

Reprinted

FILED FEB 27 1991

SENATE FILE 254  
BY COMMITTEE ON SMALL BUSINESS  
AND ECONOMIC DEVELOPMENT

(SUCCESSOR TO SSB 180)

Passed Senate, Date 3/25/91 (p. 797) Passed House, Date 4/5/91 (A. 1131)  
Vote: Ayes 48 Nays 0 Vote: Ayes 74 Nays 13  
Approved April 11, 1991

A BILL FOR

1 An Act relating to economic development by transferring funds to  
2 the revolving fund of the rural community 2000 program,  
3 establishing time frames for the completion of the community  
4 builder program, and providing an effective date.

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

SF 254

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3119 amends all

1 Section 1. Section 15.287, Code 1991, is amended to read  
2 as follows:

3 15.287 REVOLVING FUND.

4 The Iowa finance authority shall establish a revolving fund  
5 for the program and shall transfer to the department moneys to  
6 be administered by the department. The moneys in the  
7 revolving fund are appropriated for purposes of the program.  
8 Notwithstanding section 8.33, moneys in the fund at the end of  
9 a fiscal year shall not revert to any other fund but shall  
10 remain in the revolving fund. The fund shall consist of all  
11 appropriations, grants, or gifts received by the authority or  
12 the department specifically for use under this part and all  
13 repayments of loans or grants made under this part. However,  
14 loan repayments from loans made under section 28.120 which are  
15 not allocated to another program shall be deposited in the  
16 revolving fund and shall be allocated equally so that fifty  
17 percent of the moneys are dedicated for the traditional  
18 infrastructure category under section 15.284 and fifty percent  
19 of the moneys are dedicated for the new infrastructure  
20 category under section 15.285.

21 Sec. 2. Section 15.308, subsection 4, Code 1991, is  
22 amended to read as follows:

23 4. A city, cluster of cities, county, group of counties,  
24 unincorporated community or group of unincorporated  
25 communities not yet certified under this section but awarded a  
26 grant or initiative from the state shall initiate a process to  
27 establish a community builder program within six months of the  
28 award~~7-to~~. The community builder program shall be completed  
29 within one year, or prior to the completion of the contract  
30 period if the contract is longer than one year. However, the  
31 program shall be completed within three years of the receipt  
32 of the award. The department administering the state  
33 financial assistance program may grant an extension if the  
34 contract period is less than three years.

35 Sec. 3. Section 28.120, Code 1991, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 8. Loan repayments made under this  
3 section and unallocated funds in the special account in  
4 subsection 5 shall be allocated to the rural community 2000  
5 program created in section 15.281 and are appropriated so that  
6 fifty percent of the moneys are dedicated for the traditional  
7 infrastructure category under section 15.284 and fifty percent  
8 of the moneys are dedicated for the new infrastructure  
9 category under section 15.285.

10 Sec. 4. 1989 Iowa Acts, chapter 310, section 6, unnumbered  
11 paragraphs 2 and 3, are amended to read as follows:

12 The funds appropriated by this subsection shall not be  
13 granted after July 1, 1989, to a political subdivision which  
14 does not have on file with the department of economic  
15 development a ~~multiyear-community-and-economic-development~~  
16 ~~strategic-plan-for-the-subdivision~~ plan pursuant to section  
17 15.308, subsection 6, paragraph "c". The department shall  
18 adopt rules which require that the plan shall be completed  
19 within one year of the receipt of an award and contain key  
20 concepts; however, a valid plan shall not be required to be  
21 comprehensive.

22 Funds appropriated by this subsection are the funds  
23 anticipated to be received from the federal government for the  
24 designated federal fiscal years under Pub. L. No. 97-35, Title  
25 III, Subtitle A, which provides for the community development  
26 block grant of which a minimum of four percent shall be set  
27 aside and expended half for a grant program for the homeless  
28 for the construction, rehabilitation, or expansion of group  
29 home shelter for the homeless and half for a home ownership  
30 program to help lower income and very low income families  
31 achieve single family home ownership. However, after January  
32 1, 1990, the department may allocate the set-aside money  
33 between the programs based on the number of applications  
34 received. If this allocation for the current federal fiscal  
35 year is not fully obligated, the excess shall be allocated to

1 the general competitive program for the following year. The  
2 department of economic development shall expend funds  
3 appropriated by this section as provided in the federal law  
4 making the funds available and in conformance with chapter  
5 17A.

