

# Senate File 457 - Enrolled

SENATE FILE 457

## AN ACT

RELATING TO DISASTER RECOVERY BY LEGALIZING CERTAIN ACTIONS TAKEN AND PROCEEDINGS CONDUCTED BY CITIES AND COUNTIES IN RESPONSE TO A NATURAL DISASTER, DESIGNATING CERTAIN ACTIVITIES AS ESSENTIAL CORPORATE PURPOSES AND ESSENTIAL COUNTY PURPOSES, AMENDING PROVISIONS RELATED TO LOCAL BONDING AUTHORITY AND CONTRACT LETTING REQUIREMENTS, AMENDING PROVISIONS RELATING TO EMERGENCY CONTRACT LETTING REQUIREMENTS FOR JOINT GOVERNMENTAL ENTITIES AND INSTITUTIONS UNDER THE CONTROL OF THE BOARD OF REGENTS, AMENDING PROVISIONS RELATED TO CITY AND COUNTY LEASE CONTRACTS AND LOAN AGREEMENTS, MODIFYING PROVISIONS RELATING TO MUNICIPAL SUPPORT OF CERTAIN PROJECTS, AMENDING PROVISIONS RELATED TO EXPENDITURES FROM CERTAIN REVOLVING LOAN FUNDS, AUTHORIZING CITIES AND COUNTIES TO CREATE DISASTER REVITALIZATION AREAS, PROVIDING INCOME TAX CREDITS FOR CERTAIN DISASTER RECOVERY HOUSING PROJECTS, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

### DIVISION I LEGALIZING ACT

Section 1. CERTAIN PRIOR PROCEEDINGS AND ACTIONS LEGALIZED == AMENDMENT OF BUDGETS == REPORT. All proceedings conducted or actions taken by or on behalf of a city or county located in an area that the governor has proclaimed a disaster emergency or the United States president has declared a major disaster, related to the emergency repair or reconstruction of public improvements damaged by a natural disaster during the period of time beginning May 1, 2008, and ending August 31, 2008, and related to all natural disaster-related expenditures by a city or county in excess of an original or previously amended city or county budget for the fiscal year ending June 30, 2008, that were conducted or taken in violation of the requirements of section 331.435, 331.437, or 384.18, as applicable, prior to the effective date of this division of this Act are hereby legalized and validated, and, to that extent, this Act applies retroactively to the date such proceedings were conducted or actions were taken.

On or before January 1, 2010, the Iowa league of cities and the Iowa state association of counties shall each submit a report to the chairpersons and ranking members of the rebuild Iowa committees of the senate and house of representatives. Each report shall include a summary of the circumstances and actions taken by those cities or counties, as applicable, that are subject to this division of this Act.

Sec. 2. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

### DIVISION II LOCAL FINANCING

#### AND PUBLIC CONSTRUCTION BIDDING

Sec. 3. Section 16.131, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding any provision of this chapter to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the revolving loan funds may be used in any manner permitted or required by applicable federal law.

Sec. 4. Section 28E.6, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A joint board of an entity created in an agreement that is responsible for the operation of a public facility or a public improvement may undertake the emergency repair of the facility or improvement in the manner provided in section 384.103, subsection 2. If an emergency repair is undertaken by the joint board, the chairperson, chief officer, or chief official of the joint board shall perform the duties assigned to the chief officer or official of the governing body of the city under section 384.103, subsection 2.

Sec. 5. Section 76.1, Code 2009, is amended to read as follows:

76.1 MANDATORY RETIREMENT.

1. Hereafter issues of bonds of every kind and character by counties, cities, and school corporations shall be consecutively numbered.

2. a. The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty years from date of issue, except as provided in paragraph "b".

b. General obligation bonds issued for the purposes specified in section 331.441, subsection 2, paragraph "b", subparagraphs (18) and (19), or in section 384.24, subsection 3, paragraphs "w" and "x", and bonds issued to refund or refinance bonds issued for those purposes, may mature and be retired in a period not exceeding thirty years from date of issue.

