF FUNDS.
81 27 Before receiving any revenues, the secretary of a port
81 28 authority shall furnish a bond in such amount as shall be
81 29 determined by the port authority with sureties satisfactory to

81 30 the port authority, and all funds coming into the hands of the
81 31 secretary shall be deposited by the secretary to the account
81 32 of the port authority in one or more such depositories as
81 33 shall be qualified to receive deposits of county funds, which
81 34 deposits shall be secured in the same manner as county funds
81 35 are required to be secured. A disbursement shall not be made
82 1 from such funds except in accordance with policies and
82 2 procedures adopted by the port authority.

82 3 Sec. 103. NEW SECTION. 28J.15 LIMITATION ON CERTAIN
82 4 POWERS OF POLITICAL SUBDIVISIONS.

82 5 A political subdivision creating or participating in the
82 6 creation of a port authority in accordance with section 28J.2
82 7 shall not, during the time the port authority is in existence,
82 8 exercise the rights and powers provided in chapters 28A, 28K,
82 9 and 384 relating to the political subdivision's authority over
82 10 a port, wharf, dock, harbor or other facility substantially
82 11 similar to that political subdivision's authority under a port
82 12 authority granted under this chapter.

82 13 Sec. 104. NEW SECTION. 28J.16 RENTALS OR CHARGES FOR USE
82 14 OR SERVICES OF FACILITIES == AGREEMENTS WITH GOVERNMENTAL
82 15 AGENCIES.

82 16 1. a. A port authority may charge, alter, and collect
82 17 rental fees or other charges for the use or services of any
82 18 port authority facility and contract for the use or services
82 19 of a facility, and fix the terms, conditions, rental fees, or
82 20 other charges for the use or services.

82 21 b. If the services are furnished in the jurisdiction of
82 22 the port authority by a utility company or a common carrier,
82 23 the port authority's charges for the services shall not be
82 24 less than the charges established for the same services
82 25 furnished by a utility company or common carrier in the port
82 26 authority jurisdiction.

82 27 c. The rental fees or other charges shall not be subject
82 28 to supervision or regulation by any other authority,
82 29 commission, board, bureau, or governmental agency of the state
82 30 and the contract may provide for acquisition of all or any
82 31 part of the port authority facility for such consideration
82 32 payable over the period of the contract or otherwise as the
82 33 port authority determines to be appropriate, but subject to
82 34 the provisions of any resolution authorizing the issuance of
82 35 port authority revenue bonds or any trust agreement securing

83 1 the bonds.
83 2 d. A governmental agency that has power to construct,
83 3 operate, and maintain a port authority facility may enter into
83 4 a contract or lease with a port authority for the use or
83 5 services of a port authority facility as may be agreed to by
83 6 the port authority and the governmental agency.

83 7 2. a. A governmental agency may cooperate with the port
83 8 authority in the acquisition or construction of a port
83 9 authority facility and shall enter into such agreements with
83 10 the port authority as may be appropriate, which shall provide
83 11 for contributions by the parties in a proportion as may be
83 12 agreed upon and other terms as may be mutually satisfactory to
83 13 the parties including the authorization of the construction of
83 14 the facility by one of the parties acting as agent for all of
83 15 the parties and the ownership and control of the facility by
83 16 the port authority to the extent necessary or appropriate.

83 17 b. A governmental agency may provide funds for the payment
83 18 of any contribution required under such agreements by the levy
83 19 of taxes or assessments if otherwise authorized by the laws
83 20 governing the governmental agency in the construction of the
83 21 type of port authority facility provided for in the
83 22 agreements, and may pay the proceeds from the collection of
83 23 the taxes or assessments; or the governmental agency may issue
83 24 bonds or notes, if authorized by law, in anticipation of the
83 25 collection of the taxes or assessments, and may pay the
83 26 proceeds of the bonds or notes to the port authority pursuant
83 27 to such agreements.

83 28 c. A governmental agency may provide the funds for the
83 29 payment of a contribution by the appropriation of moneys or,
83 30 if otherwise authorized by law, by the issuance of bonds or
83 31 notes and may pay the appropriated moneys or the proceeds of
83 32 the bonds or notes to the port authority pursuant to such
83 33 agreements.

83 34 3. When the contribution of any governmental agency is to
83 35 be made over a period of time from the proceeds of the
84 1 collection of special assessments, the interest accrued and to
84 2 accrue before the first installment of the assessments is
84 3 collected, which is payable by the governmental agency on the
84 4 contribution under the terms and provisions of the agreements,
84 5 shall be treated as part of the cost of the improvement for

84 6 which the assessments are levied, and that portion of the
84 7 assessments that is collected in installments shall bear
84 8 interest at the same rate as the governmental agency is
84 9 obligated to pay on the contribution under the terms and
84 10 provisions of the agreements and for the same period of time
84 11 as the contribution is to be made under the agreements. If
84 12 the assessment or any installment thereof is not paid when
84 13 due, it shall bear interest until the payment thereof at the
84 14 same rate as the contribution and the county auditor shall
84 15 annually place on the tax list and duplicate the interest
84 16 applicable to the assessment and the penalty thereon as
84 17 otherwise authorized by law.

84 18 4. A governmental agency, pursuant to a favorable vote in
84 19 an election regarding issuing bonds to provide funds to
84 20 acquire, construct, or equip, or provide real estate and
84 21 interests in real estate for a port authority facility,
84 22 whether or not the governmental agency at the time of the
84 23 election had the authority to pay the proceeds from the bonds
84 24 or notes issued in anticipation of the bonds to the port
84 25 authority as provided in this section, may issue such bonds or
84 26 notes in anticipation of the issuance of the bonds and pay the
84 27 proceeds of the bonds or notes to the port authority in
84 28 accordance with an agreement with the port authority;
84 29 provided, that the legislative authority of the governmental
84 30 agency finds and determines that the port authority facility
84 31 to be acquired or constructed in cooperation with the
84 32 governmental agency will serve the same public purpose and
84 33 meet substantially the same public need as the facility
84 34 otherwise proposed to be acquired or constructed by the
84 35 governmental agency with the proceeds of the bonds and notes.

85 1 Sec. 105. NEW SECTION. 28J.17 CONTRACTS, ARRANGEMENTS,
85 2 AND AGREEMENTS.

85 3 1. a. A port authority may enter into a contract or other
85 4 arrangement with a person, railroad, utility company,
85 5 corporation, governmental agency including sewerage, drainage,
85 6 conservation, conservancy, or other improvement districts in
85 7 this or other states, or the governments or agencies of
85 8 foreign countries as may be necessary or convenient for the
85 9 exercise of the powers granted by this chapter. The port
85 10 authority may purchase, lease, or acquire land or other
85 11 property in any county of this state and in adjoining states
85 12 for the accomplishment of authorized purposes of the port
85 13 authority, or for the improvement of the harbor and port
85 14 facilities over which the port authority may have jurisdiction
85 15 including development of port facilities in adjoining states.
85 16 The authority granted in this section to enter into contracts
85 17 or other arrangements with the federal government includes the
85 18 power to enter into any contracts, arrangements, or agreements
85 19 that may be necessary to hold and save harmless the United
85 20 States from damages due to the construction and maintenance by
85 21 the United States of work the United States undertakes.

85 22 b. A political subdivision that has participated in the
85 23 creation of a port authority, or is within, or adjacent to a
85 24 political subdivision that is within the jurisdiction of a
85 25 port authority, may enter into an agreement with the port
85 26 authority to accomplish any of the authorized purposes of the
85 27 port authority. The agreement may set forth the extent to
85 28 which the port authority shall act as the agent of the
85 29 political subdivision.

