

House File 2455 - Enrolled

House File 2455

AN ACT

MAKING APPROPRIATIONS TO THE DEPARTMENT OF CULTURAL AFFAIRS,
THE ECONOMIC DEVELOPMENT AUTHORITY, THE IOWA FINANCE
AUTHORITY, THE PUBLIC EMPLOYMENT RELATIONS BOARD, THE
DEPARTMENT OF WORKFORCE DEVELOPMENT, AND THE STATE BOARD
OF REGENTS AND CERTAIN REGENTS INSTITUTIONS, AND PROPERLY
RELATED MATTERS.

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

DIVISION I

FY 2016-2017

APPROPRIATIONS

Section 1. 2015 Iowa Acts, chapter 136, section 17, is
amended to read as follows:

SEC. 17. DEPARTMENT OF CULTURAL AFFAIRS.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions for the department:

.....	\$	88,441
		<u>176,882</u>
.....	FTEs	74.50

The department of cultural affairs shall coordinate activities with the tourism office of the economic development authority to promote attendance at the state historical building and at this state's historic sites.

Full-time equivalent positions authorized under this paragraph are funded, in full or in part, using moneys appropriated under this paragraph, paragraphs "c" through "g" and paragraph "i".

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under [section 303.3](#):

.....	\$	86,045
		<u>172,090</u>

c. HISTORICAL DIVISION

For the support of the historical division:

.....	\$	1,583,851
		<u>3,167,701</u>

As a condition of receiving the appropriation provided in this lettered paragraph "c", and from such moneys the historical division shall allocate \$90,000 for purposes of stabilizing and preserving the state battle flag collection described in section 303.2, subsection 2, paragraph "k".

d. HISTORIC SITES

For the administration and support of historic sites:

.....	\$	213,199
		<u>426,398</u>

e. ARTS DIVISION

For the support of the arts division:

.....	\$ 616,882
	<u>1,233,764</u>

Of the moneys appropriated in this paragraph, the department shall allocate \$300,000 for purposes of the film office.

f. IOWA GREAT PLACES

For the Iowa great places program established under section 303.3C:

.....	\$ 75,000
	<u>150,000</u>

g. ARCHIVE IOWA GOVERNORS' RECORDS

For archiving the records of Iowa governors:

.....	\$ 32,967
	<u>65,933</u>

h. RECORDS CENTER RENT

For payment of rent for the state records center:

.....	\$ 113,622
	<u>227,243</u>

~~i. BATTLE FLAGS~~

~~For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection:~~

.....	\$ 47,000
-------	-----------

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 2. 2015 Iowa Acts, chapter 136, section 19, is amended to read as follows:

SEC. 19. ECONOMIC DEVELOPMENT AUTHORITY.

1. APPROPRIATION

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection, and for not more than

the following full-time equivalent positions:

.....	\$ 7,758,186
	<u>15,116,372</u>
.....	FTEs 149.00

b. (1) For salaries, support, miscellaneous purposes, programs, marketing, and the maintenance of an administration division, a business development division, a community development division, a small business development division, and other divisions the authority may organize.

(2) The full-time equivalent positions authorized under this section are funded, in whole or in part, by the moneys appropriated under this subsection or by other moneys received by the authority, including certain federal moneys.

(3) For business development operations and programs, international trade, export assistance, workforce recruitment, and the partner state program.

(4) For transfer to a fund created pursuant to section 15.313 for purposes of financing strategic infrastructure projects.

(5) For community economic development programs, tourism operations, community assistance, plans for Iowa green corps and summer youth programs, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs.

(6) For achieving the goals and accountability, and fulfilling the requirements and duties required under this Act.

c. Notwithstanding [section 8.33](#), moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in this subsection until the close of the succeeding fiscal year.

2. FINANCIAL ASSISTANCE RESTRICTIONS

a. A business creating jobs through moneys appropriated in subsection 1 shall be subject to contract provisions requiring new and retained jobs to be filled by individuals who are citizens of the United States who reside within the United States or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the

United States.

b. Any vendor who receives moneys appropriated in subsection 1 shall adhere to such contract provisions and provide periodic assurances as the state shall require that the jobs are filled solely by citizens of the United States who reside within the United States or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States.

c. A business that receives financial assistance from the authority from moneys appropriated in subsection 1 shall only employ individuals legally authorized to work in this state. In addition to all other applicable penalties provided by current law, all or a portion of the assistance received by a business which is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the authority.

3. USES OF APPROPRIATIONS

a. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of a grant to a community economic development entity for conducting a local workforce recruitment effort designed to recruit former citizens of the state and former students at colleges and universities in the state to meet the needs of local employers.

b. From the moneys appropriated in subsection 1, the authority may provide financial assistance to early stage industry companies being established by women entrepreneurs.

c. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

d. The authority shall not use any moneys appropriated in subsection 1 for purposes of providing financial assistance for the Iowa green streets pilot project or for any other program or project that involves the installation of geothermal systems for melting snow and ice from streets or sidewalks.