3. Each issue of bonds shall be scheduled to mature ~~serially~~ in the same order as numbered.

Sec. 6. Section 76.2, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding ~~twenty years~~ the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

Sec. 7. Section 262.34, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Notwithstanding subsection 1, when a delay in undertaking a repair, restoration, or reconstruction of a public improvement might cause serious loss or injury at an institution under the control of the state board of regents, the executive director of the board, or the board, shall make a finding of the need to institute emergency procedures under this subsection. The board by separate action shall approve the emergency procedures to be employed.

Sec. 8. Section 331.301, subsection 10, paragraph e, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The board may authorize a lease or lease-purchase contract which is payable from the general fund ~~and which if the contract would not cause the total of lease and lease-purchase payments of the county due from the general fund of the county in any single future fiscal year for all lease or lease-purchase contracts in force on the date of the authorization, excluding payments to exercise purchase options or to pay the expenses of operation or ownership of the property, to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:~~

Sec. 9. Section 331.402, subsection 3, paragraph d, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The board may authorize a loan agreement which is payable from the general fund ~~and which if the loan agreement would not cause the total of scheduled annual payments of principal or interest or both principal and interest of the county due from the general fund of the county in any single future fiscal year with respect to all loan agreements in force on the date of the authorization to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:~~

Sec. 10. Section 331.441, subsection 2, paragraph b, Code 2009, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (18) The remediation, restoration, repair, cleanup, replacement, and improvement of property, buildings, equipment, and public facilities that have been damaged by a disaster as defined in section 29C.2 and that are located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 331.443 for the purposes specified in this subparagraph shall be issued

not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

NEW SUBPARAGRAPH. (19) The reimbursement of the county's general fund or other funds of the county for expenditures made related to remediation, restoration, repair, and cleanup of damage caused by a disaster as defined in section 29C.2, if the damage is located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 331.443 for the purposes specified in this subparagraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

Sec. 11. Section 331.443, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. Notwithstanding subsection 2, a board may institute proceedings for the issuance of bonds for an essential county purpose specified in section 331.441, subsection 2, paragraph "b", subparagraph (18) or (19), in an amount equal to or greater than three million dollars by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the county at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

b. If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the county auditor signed by eligible electors of the county equal in number to twenty percent of the persons in the county who voted for the office of president of the United States at the last preceding general election that had such office on the ballot, asking that the question of issuing the bonds be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in section 331.442.

c. If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the board may proceed with the authorization and issuance of the bonds.

Sec. 12. Section 364.4, subsection 4, paragraph e, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The governing body may authorize a lease or lease-purchase contract which is payable from the general fund ~~and which if the contract~~ would not cause the total of annual lease or lease-purchase payments ~~of the city~~ due from the general fund of the city in any single future fiscal year for all lease or lease-purchase contracts in force on the date of the authorization, excluding payments to exercise purchase options or to pay the expenses of operation or ownership of the property, to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

Sec. 13. Section 384.24, subsection 3, Code 2009, is amended by adding the following new paragraphs:

NEW PARAGRAPH. w. The remediation, restoration, repair, cleanup, replacement, and improvement of property, buildings, equipment, and public facilities that have been damaged by a disaster as defined in section 29C.2 and that are located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 384.25 for the purposes specified in this paragraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

NEW PARAGRAPH. x. The reimbursement of the city's general fund or other funds of the city for expenditures made related to remediation, restoration, repair, and cleanup of damage caused by a disaster as defined in section 29C.2, if the damage is located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 384.25 for the purposes specified in this paragraph shall be

issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

Sec. 14. Section 384.24A, subsection 4, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The governing body may authorize a loan agreement which is payable from the general fund ~~and which if the loan agreement~~ would not cause the total of scheduled annual payments of principal or interest or both principal and interest ~~of the city~~ due from the general fund ~~of the city~~ in any single future fiscal year with respect to all loan agreements in force on the date of the authorization to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

Sec. 15. Section 384.25, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. Notwithstanding subsection 2, a council may institute proceedings for the issuance of bonds for an essential corporate purpose specified in section 384.24, subsection 3, paragraph "w" or "x", in an amount equal to or greater than three million dollars by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

b. If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the clerk of the city signed by eligible electors of the city equal in number to twenty percent of the persons in the city who voted for the office of president of the United States at the last preceding general election that had such office on the ballot, asking that the question of issuing the bonds be submitted to the registered voters of the city, the council shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in section 384.26.

c. If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the council may proceed with the authorization and issuance of the bonds.