6 Sec. 5. 1990 Iowa Acts, chapter 1263, section 4,  
7 unnumbered paragraphs 2 and 3, are amended to read as follows:

8 The funds appropriated by this subsection shall not be  
9 granted after July 1, 1990, to a political subdivision which  
10 does not have on file with the department of economic  
11 development a ~~multiyear-community-and-economic-development~~  
12 ~~strategic-plan-for-the-subdivision~~ plan pursuant to section  
13 15.308, subsection 6, paragraph "c". The department shall  
14 adopt rules which require that the plan shall be completed  
15 within one year of the receipt of an award and contain key  
16 concepts; however, a valid plan shall not be required to be  
17 comprehensive.

18 Funds appropriated by this subsection are the funds  
19 anticipated to be received from the federal government for the  
20 designated federal fiscal years under Pub. L. No. 97-35, Title  
21 III, subtitle A, which provides for the community development  
22 block grant of which a minimum of 4 percent shall be set aside  
23 and expended half for a grant program for the homeless for the  
24 construction, rehabilitation, or expansion of group home  
25 shelter for the homeless and half for a home ownership program  
26 to help lower income and very low income families achieve  
27 single family home ownership. However, after January 1, 1991,  
28 the department may allocate the set-aside money between the  
29 programs based on the number of applications received. If  
30 this allocation for the current federal fiscal year is not  
31 fully obligated, the excess shall be allocated to the general  
32 competitive program for the following year. The department of  
33 economic development shall expend funds appropriated by this  
34 section as provided in the federal law making the funds  
35 available and in conformance with chapter 17A.

1 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
2 immediate importance, takes effect upon enactment.

3 EXPLANATION

4 This bill provides that unallocated loan repayments being  
5 made on loans from the Iowa community development loan  
6 program, which is no longer granting loans, be used for  
7 traditional infrastructure and new infrastructure programs  
8 under the rural community 2000 program. Also, the bill  
9 provides that the time frame for the completion of a project  
10 is the same as for completion of the community builder program  
11 plan.

12 The bill takes effect upon enactment.

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SENATE FILE 254  
FISCAL NOTE

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A fiscal note for Senate File 254 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 254 transfers unallocated loan repayments from the Iowa Community Development Loan (ICDL) Fund to the Rural Community 2000 (RC 2000) Program to be allocated equally for the traditional and new infrastructure components of that Program. It also establishes timeframes for the completion of the Community Builder Program and permits funds which are not fully obligated from the FY 1990 and FY 1991 federal Community Development Block Grant (CDBG) monies to be allocated to the general CDBG competitive program for the following fiscal year.

Assumptions:

1. For FY 1992, all unallocated loan repayments are transferred to the RC 2000 Program.
2. The only other FY 1992 allocation from the IC DL Fund would be \$50,000 for the Financing Rural Economic Development Program as per the Department of Economic Development's (DED) request and the Governor's Recommendation.

Fiscal Effect:

According to the DED, approximately \$580,778 will be available to transfer from the IC DL Fund to the Rural Community 2000 Program for FY 1992.

(LSB 1297sv, JKH)

FILED MARCH 4, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 254

S-3119

1 Amend Senate File 254 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. Section 15.282, Code 1991, is amended  
5 to read as follows:

6 15.282 PURPOSE.

7 The purpose of this part is to assist communities  
8 and rural areas of the state with their development  
9 and governmental responsibilities by providing low-  
10 interest and no-interest loans or grants for  
11 traditional infrastructure, new infrastructure, and  
12 housing, and their efforts relating to community,  
13 business, and economic development under the community  
14 builder program established in section 15.308.