85 30 2. A port authority may enter into an agreement with a
85 31 contracting governmental agency, whereby the port authority or
85 32 the contracting governmental agency undertakes, and is
85 33 authorized by the port authority or a contracting governmental
85 34 agency, to exercise any power, perform any function, or render
85 35 any service, on behalf of the port authority or a contracting
86 1 governmental agency, which the port authority or the
86 2 contracting governmental agency is authorized to exercise,
86 3 perform, or render.

86 4 Sec. 106. NEW SECTION. 28J.18 REVENUE BONDS ARE LAWFUL
86 5 INVESTMENTS.

86 6 Port authority revenue bonds issued pursuant to this
86 7 chapter are lawful investments of banks, credit unions, trust
86 8 companies, savings and loan associations, deposit guaranty
86 9 associations, insurance companies, trustees, fiduciaries,
86 10 trustees or other officers having charge of the bond
86 11 retirement funds or sinking funds of port authorities and
86 12 governmental agencies, and taxing districts of this state, the
86 13 pension and annuity retirement system, the Iowa public
86 14 employees' retirement system, the police and fire retirement
86 15 systems under chapters 410 and 411, a revolving fund of a
86 16 governmental agency of this state, and are acceptable as

86 17 security for the deposit of public funds under chapter 12C.

86 18 Sec. 107. NEW SECTION. 28J.19 PROPERTY TAX EXEMPTION.

86 19 A port authority shall be exempt from and shall not be
86 20 required to pay taxes on real property belonging to a port
86 21 authority that is used exclusively for an authorized purpose
86 22 as provided in section 427.1, subsection 34.

86 23 Sec. 108. NEW SECTION. 28J.20 LOANS FOR ACQUISITION OR
86 24 CONSTRUCTION OF FACILITY == SALE OF FACILITY == POWER TO
86 25 ENCUMBER PROPERTY.

86 26 1. With respect to the financing of a facility for an
86 27 authorized purpose, under an agreement whereby the person to
86 28 whom the facility is to be leased, subleased, or sold, or to
86 29 whom a loan is to be made for the facility, is to make
86 30 payments sufficient to pay all of the principal of, premium,
86 31 and interest on the port authority revenue bonds issued for
86 32 the facility, the port authority, in addition to other powers
86 33 under this chapter, may do any of the following:

86 34 a. Make loans for the acquisition or construction of the
86 35 facility to such person upon such terms as the port authority
87 1 may determine or authorize including secured or unsecured
87 2 loans, and enter into loan agreements and other agreements,
87 3 accept notes and other forms of obligation to evidence such
87 4 indebtedness and mortgages, liens, pledges, assignments, or
87 5 other security interests to secure such indebtedness, which
87 6 may be prior or subordinate to or on a parity with other
87 7 indebtedness, obligations, mortgages, pledges, assignments,
87 8 other security interests, or liens or encumbrances, and take
87 9 actions considered appropriate to protect such security and
87 10 safeguard against losses, including, without limitation,
87 11 foreclosure and the bidding upon and purchase of property upon
87 12 foreclosure or other sale.

87 13 b. Sell the facility under terms as the port authority may
87 14 determine, including sale by conditional sale or installment
87 15 sale, under which title may pass prior to or after completion
87 16 of the facility or payment or provisions for payment of all
87 17 principal of, premium, and interest on the revenue bonds, or
87 18 at any other time provided in the agreement pertaining to the
87 19 sale, and including sale under an option to purchase at a
87 20 price which may be a nominal amount or less than true value at
87 21 the time of purchase.

87 22 c. Grant a mortgage, lien, or other encumbrance on, or
87 23 pledge or assignment of, or other security interest with
87 24 respect to, all or any part of the facility, revenues, reserve
87 25 funds, or other funds established in connection with the bonds
87 26 or with respect to a lease, sublease, sale, conditional sale
87 27 or installment sale agreement, loan agreement, or other
87 28 agreement pertaining to the lease, sublease, sale, or other
87 29 disposition of a facility or pertaining to a loan made for a
87 30 facility, or a guaranty or insurance agreement made with
87 31 respect thereto, or an interest of the port authority therein,
87 32 or any other interest granted, assigned, or released to secure
87 33 payments of the principal of, premium, or interest on the
87 34 bonds or to secure any other payments to be made by the port
87 35 authority, which mortgage, lien, encumbrance, pledge,
88 1 assignment, or other security interest may be prior or
88 2 subordinate to or on a parity with any other mortgage, or
88 3 assignment, or other security interest, or lien or
88 4 encumbrance.

88 5 d. Contract for the acquisition or construction of the
88 6 facility or any part thereof and for the leasing, subleasing,
88 7 sale, or other disposition of the facility in a manner
88 8 determined by the port authority in its sole discretion,
88 9 without necessity for competitive bidding or performance
88 10 bonds.

88 11 e. Make appropriate provision for adequate maintenance of
88 12 the facility.

88 13 2. With respect to a facility referred to in this section,
88 14 the authority granted by this section is cumulative and
88 15 supplementary to all other authority granted in this chapter.
88 16 The authority granted by this section does not alter or impair
88 17 a similar authority granted elsewhere in this chapter for or
88 18 with respect to other facilities.

88 19 Sec. 109. NEW SECTION. 28J.21 ISSUANCE OF REVENUE AND
88 20 REFUNDING BONDS.

88 21 1. A port authority may issue revenue bonds and pledge
88 22 orders payable solely from the net revenues of the port
88 23 authority including the revenues generated from a facility
88 24 pursuant to section 28J.20. The revenue bonds may be issued
88 25 in such principal amounts as, in the opinion of the port
88 26 authority, are necessary for the purpose of paying the cost of
88 27 one or more port authority facilities or parts thereof.

88 28 2. a. The resolution to issue the bonds must be adopted
88 29 at a regular or special meeting of the board called for that
88 30 purpose by a majority of the total number of members of the
88 31 board. The board shall fix a date, time, and place of meeting
88 32 at which it proposes to take action, and give notice by
88 33 publication in the manner directed in section 331.305. The
88 34 notice must include a statement of the date, time, and place
88 35 of the meeting, the maximum amount of the proposed revenue
89 1 bonds, the purpose for which the revenue bonds will be issued,
89 2 and the net revenues to be used to pay the principal and
89 3 interest on the revenue bonds.

89 4 b. At the meeting the board shall receive oral or written
89 5 objections from any resident or property owner within the
89 6 jurisdiction of the port authority. After all objections have
89 7 been received and considered, the board, at the meeting or a
89 8 date to which it is adjourned, may take additional action for
89 9 the issuance of the bonds or abandon the proposal to issue
89 10 bonds. Any resident or property owner within the jurisdiction
89 11 of the port authority may appeal a decision of the board to
89 12 take additional action in district court within fifteen days
89 13 after the additional action is taken, but the additional
89 14 action of the board is final and conclusive unless the court
89 15 finds that the board exceeded its authority.

89 16 3. The board may sell revenue bonds or pledge orders at
89 17 public or private sale and may deliver revenue bonds and
89 18 pledge orders to the contractors, sellers, and other persons
89 19 furnishing materials and services constituting a part of the
89 20 cost of the port authority facility in payment therefor. The
89 21 pledge of any net revenues of a port authority is valid and
89 22 effective as to all persons including but not limited to other
89 23 governmental bodies when it becomes valid and effective
89 24 between the port authority and the holders of the revenue
89 25 bonds or pledge orders.