Sec. 16. Section 384.103, subsection 2, Code 2009, is amended to read as follows:

2. When emergency repair of a public improvement is necessary and the delay of advertising and a public letting might cause serious loss or injury to the city, the chief officer or official of the governing body of the city or the governing body shall, by resolution, make a finding of the necessity to institute emergency proceedings under this section, and shall procure a certificate from a competent licensed professional engineer or registered architect, ~~not in the regular employ of the city,~~ certifying that emergency repairs are necessary.

In that event the chief officer or official of the governing body or the governing body may accept, enter into, and make payment under a contract for emergency repairs without holding a public hearing and advertising for bids, and the provisions of chapter 26 do not apply.

Sec. 17. Section 419.1, subsection 12, Code 2009, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. Purposes that are eligible for financing from midwestern disaster area bonds authorized under the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-185, together with any other financing necessary or desirable in connection with such purposes.

NEW PARAGRAPH. d. Purposes for which tax exempt financing is authorized by the Internal Revenue Code, together with any other financing necessary or desirable in connection with such purposes.

Sec. 18. Section 419.17, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 19. Section 455B.297, Code 2009, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any provision of this chapter to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the revolving loan funds may be

used in any manner permitted or required by applicable federal law.

Sec. 20. Section 419.8, Code 2009, is repealed.

Sec. 21. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION III

DISASTER REVITALIZATION AREAS

Sec. 22. Section 364.19, Code 2009, is amended to read as follows:

364.19 CONTRACTS TO PROVIDE SERVICES TO TAX-EXEMPT PROPERTY.

A city council or county board of supervisors may enter into a contract with a person whose property is totally or partially exempt from taxation under chapter 404, chapter 404B, section 427.1, or section 427B.1, for the city or county to provide specified services to that person including but not limited to police protection, fire protection, street maintenance, and waste collection. The contract shall terminate as of the date previously exempt property becomes subject to taxation.

Sec. 23. NEW SECTION. 404B.1 DISASTER REVITALIZATION AREA.

1. a. The governing body of a city may, by ordinance, designate an area of the city a disaster revitalization area if that area is within a county or portion of a county in which the governor has proclaimed a disaster emergency or the United States president has declared a major disaster.

b. The governing body of a county may, by ordinance, designate an area of the county outside the boundaries of a city as a disaster revitalization area if that area is within a county or portion of a county in which the governor has proclaimed a disaster emergency or the United States president has declared a major disaster.

2. A disaster revitalization area shall be composed of contiguous parcels. However, the governing body of a city or the governing body of a county may establish more than one disaster revitalization area.

Sec. 24. NEW SECTION. 404B.2 CONDITIONS MANDATORY.

A city or county may only exercise the authority conferred upon it in this chapter after all of the following conditions have been met:

1. The governing body has adopted a resolution finding that the property located within the area was damaged by a disaster, that revitalization of the area is in the economic interest of the residents of the city or county, as applicable, and the area substantially meets the criteria of section 404B.1.

2. The city or county has prepared a proposed plan for the designated disaster revitalization area. The proposed disaster revitalization plan shall include all of the following:

a. A legal description of the real property forming the boundaries of the proposed area along with a map depicting the existing parcels of real property.

b. The assessed valuation of the real property in the proposed area as of January 1, 2007, listing the land and building values separately.

c. A list of names and addresses of the owners of record of real property within the area.

d. The existing zoning classifications and district boundaries and the existing and proposed land uses within the area.

e. The exemption percentage applicable in the proposed area pursuant to section 404B.4.

f. A statement specifying whether none, some, or all of the property assessed as residential, agricultural, commercial, or industrial property within the designated area is eligible for the exemption under section 404B.4.

g. A definition of revitalization, including whether it is applicable to existing buildings, new construction, or development of previously vacant land. A definition of revitalization may also include a requirement for a minimum increase in assessed valuation of individual parcels of property in the area.

h. A statement specifying the duration of the designated disaster revitalization area.

i. A description of planned measures to mitigate or prevent future disaster damage in the area.

j. A description of revitalization projects commenced prior to the effective date of the plan that are eligible for the exemption under section 404B.4.