15 The department may also provide assistance for  
16 infrastructure assessment or planning efforts pursuant  
17 to rules established by the department.

18 Sec. 2. Section 15.283, subsection 2, Code 1991,  
19 is amended to read as follows:

20 2. The program shall provide for three four  
21 categories of assistance. These are the traditional  
22 infrastructure category, the new infrastructure  
23 category, and the housing category, and the planning  
24 category.

25 Sec. 3. Section 15.283, subsection 3, Code 1991,  
26 is amended to read as follows:

27 3. All moneys available for the traditional  
28 infrastructure category, and the new infrastructure  
29 category, and the planning category shall be  
30 administered by the department. All moneys available  
31 for the housing category shall be administered by the  
32 Iowa finance authority. The Iowa finance authority  
33 may transfer a portion of the funds appropriated for  
34 the housing category to the department for purposes of  
35 the planning category to be administered by the  
36 department.

37 Sec. 4. Section 15.283, subsection 4, Code 1991,  
38 is amended by striking the subsection and inserting in  
39 lieu thereof the following:

40 4. Moneys available under this program for the  
41 traditional infrastructure category, the new  
42 infrastructure category, and the planning category  
43 shall be allocated by the director. Moneys available  
44 under this program for the housing category shall be  
45 allocated by the executive director of the Iowa  
46 finance authority who may transfer a portion of the  
47 moneys to the department for the planning category.  
48 If moneys allocated to the housing category are not  
49 used or dedicated by April 1 of the fiscal year, the  
50 moneys shall be reallocated to the other categories

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1 that have the most need as determined by the  
2 department. At least one-third of the moneys  
3 allocated for the traditional infrastructure category,  
4 the new infrastructure category, and the housing  
5 category shall be set aside for cities with  
6 populations of five thousand or less. For the  
7 purposes of this set-aside, a city located in a county  
8 with a population in excess of three hundred thousand,  
9 if the city is contiguous to another city in the  
10 county and that other city is contiguous to the  
11 largest city in that county, shall be considered as  
12 having a population in excess of five thousand.

13 Sec. 5. Section 15.283, subsection 6, Code 1991,  
14 is amended by striking the subsection.

15 Sec. 6. Section 15.284, subsection 4, Code 1991,  
16 is amended to read as follows:

17 4. ~~The finance-division-of-the~~ department shall  
18 rank the applicants according to financial need, cost-  
19 benefit of the project, percent of match, impact,  
20 including an increase in fire or public safety because  
21 of completion of the project, and ability to  
22 administer the project.

23 Sec. 7. Section 15.285, subsection 1, Code 1991,  
24 is amended to read as follows:

25 1. ~~The new infrastructure category contains~~  
26 ~~projects described in section 384.24, subsection 4,~~  
27 ~~and projects which are services or processes that do~~  
28 ~~not currently meet the guidelines of standard public~~  
29 ~~works projects.--These include, but are not limited~~  
30 ~~to, communication systems, day care, technology~~  
31 ~~transfer adaptation, medical decision-support systems,~~  
32 ~~special transportation services, physical improvements~~  
33 ~~under town square and main street programs, physical~~  
34 ~~improvements to historic, art, and cultural sites and~~  
35 ~~attractions, emergency medical services, and~~  
36 ~~speculative shell buildings built by a local community~~  
37 ~~development organization, and other projects described~~  
38 ~~in section 384.24, subsection 4.~~

39 Sec. 8. Section 15.285, subsection 4, Code 1991,  
40 is amended to read as follows:

41 4. ~~The finance-division-of-the~~ department shall  
42 rank the applications according to the applicant's  
43 financial need, cost-benefit of the project, current  
44 conditions or situations, percent of private  
45 investment or contribution, and ability to administer  
46 the project.

47 Sec. 9. NEW SECTION. 15.286A PLANNING.

48 1. The planning category contains projects that  
49 include but are not limited to planning efforts  
50 leading to completion of the community builder program



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1 established in section 15.308 and for statewide or  
2 regional infrastructure assessment or planning.