89 26 4. A revenue bond is valid and binding for all purposes if
89 27 it bears the signatures or a facsimile of the signature of the
89 28 officer designated by the port authority. Port authority
89 29 revenue bonds may bear dates, bear interest at rates not
89 30 exceeding those permitted by chapter 74A, bear interest at a
89 31 variable rate or rates changing from time to time in
89 32 accordance with a base or formula, mature in one or more
89 33 installments, be in registered form, carry registration and
89 34 conversion privileges, be payable as to principal and interest
89 35 at times and places, be subject to terms of redemption prior
90 1 to maturity with or without premium, and be in one or more
90 2 denominations, all as provided by the resolution of the board
90 3 authorizing their issuance. The resolution may also prescribe
90 4 additional provisions, terms, conditions, and covenants which
90 5 the port authority deems advisable, consistent with this
90 6 chapter, including provisions for creating and maintaining
90 7 reserve funds, the issuance of additional revenue bonds
90 8 ranking on a parity with such revenue bonds and additional
90 9 revenue bonds junior and subordinate to such revenue bonds,
90 10 and that such revenue bonds shall rank on a parity with or be
90 11 junior and subordinate to any revenue bonds which may be then
90 12 outstanding. Port authority revenue bonds are a contract
90 13 between the port authority and holders and the resolution is a
90 14 part of the contract.

90 15 5. The port authority may issue revenue bonds to refund
90 16 revenue bonds, pledge orders, and other obligations which are
90 17 by their terms payable from the net revenues of the same port
90 18 authority, at lower, the same, or higher rates of interest. A
90 19 port authority may sell refunding revenue bonds at public or
90 20 private sale and apply the proceeds to the payment of the
90 21 obligations being refunded, and may exchange refunding revenue
90 22 bonds in payment and discharge of the obligations being
90 23 refunded. The principal amount of refunding revenue bonds may
90 24 exceed the principal amount of the obligations being refunded
90 25 to the extent necessary to pay any premium due on the call of
90 26 the obligations being refunded and to fund interest accrued
90 27 and to accrue on the obligations being refunded.

90 28 6. The final maturity of any original issue of port
90 29 authority revenue bonds shall not exceed forty years from the
90 30 date of issue, and the final maturity of port authority
90 31 revenue bonds that refund outstanding port authority revenue
90 32 bonds shall not be later than the later of forty years from
90 33 the date of issue of the original issue of bonds or the date
90 34 by which it is expected, at the time of issuance of the
90 35 refunding bonds, that the useful life of all of the property
91 1 refinanced with the proceeds of the bonds, other than
91 2 interests in land, will have expired. Such bonds or notes
91 3 shall be executed in a manner as the resolution may provide.

91 4 7. The port authority may contract to pay an amount not to
91 5 exceed ninety-five percent of the engineer's estimated value
91 6 of the acceptable work completed during the month to the
91 7 contractor at the end of each month for work, material, or
91 8 services. Payment may be made in warrants drawn on any fund
91 9 from which payment for the work may be made. If such funds
91 10 are depleted, anticipatory warrants may be issued bearing a
91 11 rate of interest not exceeding that permitted by chapter 74A
91 12 even if income from the sale of bonds which have been
91 13 authorized and are applicable to the public improvement takes
91 14 place after the fiscal year in which the warrants are issued.
91 15 If the port authority arranges for the private sale of
91 16 anticipatory warrants, the warrants may be sold and the
91 17 proceeds used to pay the contractor. The warrants may also be
91 18 used to pay other persons furnishing services constituting a
91 19 part of the cost of the public improvement.

91 20 8. Port authority revenue bonds, pledge orders, and
91 21 warrants issued under this section are negotiable instruments.

91 22 9. The board may issue pledge orders pursuant to a
91 23 resolution adopted by a majority of the total number of
91 24 supervisors, at a regular or special meeting, ordering their
91 25 issuance and delivery in payment for all or part of the cost
91 26 of a project. Pledge orders may bear interest at rates not
91 27 exceeding those permitted by chapter 74A.

91 28 10. Except as provided in section 28J.20, the physical
91 29 properties of the port authority shall not be pledged or
91 30 mortgaged to secure the payment of revenue bonds, pledge
91 31 orders, or refunding bonds, or the interest thereon.

91 32 11. The members of the board of the port authority and any
91 33 person executing the bonds or pledge orders shall not be
91 34 personally liable on the bonds or pledge orders or be subject
91 35 to any personal liability or accountability by reason of the
92 1 issuance thereof.

92 2 Sec. 110. NEW SECTION. 28J.22 BONDS MAY BE SECURED BY
92 3 TRUST AGREEMENT.

92 4 1. In the discretion of the port authority, a port
92 5 authority revenue bond issued under this chapter may be
92 6 secured by a trust agreement between the port authority and a
92 7 corporate trustee that may be any trust company or bank having
92 8 the powers of a trust company within this or any other state.

92 9 2. The trust agreement may pledge or assign revenues of
92 10 the port authority to be received for payment of the revenue
92 11 bonds. The trust agreement or any resolution providing for
92 12 the issuance of revenue bonds may contain provisions for
92 13 protecting and enforcing the rights and remedies of the
92 14 bondholders as are reasonable and proper and not in violation
92 15 of law, including covenants setting forth the duties of the
92 16 port authority in relation to the acquisition of property, the
92 17 construction, improvement, maintenance, repair, operation, and
92 18 insurance of the port authority facility in connection with
92 19 which the bonds are authorized, the rentals or other charges
92 20 to be imposed for the use or services of any port authority
92 21 facility, the custody, safeguarding, and application of all
92 22 moneys, and provisions for the employment of consulting
92 23 engineers in connection with the construction or operation of
92 24 any port authority facility.

92 25 3. A bank or trust company incorporated under the laws of
92 26 this state, that may act as the depository of the proceeds of
92 27 bonds or of revenues, shall furnish any indemnifying bonds or
92 28 may pledge any securities that are required by the port
92 29 authority. The trust agreement may set forth the rights and
92 30 remedies of the bondholders and of the trustee, and may
92 31 restrict the individual right of action by bondholders as is
92 32 customary in trust agreements or trust indentures securing
92 33 similar bonds. The trust agreement may contain any other
92 34 provisions that the port authority determines reasonable and
92 35 proper for the security of the bondholders. All expenses
93 1 incurred in carrying out the provisions of the trust agreement
93 2 may be treated as a part of the cost of the operation of the
93 3 port authority facility.

93 4 Sec. 111. NEW SECTION. 28J.23 REMEDY OF HOLDER OF BOND
93 5 OR COUPON == STATUTE OF LIMITATIONS.

93 6 1. The sole remedy for a breach or default of a term of a
93 7 port authority revenue bond or pledge order is a proceeding in
93 8 law or in equity by suit, action, or mandamus to enforce and
93 9 compel performance of the duties required by this chapter and
93 10 of the terms of the resolution authorizing the issuance of the
93 11 revenue bonds or pledge orders, or to obtain the appointment
93 12 of a receiver to take possession of and operate the port
93 13 authority, and to perform the duties required by this chapter
93 14 and the terms of the resolution authorizing the issuance of

93 15 the port authority revenue bonds or pledge orders.
93 16 2. An action shall not be brought which questions the
93 17 legality of port authority revenue bonds or pledge orders, the
93 18 power of a port authority to issue revenue bonds or pledge
93 19 orders, or the effectiveness of any proceedings relating to
93 20 the authorization and issuance of revenue bonds or pledge
93 21 orders, from and after fifteen days from the time the bonds or
93 22 pledge orders are ordered issued by the port authority.