4. WORLD FOOD PRIZE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year

beginning July 1, 2016, and ending June 30, 2017, the following amount for the world food prize and in lieu of the standing appropriation in [section 15.368, subsection 1](#):

.....	\$	356,250
		<u>712,500</u>

5. IOWA COMMISSION ON VOLUNTEER SERVICE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount for allocation to the Iowa commission on volunteer service for purposes of the Iowa state commission grant program, the Iowa's promise and Iowa mentoring partnership programs, and for not more than the following full-time equivalent positions:

.....	\$	89,067
		<u>178,133</u>
.....	FTEs	7.00

Of the moneys appropriated in this subsection, the authority shall allocate ~~\$37,500~~ \$75,000 for purposes of the Iowa state commission grant program and ~~\$51,567~~ \$103,133 for purposes of the Iowa's promise and Iowa mentoring partnership programs.

Notwithstanding [section 8.33](#), moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

6. COUNCILS OF GOVERNMENTS — ASSISTANCE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount to be used for the purposes of providing financial assistance to Iowa's councils of governments:

.....	\$	100,000
		<u>200,000</u>

7. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS
INTERNSHIPS

a. There is appropriated from the ~~general fund of the state~~ Iowa skilled worker and job creation fund created in section 8.75 to the Iowa economic development authority for the fiscal

year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, for the purposes designated:

For the funding of internships for students studying in the fields of science, technology, engineering, and mathematics with eligible Iowa employers as provided in section 15.411, subsection 3, paragraph "c":

.....	\$ 500,000
	<u>1,000,000</u>

b. No more than 3 percent of the moneys appropriated in this subsection may be used by the authority for costs associated with administration of the internship program.

c. Notwithstanding section 8.33, moneys appropriated in this subsection which remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsequent fiscal years.

Sec. 3. 2015 Iowa Acts, chapter 136, section 22, is amended to read as follows:

SEC. 22. IOWA FINANCE AUTHORITY.

1. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the rent subsidy program:

.....	\$ 329,000
	<u>658,000</u>

2. Participation in the rent subsidy program shall be limited to only those persons who meet the requirements for the nursing facility level of care for home and community-based services waiver services as in effect on July 1, 2016, and to those individuals who are eligible for the federal money follows the person grant program under the medical assistance program. If the Iowa finance authority utilizes a waiting list, the authority shall give priority to a person participating in the state's money follows the person partnership for community integration project who has been assigned to work with a transition specialist. Of the moneys

appropriated in this section, not more than \$35,000 may be used for administrative costs.

Sec. 4. 2015 Iowa Acts, chapter 136, section 24, is amended to read as follows:

SEC. 24. PUBLIC EMPLOYMENT RELATIONS BOARD.

1. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, for the purposes designated:

.....	\$	671,226
		<u>1,342,452</u>
.....	FTEs	10.00

2. Of the moneys appropriated in this section, the board shall allocate \$15,000 for maintaining an internet site that allows searchable access to a database of collective bargaining information.

Sec. 5. 2015 Iowa Acts, chapter 136, section 25, is amended to read as follows:

SEC. 25. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

a. For the division of labor services, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,289,958
		<u>4,305,097</u>
.....	FTEs	67.00

b. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF WORKERS' COMPENSATION

a. For the division of workers' compensation, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 1,629,522
	<u>3,259,044</u>
.....	FTEs 30.00

b. The division of workers' compensation shall charge a \$100 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. The moneys generated by the filing fee allowed under this subsection are appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

3. WORKFORCE DEVELOPMENT OPERATIONS

a. For the operation of field offices, the workforce development board, and for not more than the following full-time equivalent positions:

.....	\$ 4,589,707
	<u>8,976,650</u>
.....	FTEs 130.00

b. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate \$150,000 to the state library for the purpose of licensing an online resource which prepares persons to succeed in the workplace through programs which improve job skills and vocational test-taking abilities.

c. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate at least ~~\$1,130,602~~ \$580,783 for the operation of the three satellite field offices projected by the department to serve the most people from the offices located in Decorah, Fort Madison, Iowa City, or Webster City.

4. OFFENDER REENTRY PROGRAM

a. For the development and administration of an offender reentry program to provide offenders with employment skills, and for not more than the following full-time equivalent positions:

.....	\$	179,232
		<u>358,464</u>
.....	FTEs	4.00

b. The department of workforce development shall partner with the department of corrections to provide staff within the correctional facilities to improve offenders' abilities to find and retain productive employment.