3 2. A city, cluster of cities, county, group of  
4 counties, unincorporated community, group of  
5 unincorporated communities, council of governments, or  
6 regional planning commission is eligible to apply for  
7 loans or grants from this category for planning  
8 efforts related to the community builder program.

9 3. The department may issue requests for proposals  
10 for applications on a competitive basis or may  
11 negotiate with one or more public or private  
12 contractors for statewide or regional infrastructure  
13 assessment or planning.

14 4. The department shall adopt rules pursuant to  
15 chapter 17A for administration of this category.

16 Sec. 10. Section 15.287, Code 1991, is amended to  
17 read as follows:

18 15.287 REVOLVING FUND.

19 The Iowa finance authority shall establish a  
20 revolving fund for the program and shall transfer to  
21 the department moneys to be administered by the  
22 department. The moneys in the revolving fund are  
23 appropriated for purposes of the program.  
24 Notwithstanding section 8.33, moneys in the fund at  
25 the end of a fiscal year shall not revert to any other  
26 fund but shall remain in the revolving fund. The fund  
27 shall consist of all appropriations, grants, or gifts  
28 received by the authority or the department  
29 specifically for use under this part and all  
30 repayments of loans or grants made under this part.  
31 However, loan repayments from loans made under section  
32 28.120 which are not allocated to another program  
33 shall be deposited in the revolving fund and shall be  
34 available for allocation by the director for  
35 categories administered by the department.

36 Sec. 11. Section 15.308, subsection 4, Code 1991,  
37 is amended to read as follows:

38 4. A city, cluster of cities, county, group of  
39 counties, unincorporated community or group of  
40 unincorporated communities not yet certified under  
41 this section but awarded a grant or initiative from  
42 the state shall initiate a process to establish a  
43 community builder program within six months of the  
44 award~~-to~~. The community builder program shall be  
45 completed within one year, or prior to the completion  
46 of the contract period if the contract is longer than  
47 one year. However, the program shall be completed  
48 within three years of the receipt of the award. The  
49 department administering the state financial  
50 assistance program may grant an extension if the

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Page 4

1 contract period is less than three years.

2 Sec. 12. Section 28.120, Code 1991, is amended by  
3 adding the following new subsection:

4 NEW SUBSECTION. 8. Loan repayments made under  
5 this section and unallocated funds in the special  
6 account in subsection 5 shall be allocated to the  
7 revolving account of the rural community 2000 program  
8 created in section 15.287.

9 Sec. 13. 1989 Iowa Acts, chapter 310, section 6,  
10 unnumbered paragraphs 2 and 3, are amended to read as  
11 follows:

12 The funds appropriated by this subsection shall not  
13 be granted after July 1, 1989, to a political  
14 subdivision which does not have on file with the  
15 department of economic development a multiyear  
16 community and economic development strategic plan for  
17 the subdivision. The department shall adopt rules  
18 which require that the plan shall be completed within  
19 one year of the receipt of an award and contain key  
20 concepts; however, a valid plan shall not be required  
21 to be comprehensive. The department may accept the  
22 community builder plan under section 15.308 as  
23 compliance with this requirement.

24 Funds appropriated by this subsection are the funds  
25 anticipated to be received from the federal government  
26 for the designated federal fiscal years under Pub. L.  
27 No. 97-35, Title III, Subtitle A, which provides for  
28 the community development block grant of which a  
29 minimum of four percent shall be set aside and  
30 expended half for a grant program for the homeless for  
31 the construction, rehabilitation, or expansion of  
32 group home shelter for the homeless and half for a  
33 home ownership program to help lower income and very  
34 low income families achieve single family home  
35 ownership. However, after January 1, 1990, the  
36 department may allocate the set-aside money between  
37 the programs based on the number of applications  
38 received. If this allocation for the current federal  
39 fiscal year is not fully obligated, the excess shall  
40 be allocated to the general competitive program for  
41 the following year. The department of economic  
42 development shall expend funds appropriated by this  
43 section as provided in the federal law making the  
44 funds available and in conformance with chapter 17A.