93 23 Sec. 112. NEW SECTION. 28J.24 BONDS ARE PAYABLE SOLELY
93 24 FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

93 25 Port authority revenue bonds and pledge orders issued under
93 26 this chapter do not constitute a debt, or a pledge of the
93 27 faith and credit, of the state or a political subdivision of
93 28 the state, and the holders or owners of the bonds or pledge
93 29 orders shall not have taxes levied by the state or by a taxing
93 30 authority of a governmental agency of the state for the
93 31 payment of the principal of or interest on the bonds or pledge
93 32 orders, but the bonds and pledge orders are payable solely
93 33 from the revenues and funds pledged for their payment as
93 34 authorized by this chapter, unless the notes are issued in
93 35 anticipation of the issuance of bonds or pledge orders or the
94 1 bonds and pledge orders are refunded by refunding bonds issued
94 2 under this chapter, which bonds, pledge orders, or refunding
94 3 bonds shall be payable solely from revenues and funds pledged
94 4 for their payment as authorized by those sections. All of the
94 5 bonds or pledge orders shall contain a statement to the effect
94 6 that the bonds or pledge orders, as to both principal and
94 7 interest, are not debts of the state or a political
94 8 subdivision of the state, but are payable solely from revenues
94 9 and funds pledged for their payment.

94 10 Sec. 113. NEW SECTION. 28J.25 FUNDS AND PROPERTY HELD IN
94 11 TRUST == USE AND DEPOSIT OF FUNDS.

94 12 All revenues, funds, properties, and assets acquired by the
94 13 port authority under this chapter, whether as proceeds from
94 14 the sale of port authority revenue bonds, pledge orders, or as
94 15 revenues, shall be held in trust for the purposes of carrying
94 16 out the port authority's powers and duties, shall be used and
94 17 reused as provided in this chapter, and shall at no time be
94 18 part of other public funds. Such funds, except as otherwise
94 19 provided in a resolution authorizing port authority revenue
94 20 bonds or in a trust agreement securing the same, or except
94 21 when invested pursuant to section 28J.26, shall be kept in
94 22 depositories selected by the port authority in the manner
94 23 provided in chapter 12C, and the deposits shall be secured as
94 24 provided in that chapter. The resolution authorizing the
94 25 issuance of revenue bonds or pledge orders, or the trust
94 26 agreement securing such bonds or pledge orders shall provide
94 27 that any officer to whom, or any bank or trust company to
94 28 which, such moneys are paid shall act as trustee of such
94 29 moneys and hold and apply them for the purposes hereof,
94 30 subject to such conditions as this chapter and such resolution
94 31 or trust agreement provide.

94 32 Sec. 114. NEW SECTION. 28J.26 INVESTMENT OF EXCESS
94 33 FUNDS.

94 34 1. If a port authority has surplus funds after making all
94 35 deposits into all funds required by the terms, covenants,
95 1 conditions, and provisions of outstanding revenue bonds,
95 2 pledge orders, and refunding bonds which are payable from the
95 3 revenues of the port authority and after complying with all of
95 4 the requirements, terms, covenants, conditions, and provisions
95 5 of the proceedings and resolutions pursuant to which revenue
95 6 bonds, pledge orders, and refunding bonds are issued, the
95 7 board may transfer the surplus funds to any other fund of the
95 8 port authority in accordance with this chapter and chapter
95 9 12C, provided that a transfer shall not be made if it
95 10 conflicts with any of the requirements, terms, covenants,
95 11 conditions, or provisions of a resolution authorizing the
95 12 issuance of revenue bonds, pledge orders, or other obligations
95 13 which are payable from the revenues of the port authority
95 14 which are then outstanding.

95 15 2. This section does not prohibit or prevent the board
95 16 from using funds derived from any other source which may be
95 17 properly used for such purpose, to pay a part of the cost of a
95 18 facility.

95 19 Sec. 115. NEW SECTION. 28J.27 CHANGE IN LOCATION OF
95 20 PUBLIC WAY, RAILROAD, OR UTILITY FACILITY == VACATION OF
95 21 HIGHWAY.

95 22 1. When a port authority changes the location of any
95 23 portion of any public road, railroad, or utility facility in
95 24 connection with the construction of a port authority facility,
95 25 the port authority shall reconstruct at such location as the

95 26 governmental agency having jurisdiction over such road,
95 27 railroad, or utility facility finds most favorable. The
95 28 construction of such road, railroad, or utility facility shall
95 29 be of substantially the same type and in as good condition as
95 30 the original road, railroad, or utility facility. The cost of
95 31 such reconstruction, relocation, or removal and any damage
95 32 incurred in changing the location of any such road, railroad,
95 33 or utility facility shall be paid by the port authority as a
95 34 part of the cost of the port authority facility.

95 35 2. When the port authority finds it necessary that a
96 1 public highway or portion of a public highway be vacated by
96 2 reason of the acquisition or construction of a port authority
96 3 facility, the port authority may request the director of the
96 4 department of transportation to vacate such highway or portion
96 5 in accordance with chapter 306 if the highway or portion to be
96 6 vacated is on the state highway system, or, if the highway or
96 7 portion to be vacated is under the jurisdiction of a county,
96 8 the port authority shall petition the board of supervisors of
96 9 that county, in the manner provided in chapter 306, to vacate
96 10 such highway or portion. The port authority shall pay to the
96 11 county, as a part of the cost of such port authority facility,
96 12 any amounts required to be deposited with a court in
96 13 connection with proceedings for the determination of
96 14 compensation and damages and all amounts of compensation and
96 15 damages finally determined to be payable as a result of such
96 16 vacation.

96 17 3. The port authority may adopt bylaws for the
96 18 installation, construction, maintenance, repair, renewal,
96 19 relocation, and removal of railroad or utility facilities in,
96 20 on, over, or under any port authority facility. Whenever the
96 21 port authority determines that it is necessary that any such
96 22 facility installed or constructed in, on, over, or under
96 23 property of the port authority pursuant to such bylaws be
96 24 relocated, the utility company owning or operating such
96 25 facility shall relocate or remove them in accordance with the
96 26 order of the port authority. The cost and expenses of such
96 27 relocation or removal, including the cost of installing such
96 28 facility in a new location, the cost of any lands, or any
96 29 rights or interests in lands, and any other rights, acquired
96 30 to accomplish such relocation or removal, shall be paid by the
96 31 port authority as a part of the cost of the port authority
96 32 facility. In case of any such relocation or removal of such
96 33 facilities, the railroad or utility company owning or
96 34 operating them, its successors, or assigns may maintain and
96 35 operate such facilities, with the necessary appurtenances, in
97 1 the new location in, on, over, or under the property of the
97 2 port authority for as long a period and upon the same terms as
97 3 the railroad or utility company had the right to maintain and
97 4 operate such facilities in their former location.

97 5 Sec. 116. NEW SECTION. 28J.28 FINAL ACTIONS TO BE
97 6 RECORDED == ANNUAL REPORT == CONFIDENTIALITY OF INFORMATION.

97 7 1. All final actions of the port authority shall be
97 8 recorded and the records of the port authority shall be open
97 9 to public examination and copying pursuant to chapter 22. Not
97 10 later than the first day of April every year, a port authority
97 11 shall submit a report to the director of the department of
97 12 economic development detailing the projects and activities of
97 13 the port authority during the previous calendar year. The
97 14 report shall include, but not be limited to, all aspects of
97 15 those projects and activities, including the progress and
97 16 status of the projects and their costs, and any other
97 17 information the director determines should be included in the
97 18 report.