4A. INTEGRATED INFORMATION FOR IOWA SYSTEM

For the payment of services provided by the department of administrative services related to the integrated information for Iowa system:

.....	\$	274,819
-------	----	---------

5. NONREVERSION

Notwithstanding [section 8.33](#), moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 6. 2015 Iowa Acts, chapter 136, section 26, is amended to read as follows:

SEC. 26. GENERAL FUND — EMPLOYEE MISCLASSIFICATION PROGRAM. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enhancing efforts to investigate employers that misclassify workers and for not more than the following full-time equivalent positions:

.....	\$	225,729
		<u>451,458</u>
.....	FTEs	8.10

Sec. 7. 2015 Iowa Acts, chapter 136, section 27, is amended to read as follows:

SEC. 27. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.

1. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof

as is necessary, to be used for field offices:

.....	\$	883,042
		<u>1,766,084</u>

2. Any remaining additional penalty and interest revenue collected by the department of workforce development is appropriated to the department for the fiscal year beginning July 1, 2016, and ending June 30, 2017, to accomplish the mission of the department.

Sec. 8. 2015 Iowa Acts, chapter 136, section 28, is amended to read as follows:

SEC. 28. UNEMPLOYMENT COMPENSATION RESERVE FUND — FIELD OFFICES. Notwithstanding [section 96.9, subsection 8](#), paragraph "e", there is appropriated from interest earned on the unemployment compensation reserve fund to the department of workforce development for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, for the purposes designated:

For the operation of satellite field offices:

.....	\$	200,000
		<u>557,000</u>

Sec. 9. 2015 Iowa Acts, chapter 136, section 31, is amended to read as follows:

SEC. 31. SMALL BUSINESS DEVELOPMENT CENTERS. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes of funding small business development centers:

.....	\$	50,500
		<u>101,000</u>

Sec. 10. 2015 Iowa Acts, chapter 136, section 32, is amended to read as follows:

SEC. 32. IOWA SKILLED WORKER AND JOB CREATION FUND.

1. There is appropriated from the Iowa skilled worker and job creation fund created in [section 8.75](#) to the following departments, agencies, and institutions for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ECONOMIC DEVELOPMENT AUTHORITY

(1) For the purposes of providing assistance under the high quality jobs program as described in [section 15.335B](#):

..... \$ ~~8,450,000~~
15,900,000

(2) From the moneys appropriated in this lettered paragraph "a", the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

(3) As a condition of receiving moneys appropriated in this lettered paragraph "a", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

(1) STATE BOARD OF REGENTS. For capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in implementation of activities under [chapter 262B](#):

..... \$ ~~1,500,000~~
3,000,000

Of the moneys appropriated pursuant to this subparagraph (1), 35 percent shall be allocated for Iowa state university of science and technology, 35 percent shall be allocated for the university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

(a) The institutions shall provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this subparagraph (1).

(b) The state board of regents shall annually submit a report by January 15 to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys appropriated under this subparagraph (1). The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the economic development authority. The metrics and

criteria shall allow the governor's office and the general assembly to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

(2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY. For small business development centers, the science and technology research park, and the center for industrial research and service, and for not more than the following full-time equivalent positions:

.....	\$	1,212,151
		<u>2,424,302</u>
.....	FTEs	56.63

(a) Of the moneys appropriated in this subparagraph (2), Iowa state university of science and technology shall allocate at least \$735,728 for purposes of funding small business development centers. Iowa state university of science and technology may allocate the appropriated moneys to the various small business development centers in any manner necessary to achieve the purposes of this subparagraph.

(b) Iowa state university of science and technology shall do all of the following:

(i) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(ii) Provide emphasis to providing services to Iowa-based companies.

(c) It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations, and that moneys for the center for industrial research and service industrial incentive program shall be allocated only for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in [section 15.102, subsection 8](#), for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state

funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

(3) STATE UNIVERSITY OF IOWA. For the state university of Iowa research park and for the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	104,640
		<u>209,279</u>
.....	FTEs	6.00

The state university of Iowa shall do all of the following:

- (a) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.
- (b) Provide emphasis to providing services to Iowa-based companies.

(4) STATE UNIVERSITY OF IOWA. For the purpose of implementing the entrepreneurship and economic growth initiative, and for not more than the following full-time equivalent positions:

.....	\$	1,000,000
		<u>2,000,000</u>
.....	FTEs	8.00

(5) UNIVERSITY OF NORTHERN IOWA. For the metal casting institute, the MyEntreNet internet application, and the institute of decision making, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	533,210
		<u>1,066,419</u>
.....	FTEs	9.75

- (a) Of the moneys appropriated pursuant to this

subparagraph (5), the university of northern Iowa shall allocate at least ~~\$533,210~~ \$617,639 for purposes of support of entrepreneurs through the university's ~~regional business center for business growth and innovation and economic gardening~~ advance Iowa program.