3. a. The city or county has scheduled a public hearing and published notice of the hearing in accordance with section 362.3 or 331.305, as applicable. In addition to notice by publication, notification shall also be given by ordinary mail to the last known address of the owners of record. The city or county shall also send notice by ordinary mail addressed to the "occupants" of addresses located within the proposed area, unless the governing body of the city or county, by reason of lack of a reasonably current and complete address list, or for other good cause, shall have waived the notice.

b. The notice provided by mail to owners and occupants within the area shall be given no later than thirty days before the date of the public hearing.

4. The public hearing has been held.

5. The city or county has adopted the proposed or amended plan for the disaster revitalization area after the hearing.

Sec. 25. NEW SECTION. 404B.3 DISASTER REVITALIZATION PLAN AMENDMENTS.

1. The city or county may subsequently amend a disaster revitalization plan after a hearing. Notice of the hearing shall be published as provided in section 362.3 or 331.305, except that at least seven days' notice must be given, and the public hearing shall not be held earlier than the next regularly scheduled city council or board of supervisors meeting following the published notice. Notice shall also be provided by ordinary mail to owners and occupants within the area and any proposed addition to the area.

2. A city which has adopted a plan for a disaster revitalization area that covers all property within the city limits may amend that plan at any time, pursuant to this section, to include property which has been or will be annexed to the city. The provisions of the original disaster revitalization plan shall be applicable to the property that is annexed and the property shall be considered to have been part of the disaster revitalization area as of the effective date of its annexation to the city. The notice and hearing provisions of subsection 1 shall apply to amendments under this subsection.

Sec. 26. NEW SECTION. 404B.4 BASIS OF TAX EXEMPTION.

1. All real property within a disaster revitalization area is eligible to receive a one hundred percent exemption from taxation on the increase in assessed value of the property, as compared to the property's assessed value on January 1, 2007, if the increase in assessed value is attributable to revitalization of the property occurring between May 25, 2008, and December 31, 2013. The exemption is for a period not to exceed five years, starting with an assessment year beginning on or after January 1, 2010.

2. A city or county may adopt a different tax exemption percentage than the exemption provided in subsection 1. The different percentage adopted shall not allow a greater exemption, but may allow a smaller exemption. A different percentage adopted by a city or county shall apply to every disaster revitalization area within the city or county. The owners of real property eligible for the exemption provided in this section shall elect to take the exemption or shall elect to take an eligible exemption provided under another statute. Once the election has been made and the exemption granted, the owner is not permitted to change the method of exemption.

Sec. 27. NEW SECTION. 404B.5 APPLICATION FOR EXEMPTION BY PROPERTY OWNER.

An application shall be filed for each revitalization project resulting in increased assessed value for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February 1 of the first assessment year for which the exemption is requested. Applications for exemption shall be made on forms prescribed by the local assessor and shall contain information pertaining to the requirements under this section and any requirements imposed by a city or county governing body.

Sec. 28. NEW SECTION. 404B.6 PHYSICAL REVIEW OF PROPERTY BY ASSESSOR.

The local assessor shall review each application by making a physical review of the property to determine if the revitalization project increased the assessed value of the real property. If the assessor determines that the assessed value of the real property has increased, the assessor shall proceed to determine the assessed value of the property and certify the valuation determined to the county auditor at the time of transmitting the assessment rolls. The assessor shall

notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the times specified in section 441.37. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the time period specified by ordinance. The tax exemption for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years, unless additional revitalization projects occur on the property.

Sec. 29. NEW SECTION. 404B.7 EXPIRATION OR REPEAL OF ORDINANCE.

An ordinance enacted under this chapter shall expire or be repealed no later than December 31, 2016.

Sec. 30. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION IV

#### DISASTER RECOVERY HOUSING PROJECT TAX CREDIT

Sec. 31. NEW SECTION. 16.191 DISASTER RECOVERY HOUSING PROJECT TAX CREDIT.