97 19 2. Financial and proprietary information, including trade
97 20 secrets, submitted to a port authority or the agents of a port
97 21 authority, in connection with the relocation, location,
97 22 expansion, improvement, or preservation of a business or
97 23 nonprofit corporation is not a public record subject to
97 24 chapter 22. Any other information submitted under those
97 25 circumstances is not a public record subject to chapter 22
97 26 until there is a commitment in writing to proceed with the
97 27 relocation, location, expansion, improvement, or preservation.

97 28 3. Notwithstanding chapter 21, the board of directors of a
97 29 port authority, when considering information that is not a
97 30 public record under this section, may close a meeting during
97 31 the consideration of that information pursuant to a vote of
97 32 the majority of the directors present on a motion stating that
97 33 such information is to be considered. Other matters shall not
97 34 be considered during the closed session.

97 35 Sec. 117. NEW SECTION. 28J.29 PROVISIONS TO BE LIBERALLY
98 1 CONSTRUED.

98 2 This chapter shall be liberally construed to effect the
98 3 chapter's purposes.
98 4 Sec. 118. Section 427.1, Code 2005, is amended by adding
98 5 the following new subsection:
98 6 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The
98 7 property of a port authority created pursuant to section
98 8 28J.2, when devoted to public use and not held for pecuniary
98 9 profit.

DIVISION XVI
PROPERTY ASSESSMENT

98 10
98 11
98 12 Sec. 119. Section 7E.6, subsection 5, Code 2005, is
98 13 amended to read as follows:

98 14 5. Any position of membership on the board of parole, the
98 15 public employment relations board, the utilities board, ~~and~~
98 16 the employment appeal board, and the property assessment
98 17 appeal board shall be compensated as otherwise provided in
98 18 law.

98 19 Sec. 120. Section 13.7, Code 2005, is amended to read as
98 20 follows:

98 21 13.7 SPECIAL COUNSEL.

98 22 Compensation shall not be allowed to any person for
98 23 services as an attorney or counselor to an executive
98 24 department of the state government, or the head thereof, or to
98 25 a state board or commission. However, the executive council
98 26 may employ legal assistance, at a reasonable compensation, in
98 27 a pending action or proceeding to protect the interests of the
98 28 state, but only upon a sufficient showing, in writing, made by
98 29 the attorney general, that the department of justice cannot
98 30 for reasons stated by the attorney general perform the
98 31 service, which reasons and action of the council shall be
98 32 entered upon its records. When the attorney general
98 33 determines that the department of justice cannot perform legal
98 34 service in an action or proceeding, the executive council
98 35 shall request the department involved in the action or
99 1 proceeding to recommend legal counsel to represent the
99 2 department. If the attorney general concurs with the
99 3 department that the person recommended is qualified and
99 4 suitable to represent the department, the person recommended
99 5 shall be employed. If the attorney general does not concur in
99 6 the recommendation, the department shall submit a new
99 7 recommendation. This section does not affect the general
99 8 counsel for the utilities board of the department of commerce,
99 9 ~~or~~ the legal counsel of the department of workforce
99 10 development, or the general counsel for the property
99 11 assessment appeal board.

99 12 Sec. 121. NEW SECTION. 421.1A PROPERTY ASSESSMENT APPEAL
99 13 BOARD.

99 14 1. A statewide property assessment appeal board is created
99 15 for the purpose of establishing a consistent, fair, and
99 16 equitable property assessment appeal process. The statewide
99 17 property assessment appeal board is established within the
99 18 department of revenue for administrative and budgetary
99 19 purposes. The board's principal office shall be in the office
99 20 of the department of revenue in the capital of the state.

99 21 2. a. The property assessment appeal board shall consist
99 22 of three members appointed to staggered six-year terms,
99 23 beginning and ending as provided in section 69.19, by the
99 24 governor and subject to confirmation by the senate. Subject
99 25 to confirmation by the senate, the governor shall appoint from
99 26 the members a chairperson of the board to a two-year term.
99 27 Vacancies on the board shall be filled for the unexpired
99 28 portion of the term in the same manner as regular appointments
99 29 are made. The term of office for the initial board shall
99 30 begin January 1, 2007.

99 31 b. Each member of the property assessment appeal board
99 32 shall be qualified by virtue of at least two years' experience
99 33 in the area of government, corporate, or private practice
99 34 relating to property appraisal and property tax
99 35 administration. One member of the board shall be a certified
100 1 real estate appraiser or hold a professional appraisal
100 2 designation, one member shall be an attorney practicing in the
100 3 area of state and local taxation or property tax appraisals,
100 4 and one member shall be a professional with experience in the
100 5 field of accounting or finance and with experience in state
100 6 and local taxation matters. No more than two members of the
100 7 board may be from the same political party as that term is
100 8 defined in section 43.2.

100 9 c. The property assessment appeal board shall organize by
100 10 appointing a secretary who shall take the same oath of office
100 11 as the members of the board. The board may employ additional
100 12 personnel as it finds necessary. All personnel employed by

100 13 the board shall be considered state employees and are subject
100 14 to the merit system provisions of chapter 8A, subchapter IV.

100 15 3. At the election of a property owner or aggrieved
100 16 taxpayer or an appellant described in section 441.42, the
100 17 property assessment appeal board shall review any final
100 18 decision, finding, ruling, determination, or order of a local
100 19 board of review relating to protests of an assessment,
100 20 valuation, or application of an equalization order.

100 21 4. The property assessment appeal board may do all of the
100 22 following:

100 23 a. Affirm, reverse, or modify a final decision, finding,
100 24 ruling, determination, or order of a local board of review.

100 25 b. Order the payment or refund of property taxes in a
100 26 matter over which the board has jurisdiction.

100 27 c. Grant other relief or issue writs, orders, or
100 28 directives that the board deems necessary or appropriate in
100 29 the process of disposing of a matter over which the board has
100 30 jurisdiction.

100 31 d. Subpoena documents and witnesses and administer oaths.

100 32 e. Adopt administrative rules pursuant to chapter 17A for
100 33 the administration and implementation of its powers, including
100 34 rules for practice and procedure for protests filed with the
100 35 board, the manner in which hearings on appeals of assessments
101 1 shall be conducted, filing fees to be imposed by the board,
101 2 and for the determination of the correct assessment of
101 3 property which is the subject of an appeal.

101 4 f. Adopt administrative rules pursuant to chapter 17A
101 5 necessary for the preservation of order and the regulation of
101 6 proceedings before the board, including forms or notice and
101 7 the service thereof, which rules shall conform as nearly as
101 8 possible to those in use in the courts of this state.

101 9 5. The property assessment appeal board shall employ a
101 10 competent attorney to serve as its general counsel, and
101 11 assistants to the general counsel as it finds necessary for
101 12 the full and efficient discharge of its duties. The general
101 13 counsel is the attorney for, and legal advisor of, the board.
101 14 The general counsel or an assistant to the general counsel
101 15 shall provide the necessary legal advice to the board in all
101 16 matters and shall represent the board in all actions
101 17 instituted in a court challenging the validity of a rule or
101 18 order of the board. The general counsel shall devote full
101 19 time to the duties of the office. During employment as
101 20 general counsel to the board, the counsel shall not be a
101 21 member of a political committee, contribute to a political
101 22 campaign, participate in a political campaign, or be a
101 23 candidate for partisan political office. The general counsel
101 24 and assistants to the general counsel shall be considered
101 25 state employees and are subject to the merit system provisions
101 26 of chapter 8A, subchapter IV.

101 27 6. The members of the property assessment appeal board
101 28 shall receive compensation from the state commensurate with
101 29 the salary of a district judge. The members of the board
101 30 shall not be considered state employees for purposes of salary
101 31 and benefits. The members of the board and any employees of
101 32 the board, when required to travel in the discharge of
101 33 official duties, shall be paid their actual and necessary
101 34 expenses incurred in the performance of duties.