(b) The university of northern Iowa shall do all of the following:

(i) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(ii) Provide emphasis to providing services to Iowa-based companies.

(6) As a condition of receiving moneys appropriated in this lettered paragraph "b", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

c. DEPARTMENT OF WORKFORCE DEVELOPMENT

To develop a long-term sustained program to train unemployed and underemployed central Iowans with skills necessary to advance to higher-paying jobs with full benefits:

.....	\$	50,000
		<u>100,000</u>

(1) The department of workforce development shall begin a request for proposals process, issued for purposes of this lettered paragraph "c", no later than September 1, 2016.

(2) As a condition of receiving moneys appropriated under this lettered paragraph "c", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

2. Notwithstanding [section 8.33](#), moneys appropriated in this section of this Act that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION II

LIMITATIONS OF STANDING APPROPRIATIONS — FY 2016-2017

Sec. 11. 2015 Iowa Acts, chapter 138, section 3, subsection 1, is amended to read as follows:

1. For operational support grants and community cultural grants under [section 99F.11, subsection 3](#), paragraph "d",

subparagraph (1):

.....	\$	208,351
		<u>416,702</u>

DIVISION III

MISCELLANEOUS PROVISIONS — STATE HISTORICAL SOCIETY BOARD

Sec. 12. Section 303.4, subsection 1, paragraph c, Code 2016, is amended to read as follows:

c. The governor shall appoint ~~four~~ five members from the state at large, at least ~~one~~ two of whom shall be on the faculty of a college or university in the state engaged in a discipline related to the activities of the historical society.

DIVISION IV

MISCELLANEOUS PROVISIONS — WORLD FOOD PRIZE INTERIM STUDY COMMITTEE

Sec. 13. WORLD FOOD PRIZE — STUDY REQUEST. The legislative council is requested to establish an interim study committee for purposes of studying the appropriation of moneys to the economic development authority for the support of the world food prize award and, if appropriate, making recommendations to the general assembly.

DIVISION V

MISCELLANEOUS PROVISIONS — BUILDING REMEDIATION PROGRAM AND FUND

Sec. 14. NEW SECTION. 15.231 Community catalyst building remediation program — fund.

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

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

c. The authority shall use any moneys specifically appropriated for purposes of this section only for the purposes

of this section. The authority may use all other moneys in the fund, including interest, earnings, and recaptures for purposes of this section, or the authority may transfer the other moneys to other funds created pursuant to section 15.106A, subsection 1, paragraph "o".

d. Notwithstanding section 8.33, moneys in the community catalyst building remediation fund at the end of each fiscal year shall not revert to any other fund but shall remain in the fund for expenditure for subsequent fiscal years.

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

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

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

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

5. In providing grants under this section, the authority shall coordinate with a city to develop a plan for the use of grant moneys that is consistent with the community development, housing, and economic development goals of the city. The terms of the agreement entered into pursuant to subsection 4 and the use of grants provided under this section shall reflect the

plan developed.

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

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

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

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

DIVISION VI

MISCELLANEOUS PROVISIONS — RENEWABLE CHEMICAL PRODUCTION TAX CREDIT PROGRAM

Sec. 16. Section 15.316, subsection 3, as enacted by 2016 Iowa Acts, Senate File 2300, section 5, is amended to read as follows:

3. "*Building block chemical*" means a molecule converted from biomass feedstock as a first product or a secondarily derived product that can be further refined into a higher-value chemical, material, or consumer product. "*Building block chemical*" includes but is not limited to high-purity glycerol, oleic acid, lauric acid, methanoic or formic acid, arabonic acid, erythronic acid, glyceric acid, glycolic acid, lactic acid, 3-hydroxypropionate, propionic acid, malonic acid, serine, succinic acid, fumaric acid, malic acid, aspartic acid, 3-hydroxybutyrolactone, acetoin, threonine, itaconic acid, furfural, levulinic acid, glutamic acid, xylonic acid, xylaric acid, xylitol, arabitol, citric acid, aconitic acid, 5-hydroxymethylfurfural, lysine, gluconic acid, glucaric acid, sorbitol, gallic acid, ferulic acid, butyric acid, nonfuel butanol, nonfuel ethanol, or such additional molecules as may be included by the authority by rule after consultation with appropriate experts from Iowa state university, including

but not limited to the Iowa state university center for
biorenewable chemicals.

LINDA UPMEYER
Speaker of the House

PAM JOCHUM
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 2455, Eighty-sixth General Assembly.

CARMINE BOAL
Chief Clerk of the House

Approved _____, 2016

TERRY E. BRANSTAD
Governor