1. a. A tax credit shall be allowed against the taxes imposed in chapter 422, divisions II and III for a portion of a taxpayer's qualifying investment, as provided in subsection 3, in a qualifying disaster recovery housing project. To qualify as a disaster recovery housing project, a property, and the activities affecting the property, shall meet all of the following conditions:

(1) The property is owned by a taxpayer who is an individual, business, or corporation subject to taxation under chapter 422, divisions II or III.

(2) A qualifying investment, as defined in subsection 3, is made by the taxpayer.

(3) The project involves the construction or rehabilitation of housing on the property.

(4) The property is located in an area that the governor proclaimed a disaster emergency or the president of the United States declared a major disaster during the period of time beginning May 1, 2008, and ending August 31, 2008.

(5) An application for low-income housing tax credits pursuant to section 42 of the Internal Revenue Code has been submitted to the Iowa finance authority on behalf of the project and has been determined by the authority to meet the threshold requirements for an award of credits as set forth in the applicable qualified allocation plan.

(6) The project meets the requirements relating to the density of residential housing in the area as established by the authority.

(7) The project meets the requirements relating to the availability of and the accessibility to educational services as established by the authority. For the purposes of this section "educational services" includes but is not limited to public schools, job training, and financial literacy services.

(8) The project is designed to avoid, prevent, or mitigate the effects of a future natural disaster.

b. An individual may claim a tax credit under this subsection of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

2. a. To claim a disaster recovery housing project tax credit under this section, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return.

b. After verifying the eligibility of a taxpayer for a tax credit pursuant to this section, the authority shall issue a disaster recovery housing project tax credit certificate to be attached to the taxpayer's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number; the amount of the credit; and any other information required by the department of revenue.

c. The tax credit certificate, unless otherwise void, shall be accepted by the department of revenue as payment for taxes imposed pursuant to chapter 422, divisions II or III subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and

subject to the limitations of this section.

d. Tax credit certificates issued under this section are not transferable to any person or entity.

3. a. The tax credit equals seventy-five percent of the taxpayer's qualifying investment in a disaster recovery housing project. For the purposes of this section, "qualifying investment" means the costs incurred by the taxpayer that are directly related to a disaster recovery housing project, as defined in subsection 1, and which are incurred on or after the effective date of this division of this Act and prior to July 1, 2010.

b. The amount of the tax credit calculated under paragraph "a" shall be divided by five and applied equally to the taxpayer's tax liability for five consecutive tax years commencing with the tax year beginning in the 2011 calendar year. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable.

4. For purposes of individual and corporate income taxes, the increase in the basis of the property that would otherwise result from the disaster recovery housing investment shall be reduced by the amount of the tax credit allowed under this section.

5. The maximum amount of tax credits issued by the authority under this section shall not exceed three million dollars in each of the five tax years. The authority shall issue the tax credit certificates on a first-come, first-served basis.

Sec. 32. NEW SECTION. 16.192 APPROVAL == REQUIREMENTS == REPAYMENT.

1. A taxpayer seeking to claim a tax credit pursuant to section 16.191 shall apply to the authority which shall have the power to approve the amount of tax credit available for each disaster recovery housing project.

2. A taxpayer applying for a tax credit shall provide the authority with all of the following:

a. Information showing the total qualified investment made in the disaster recovery housing project.

b. Information about the financing sources that are directly related to the disaster recovery housing project for which the taxpayer is seeking approval for the tax credit.

3. If a taxpayer receives a tax credit pursuant to section 16.191, but fails to comply with any of the requirements in this section or section 16.191, or fails to comply with local zoning or construction ordinances, the tax credit is void, and the department of revenue shall seek recovery of the value of the credit received.

Sec. 33. NEW SECTION. 422.11X DISASTER RECOVERY HOUSING PROJECT TAX CREDIT.

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a disaster recovery housing project tax credit allowed under section 16.191.

Sec. 34. Section 422.33, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 27. The taxes imposed under this division shall be reduced by a disaster recovery housing project tax credit allowed under section 16.191.

Sec. 35. EFFECTIVE AND APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies to disaster recovery housing project costs incurred on or after the effective date of this Act and before July 1, 2010.

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JOHN P. KIBBIE  
President of the Senate

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PATRICK J. MURPHY  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 457, Eighty-third General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2009



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CHESTER J. CULVER  
Governor