101 35 7. a. Effective January 1, 2012, a property assessment
102 1 appeal board review committee is established. Staffing
102 2 assistance to the committee shall be provided by the
102 3 department of revenue. The committee shall consist of six
102 4 members of the general assembly, two appointed by the majority
102 5 leader of the senate, one appointed by the minority leader of
102 6 the senate, two appointed by the speaker of the house of
102 7 representatives, and one appointed by the minority leader of
102 8 the house of representatives; the director of revenue or the
102 9 director's designee; a county assessor appointed by the Iowa
102 10 state association of counties; and a city assessor appointed
102 11 by the Iowa league of cities.

102 12 b. The property assessment appeal board review committee
102 13 shall review the activities of the property assessment appeal
102 14 board since its inception. The review committee may recommend
102 15 the revision of any rules, regulations, directives, or forms
102 16 relating to the activities of the property assessment appeal
102 17 board.

102 18 c. The review committee shall report to the general
102 19 assembly by January 15, 2013. The report shall include any
102 20 recommended changes in laws relating to the property
102 21 assessment appeal board, the reasons for the committee's
102 22 recommendations, and any other information the committee deems
102 23 advisable.

102 24 Sec. 122. Section 428.4, unnumbered paragraph 1, Code
102 25 2005, is amended to read as follows:

102 26 Property shall be assessed for taxation each year. Real
102 27 estate shall be listed and assessed in 1981 and every two
102 28 years thereafter. The assessment of real estate shall be the
102 29 value of the real estate as of January 1 of the year of the
102 30 assessment. The year 1981 and each odd-numbered year
102 31 thereafter shall be a reassessment year. In any year, after
102 32 the year in which an assessment has been made of all the real
102 33 estate in an assessing jurisdiction, the assessor shall value
102 34 and assess or revalue and reassess, as the case may require,
102 35 any real estate that the assessor finds was incorrectly valued
103 1 or assessed, or was not listed, valued, and assessed, in the
103 2 assessment year immediately preceding, also any real estate
103 3 the assessor finds has changed in value subsequent to January
103 4 1 of the preceding real estate assessment year. However, a
103 5 percentage increase on a class of property shall not be made
103 6 in a year not subject to an equalization order unless ordered
103 7 by the department of revenue. The assessor shall determine
103 8 the actual value and compute the taxable value thereof as of
103 9 January 1 of the year of the revaluation and reassessment.
103 10 The assessment shall be completed as specified in section
103 11 441.28, but no reduction or increase in actual value shall be
103 12 made for prior years. If an assessor makes a change in the
103 13 valuation of the real estate as provided for, sections 441.23,
103 14 441.37, 441.37A, 441.38 and 441.39 apply.

103 15 Sec. 123. Section 441.19, subsection 4, Code 2005, is
103 16 amended to read as follows:

103 17 4. The supplemental returns ~~herein~~ provided for in this
103 18 section shall be preserved in the same manner as assessment
103 19 rolls, but shall be confidential to the assessor, board of
103 20 review, property assessment appeal board, or director of
103 21 revenue, and shall not be open to public inspection, but any
103 22 final assessment roll as made out by the assessor shall be a
103 23 public record, provided that such supplemental return shall be
103 24 available to counsel of either the person making the return or
103 25 of the public, in case any appeal is taken to the board of
103 26 review, to the property assessment appeal board, or to the
103 27 court.

103 28 Sec. 124. Section 441.21, subsection 1, Code 2005, is
103 29 amended by adding the following new paragraphs:

103 30 NEW PARAGRAPH. h. The assessor shall determine the value
103 31 of real property in accordance with rules adopted by the
103 32 department of revenue and in accordance with forms and
103 33 guidelines contained in the real property appraisal manual
103 34 prepared by the department as updated from time to time. Such
103 35 rules, forms, and guidelines shall not be inconsistent with or
104 1 change the means, as provided in this section, of determining
104 2 the actual, market, taxable, and assessed values.

104 3 NEW PARAGRAPH. i. If the department finds that a city or
104 4 county assessor is not in compliance with the rules of the
104 5 department relating to valuation of property or has
104 6 disregarded the forms and guidelines contained in the real
104 7 property appraisal manual, the department shall notify the
104 8 assessor and each member of the conference board for the
104 9 appropriate assessing jurisdiction. The notice shall be
104 10 mailed by restricted certified mail. The notice shall specify
104 11 the areas of noncompliance and the steps necessary to achieve
104 12 compliance. The notice shall also inform the assessor and
104 13 conference board that if compliance is not achieved, a penalty
104 14 may be imposed.

104 15 The conference board shall respond to the department within
104 16 thirty days of receipt of the notice of noncompliance. The
104 17 conference board may respond to the notice by asserting that
104 18 the assessor is in compliance with the rules, guidelines, and
104 19 forms of the department or by informing the department that
104 20 the conference board intends to submit a plan of action to
104 21 achieve compliance. If the conference board responds to the
104 22 notification by asserting that the assessor is in compliance,
104 23 a hearing before the director of revenue shall be scheduled on
104 24 the matter.

104 25 A plan of action shall be submitted within sixty days of
104 26 receipt of the notice of noncompliance. The plan shall
104 27 contain a time frame under which compliance shall be achieved
104 28 which shall be no later than January 1 of the following
104 29 assessment year. The plan of action shall contain the
104 30 signature of the assessor and of the chairperson of the
104 31 conference board. The department shall review the plan to
104 32 determine whether the plan is sufficient to achieve
104 33 compliance. Within thirty days of receipt of the plan, the
104 34 department shall notify the assessor and the chairperson of

104 35 the conference board that it has accepted the plan or that it
105 1 is necessary to submit an amended plan of action.
105 2 By January 1 of the assessment year following the calendar
105 3 year in which the plan was submitted to the department, the
105 4 conference board shall submit a report to the department
105 5 indicating that the plan of action was followed and compliance
105 6 has been achieved. The department may conduct a field
105 7 inspection to ensure that the assessor is in compliance. By
105 8 January 31, the department shall notify the assessor and the
105 9 conference board, by restricted certified mail, either that
105 10 compliance has been achieved or that the assessor remains in
105 11 noncompliance. If the department determines that the assessor
105 12 remains in noncompliance, the department shall take steps to
105 13 withhold up to five percent of the reimbursement payment
105 14 authorized in section 425.1 until the director of revenue
105 15 determines that the assessor is in compliance.

105 16 If the conference board disputes the determination of the
105 17 department, the chairperson of the conference board may appeal
105 18 the determination to the state board of tax review.

105 19 The department shall adopt rules relating to the
105 20 administration of this paragraph "i".