45 Sec. 14. 1990 Iowa Acts, chapter 1263, section 4,  
46 unnumbered paragraph 3, is amended to read as follows:

47 Funds appropriated by this subsection are the funds  
48 anticipated to be received from the federal government  
49 for the designated federal fiscal years under Pub. L.  
50 No. 97-35, Title III, subtitle A, which provides for

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1 the community development block grant of which a  
 2 minimum of 4 percent shall be set aside and expended  
 3 half for a grant program for the homeless for the  
 4 construction, rehabilitation, or expansion of group  
 5 home shelter for the homeless and half for a home  
 6 ownership program to help lower income and very low  
 7 income families achieve single family home ownership.  
 8 However, after January 1, 1991, the department may  
 9 allocate the set-aside money between the programs  
 10 based on the number of applications received. If this  
 11 allocation for the current federal fiscal year is not  
 12 fully obligated, the excess shall be allocated to the  
 13 general competitive program for the following year.  
 14 The department of economic development shall expend  
 15 funds appropriated by this section as provided in the  
 16 federal law making the funds available and in  
 17 conformance with chapter 17A.

18 Sec. 15. EFFECTIVE DATE. This Act, being deemed  
 19 of immediate importance, takes effect upon enactment."

20 2. Title page, by striking line 4 and inserting  
 21 the following: "builder program, establishing a  
 22 planning category in the rural community 2000 program,  
 23 and providing an effective date."

By JIM RIORDAN

JOHN P. KIBBIE  
 BEVERLY A. HANNON  
 PAUL D. PATE  
 MARY E. KRAMER

ALLEN BORLAUG  
 RICHARD WANDE HOEF  
 SHELDON RITTMER  
 ALVIN V. MILLER

S-3119 FILED MARCH 14, 1991

*Adopted as amended by 2141A 3/25 (p 796)*

## SENATE FILE 254

S-3141

1 Amend the amendment, S-3119, to Senate File 254 as  
 2 follows:

3 1. Page 1, line 43, by inserting after the word  
 4 "director." the following: "Annually, not more than  
 5 three hundred thousand dollars of the funds for the  
 6 program shall be allocated for the planning category."

7 2. Page 1, line 47, by inserting after the word  
 8 "category." the following: "Annually, at least  
 9 twenty-five percent of the funds for the program shall  
 10 be allocated to the housing category."

By JIM RIORDAN

S-3141 FILED MARCH 20, 1991

ADOPTED (p. 747)

*Reconsidered divided, A-Adopted  
 B w/d 3/25 (p 796)*

SENATE FILE 254

S-3159

1 Amend the amendment, S-3119, to Senate File 254 as  
2 follows:

3 1. Page 3, line 22, by inserting after the word  
4 "department." the following: "If, during a fiscal  
5 year, moneys are not appropriated for the specific  
6 purpose of the housing category, the executive  
7 director of the Iowa finance authority may retain up  
8 to twenty-five percent of the funds appropriated for  
9 the program."

By JIM RIORDAN

S-3159 FILED MARCH 25, 1991  
ADOPTED (p. 796)

SENATE FILE 254  
BY COMMITTEE ON SMALL BUSINESS  
AND ECONOMIC DEVELOPMENT  
*Substituted for H.F. 574 4/5/91*  
(SUCCESSOR TO SSB 180)

(AS AMENDED AND PASSED BY THE SENATE MARCH 25, 1991)  
ALL New Language by the Senate

Passed Senate, Date 3/25/91 (p. 797) Passed House, Date 4/5/91 (p. 1121)  
Vote: Ayes 48 Nays 0 Vote: Ayes 74 Nays 13  
Approved April 11, 1991 (p. 1216)

A BILL FOR

1 An Act relating to economic development by transferring funds to  
2 the revolving fund of the rural community 2000 program,  
3 establishing time frames for the completion of the community  
4 builder program, establishing a planning category in the rural  
5 community 2000 program, and providing an effective date.