105 21 Sec. 125. Section 441.21, subsection 2, Code 2005, is
105 22 amended to read as follows:

105 23 2. In the event market value of the property being
105 24 assessed cannot be readily established in the foregoing
105 25 manner, then the assessor may determine the value of the
105 26 property using the other uniform and recognized appraisal
105 27 methods including its productive and earning capacity, if any,
105 28 industrial conditions, its cost, physical and functional
105 29 depreciation and obsolescence and replacement cost, and all
105 30 other factors which would assist in determining the fair and
105 31 reasonable market value of the property but the actual value
105 32 shall not be determined by use of only one such factor. The
105 33 following shall not be taken into consideration: Special
105 34 value or use value of the property to its present owner, and
105 35 the good will or value of a business which uses the property
106 1 as distinguished from the value of the property as property.
106 2 However, in assessing property that is rented or leased to
106 3 low-income individuals and families as authorized by section
106 4 42 of the Internal Revenue Code, as amended, and which section
106 5 limits the amount that the individual or family pays for the
106 6 rental or lease of units in the property, the assessor shall
106 7 use the productive and earning capacity from the actual rents
106 8 received as a method of appraisal and shall take into account
106 9 the extent to which that use and limitation reduces the market
106 10 value of the property. The assessor shall not consider any
106 11 tax credit equity or other subsidized financing as income
106 12 provided to the property in determining the assessed value.
106 13 The property owner shall notify the assessor when property is
106 14 withdrawn from section 42 eligibility under the Internal
106 15 Revenue Code. The property shall not be subject to section 42
106 16 assessment procedures for the assessment year for which
106 17 section 42 eligibility is withdrawn. This notification must
106 18 be provided to the assessor no later than March 1 of the
106 19 assessment year or the owner will be subject to a penalty of
106 20 five hundred dollars for that assessment year. The penalty
106 21 shall be collected at the same time and in the same manner as
106 22 regular property taxes. Upon adoption of uniform rules by the
106 23 ~~revenue department of revenue~~ or succeeding authority covering
106 24 assessments and valuations of such properties, ~~said the~~
106 25 valuation on such properties shall be determined in accordance
106 26 ~~therewith with such rules and in accordance with forms and~~
106 27 guidelines contained in the real property appraisal manual
106 28 prepared by the department as updated from time to time for
106 29 assessment purposes to assure uniformity, but such rules,
106 30 forms, and guidelines shall not be inconsistent with or change
106 31 the foregoing means of determining the actual, market, taxable
106 32 and assessed values.

106 33 Sec. 126. Section 441.28, Code 2005, is amended to read as
106 34 follows:

106 35 441.28 ASSESSMENT ROLLS == CHANGE == NOTICE TO TAXPAYER.

107 1 The assessment shall be completed not later than April 15
107 2 each year. If the assessor makes any change in an assessment
107 3 after it has been entered on the assessor's rolls, the
107 4 assessor shall note on ~~said the~~ roll, together with the
107 5 original assessment, the new assessment and the reason for the
107 6 change, together with the assessor's signature and the date of
107 7 the change. Provided, however, in the event the assessor
107 8 increases any assessment the assessor shall give notice of the
107 9 increase in writing thereof to the taxpayer by mail prior to
107 10 the meeting of the board of review postmarked no later than

107 11 April 15. No changes shall be made on the assessment rolls
107 12 after April 15 except by order of the board of review or of
107 13 the property assessment appeal board, or by decree of court.

107 14 Sec. 127. Section 441.35, unnumbered paragraph 2, Code
107 15 2005, is amended to read as follows:

107 16 In any year after the year in which an assessment has been
107 17 made of all of the real estate in any taxing district, ~~it~~

~~107 18 shall be the duty of the board of review to shall~~ meet as
107 19 provided in section 441.33, and where ~~it~~ the board finds the

107 20 same has changed in value, ~~to the board shall~~ revalue and
107 21 reassess any part or all of the real estate contained in such

107 22 taxing district, and in such case, ~~it~~ the board shall
107 23 determine the actual value as of January 1 of the year of the

107 24 revaluation and reassessment and compute the taxable value
107 25 thereof, ~~and any~~. Any aggrieved taxpayer may petition for a

107 26 revaluation of the taxpayer's property, but no reduction or
107 27 increase shall be made for prior years. If the assessment of

107 28 any such property is raised, or any property is added to the
107 29 tax list by the board, the clerk shall give notice in the

107 30 manner provided in section 441.36, ~~provided, however, that~~.
107 31 However, if the assessment of all property in any taxing

107 32 district is raised, the board may instruct the clerk to give
107 33 immediate notice by one publication in one of the official

107 34 newspapers located in the taxing district, and such published
107 35 notice shall take the place of the mailed notice provided for

108 1 in section 441.36, but all other provisions of ~~said that~~
108 2 section shall apply. The decision of the board as to the

108 3 foregoing matters shall be subject to appeal to the property
108 4 assessment appeal board within the same time and in the same

108 5 manner as provided in section 441.37A and to the district
108 6 court within the same time and in the same manner as provided

108 7 in section 441.38.
108 8 Sec. 128. NEW SECTION. 441.37A APPEAL OF PROTEST TO
108 9 PROPERTY ASSESSMENT APPEAL BOARD.

108 10 1. For the assessment year beginning January 1, 2007, and
108 11 all subsequent assessment years, appeals may be taken from the

108 12 action of the board of review with reference to protests of
108 13 assessment, valuation, or application of an equalization order

108 14 to the property assessment appeal board created in section
108 15 421.1A. However, a property owner or aggrieved taxpayer or an

108 16 appellant described in section 441.42 may bypass the property
108 17 assessment appeal board and appeal the decision of the local

108 18 board of review to the district court pursuant to section
108 19 441.38. For an appeal to the property assessment appeal board

108 20 to be valid, written notice must be filed by the party
108 21 appealing the decision with the secretary of the property

108 22 assessment appeal board within twenty days after the date the
108 23 board of review's letter of disposition of the appeal is

108 24 postmarked to the party making the protest. The written
108 25 notice of appeal shall include a petition setting forth the

108 26 basis of the appeal and the relief sought. No new grounds in
108 27 addition to those set out in the protest to the local board of

108 28 review as provided in section 441.37 can be pleaded, but
108 29 additional evidence to sustain those grounds may be

108 30 introduced. The assessor shall have the same right to appeal
108 31 to the assessment appeal board as an individual taxpayer,

108 32 public body, or other public officer as provided in section
108 33 441.42.

108 34 Filing of the written notice of appeal and petition with
108 35 the secretary of the property assessment appeal board shall

109 1 preserve all rights of appeal of the appellant, except as
109 2 otherwise provided in subsection 2. A copy of the appellant's

109 3 written notice of appeal and petition shall be mailed by the
109 4 secretary of the property assessment appeal board to the local

109 5 board of review whose decision is being appealed. In all
109 6 cases where a change in assessed valuation of one hundred

109 7 thousand dollars or more is petitioned for, the local board of
109 8 review shall mail a copy of the written notice of appeal and

109 9 petition to all affected taxing districts as shown on the last
109 10 available tax list.

109 11 2. A party to the appeal may request a hearing or the
109 12 appeal may proceed without a hearing. If a hearing is

109 13 requested, the appellant and the local board of review from
109 14 which the appeal is taken shall be given at least thirty days'

109 15 written notice by the property assessment appeal board of the
109 16 date the appeal shall be heard and the local board of review

109 17 may be present and participate at such hearing. Notice to all
109 18 affected taxing districts shall be deemed to have been given

109 19 when written notice is provided to the local board of review.
109 20 Failure by the appellant to appear at the property assessment

109 21 appeal board hearing shall be grounds for dismissal of the

109 22 appeal unless a continuance is granted to the appellant. If
109 23 an appeal is dismissed for failure to appear, the property
109 24 assessment appeal board shall have no jurisdiction to consider
109 25 any subsequent appeal on the appellant's protest.

109 26 An appeal may be considered by less than a majority of the
109 27 members of the board, and the chairperson of the board may
109 28 assign members to consider appeals. If a hearing is
109 29 requested, it shall be open to the public and shall be
109 30 conducted in accordance with the rules of practice and
109 31 procedure adopted by the board. However, any deliberation of
109 32 a board member considering the appeal in reaching a decision
109 33 on any appeal shall be confidential. The property assessment
109 34 appeal board or any member of the board may require the
109 35 production of any books, records, papers, or documents as
110 1 evidence in any matter pending before the board that may be
110 2 material, relevant, or necessary for the making of a just
110 3 decision. Any books, records, papers, or documents produced
110 4 as evidence shall become part of the record of the appeal.
110 5 Any testimony given relating to the appeal shall be
110 6 transcribed and made a part of the record of the appeal.

110 7 3. a. The board member considering the appeal shall
110 8 determine anew all questions arising before the local board of
110 9 review which relate to the liability of the property to
110 10 assessment or the amount thereof. All of the evidence shall
110 11 be considered and there shall be no presumption as to the
110 12 correctness of the valuation of assessment appealed from. The
110 13 property assessment appeal board shall make a decision in each
110 14 appeal filed with the board. If the appeal is considered by
110 15 less than a majority of the board, the determination made by
110 16 that member shall be forwarded to the full board for approval,
110 17 rejection, or modification. If the initial determination is
110 18 rejected by the board, it shall be returned for
110 19 reconsideration to the board member making the initial
110 20 determination. Any deliberation of the board regarding an
110 21 initial determination shall be confidential.

110 22 b. The decision of the board shall be considered the final
110 23 agency action for purposes of further appeal, except as
110 24 otherwise provided in section 441.49. The decision shall be
110 25 final unless appealed to district court as provided in section
110 26 441.38. The levy of taxes on any assessment appealed to the
110 27 board shall not be delayed by any proceeding before the board,
110 28 and if the assessment appealed from is reduced by the decision
110 29 of the board, any taxes levied upon that portion of the
110 30 assessment reduced shall be abated or, if already paid, shall
110 31 be refunded. If the subject of an appeal is the application
110 32 of an equalization order, the property assessment appeal board
110 33 shall not order a reduction in assessment greater than the
110 34 amount that the assessment was increased due to application of
110 35 the equalization order. Each party to the appeal shall be
111 1 responsible for the costs of the appeal incurred by that
111 2 party.

111 3 Sec. 129. Section 441.38, Code 2005, is amended to read as
111 4 follows:

111 5 441.38 APPEAL TO DISTRICT COURT.

111 6 1. Appeals may be taken from the action of the local board
111 7 of review with reference to protests of assessment, to the
111 8 district court of the county in which the board holds its
111 9 sessions within twenty days after its adjournment or May 31,
111 10 whichever date is later. Appeals may be taken from the action
111 11 of the property assessment appeal board to the district court
111 12 of the county where the property which is the subject of the
111 13 appeal is located within twenty days after the letter of
111 14 disposition of the appeal by the property assessment appeal
111 15 board is postmarked to the appellant. No new grounds in
111 16 addition to those set out in the protest to the local board of
111 17 review as provided in section 441.37, or in addition to those
111 18 set out in the appeal to the property assessment appeal board,
111 19 if applicable, can be pleaded, but additional evidence to
111 20 sustain those grounds may be introduced. The assessor shall
111 21 have the same right to appeal and in the same manner as an
111 22 individual taxpayer, public body or other public officer as
111 23 provided in section 441.42. Appeals shall be taken by filing
111 24 a written notice of appeal with the clerk of district court.
111 25 Filing of the written notice of appeal shall preserve all
111 26 rights of appeal of the appellant.

111 27 2. Notice of appeal shall be served as an original notice
111 28 on the chairperson, presiding officer, or clerk of the board
111 29 of review, and on the secretary of the property assessment
111 30 appeal board, if applicable, after the filing of notice under
111 31 subsection 1 with the clerk of district court.

111 32 Sec. 130. Section 441.39, Code 2005, is amended to read as

111 33 follows:

111 34 441.39 TRIAL ON APPEAL.

111 35 The If the appeal is from a decision of the local board of
112 1 review, the court shall hear the appeal in equity and
112 2 determine anew all questions arising before the board which
112 3 relate to the liability of the property to assessment or the
112 4 amount thereof. The court shall consider all of the evidence
112 5 and there shall be no presumption as to the correctness of the
112 6 valuation of assessment appealed from. If the appeal is from
112 7 a decision of the property assessment appeal board, the
112 8 court's review shall be limited to the correction of errors at
112 9 law. Its decision shall be certified by the clerk of the
112 10 court to the county auditor, and the assessor, who shall
112 11 correct the assessment books accordingly.

112 12 Sec. 131. Section 441.43, Code 2005, is amended to read as
112 13 follows:

112 14 441.43 POWER OF COURT.

112 15 Upon trial of any appeal from the action of the board of
112 16 review or of the property assessment appeal board fixing the
112 17 amount of assessment upon any property concerning which
112 18 complaint is made, the court may increase, decrease, or affirm
112 19 the amount of the assessment appealed from.

112 20 Sec. 132. Section 441.49, unnumbered paragraph 5, Code
112 21 2005, is amended to read as follows:

112 22 The local board of review shall reconvene in special
112 23 session from October 15 to November 15 for the purpose of
112 24 hearing the protests of affected property owners or taxpayers
112 25 within the jurisdiction of the board whose valuation of
112 26 property if adjusted pursuant to the equalization order issued
112 27 by the director of revenue will result in a greater value than
112 28 permitted under section 441.21. The board of review shall
112 29 accept protests only during the first ten days following the
112 30 date the local board of review reconvenes. The board of
112 31 review shall limit its review to only the timely filed
112 32 protests. The board of review may adjust all or a part of the
112 33 percentage increase ordered by the director of revenue by
112 34 adjusting the actual value of the property under protest to
112 35 one hundred percent of actual value. Any adjustment so
113 1 determined by the board of review shall not exceed the
113 2 percentage increase provided for in the director's
113 3 equalization order. The determination of the board of review
113 4 on filed protests is final, subject to appeal to the property
113 5 assessment appeal board. A final decision by the local board
113 6 of review, or the property assessment appeal board, if the
113 7 local board's decision is appealed, is subject to review by
113 8 the director of revenue for the purpose of determining whether
113 9 the board's actions substantially altered the equalization
113 10 order. In making the review, the director has all the powers
113 11 provided in chapter 421, and in exercising the powers the
113 12 director is not subject to chapter 17A. Not later than
113 13 fifteen days following the adjournment of the board, the board
113 14 of review shall submit to the director of revenue, on forms
113 15 prescribed by the director, a report of all actions taken by
113 16 the board of review during this session.

113 17 Sec. 133. Section 445.60, Code 2005, is amended to read as
113 18 follows:

113 19 445.60 REFUNDING ERRONEOUS TAX.

113 20 The board of supervisors shall direct the county treasurer
113 21 to refund to the taxpayer any tax or portion of a tax found to
113 22 have been erroneously or illegally paid, with all interest,
113 23 fees, and costs actually paid. A refund shall not be ordered
113 24 or made unless a claim for refund is presented to the board
113 25 within two years of the date the tax was due, or if appealed
113 26 to the board of review, the property assessment appeal board.
113 27 the state board of tax review, or district court, within two
113 28 years of the final decision.

113 29 Sec. 134. FUTURE REPEAL.

113 30 1. The sections of this division of this Act amending
113 31 sections 7E.6, 13.7, 428.4, 441.19, 441.35, 441.38, 441.39,
113 32 441.43, 441.49, and 445.60, and enacting sections 421.1A and
113 33 441.37A, are repealed effective July 1, 2013.

113 34 2. The portion of the section of this division of this Act
113 35 amending section 441.28 relating only to the property
114 1 assessment appeal board is repealed effective July 1, 2013.

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CHRISTOPHER C. RANTS
Speaker of the House

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JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 868, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2005

THOMAS J. VILSACK
Governor