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

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S.F. 254

1 Section 1. Section 15.282, Code 1991, is amended to read  
2 as follows:

3 15.282 PURPOSE.

4 The purpose of this part is to assist communities and rural  
5 areas of the state with their development and governmental  
6 responsibilities by providing low-interest and no-interest  
7 loans or grants for traditional infrastructure, new  
8 infrastructure, and housing, and their efforts relating to  
9 community, business, and economic development under the  
10 community builder program established in section 15.308.

11 The department may also provide assistance for  
12 infrastructure assessment or planning efforts pursuant to  
13 rules established by the department.

14 Sec. 2. Section 15.283, subsection 2, Code 1991, is  
15 amended to read as follows:

16 2. The program shall provide for ~~three~~ four categories of  
17 assistance. These are the traditional infrastructure  
18 category, the new infrastructure category, ~~and~~ the housing  
19 category, and the planning category.

20 Sec. 3. Section 15.283, subsection 3, Code 1991, is  
21 amended to read as follows:

22 3. All moneys available for the traditional infrastructure  
23 category, ~~and~~ the new infrastructure category, and the  
24 planning category shall be administered by the department.

25 All moneys available for the housing category shall be  
26 administered by the Iowa finance authority. The Iowa finance  
27 authority may transfer a portion of the funds appropriated for  
28 the housing category to the department for purposes of the  
29 planning category to be administered by the department.

30 Sec. 4. Section 15.283, subsection 4, Code 1991, is  
31 amended by striking the subsection and inserting in lieu  
32 thereof the following:

33 4. Moneys available under this program for the traditional  
34 infrastructure category, the new infrastructure category, and  
35 the planning category shall be allocated by the director.

1 Annually, not more than three hundred thousand dollars of the  
2 funds for the program shall be allocated for the planning  
3 category. Moneys available under this program for the housing  
4 category shall be allocated by the executive director of the  
5 Iowa finance authority who may transfer a portion of the  
6 moneys to the department for the planning category. If moneys  
7 allocated to the housing category are not used or dedicated by  
8 April 1 of the fiscal year, the moneys shall be reallocated to  
9 the other categories that have the most need as determined by  
10 the department. At least one-third of the moneys allocated  
11 for the traditional infrastructure category, the new  
12 infrastructure category, and the housing category shall be set  
13 aside for cities with populations of five thousand or less.  
14 For the purposes of this set-aside, a city located in a county  
15 with a population in excess of three hundred thousand, if the  
16 city is contiguous to another city in the county and that  
17 other city is contiguous to the largest city in that county,  
18 shall be considered as having a population in excess of five  
19 thousand.

20 Sec. 5. Section 15.283, subsection 6, Code 1991, is  
21 amended by striking the subsection.

22 Sec. 6. Section 15.284, subsection 4, Code 1991, is  
23 amended to read as follows:

24 4. ~~The finance-division-of-the~~ department shall rank the  
25 applicants according to financial need, cost-benefit of the  
26 project, percent of match, impact, including an increase in  
27 fire or public safety because of completion of the project,  
28 and ability to administer the project.

29 Sec. 7. Section 15.285, subsection 1, Code 1991, is  
30 amended to read as follows:

31 1. The new infrastructure category contains projects  
32 described in section 384.24, subsection 4, and projects which  
33 ~~are-services-or-processes-that-do-not-currently-meet-the~~  
34 ~~guidelines-of-standard-public-works-projects---~~These include,  
35 but are not limited to, communication systems, day care,

1 technology transfer adaptation, medical decision-support  
2 systems, special transportation services, physical  
3 improvements under town square and main street programs,  
4 physical improvements to historic, art, and cultural sites and  
5 attractions, emergency medical services, and speculative shell  
6 buildings built by a local community development organization  
7 ~~and other projects described in section 384.24, subsection 4.~~

8 Sec. 8. Section 15.285, subsection 4, Code 1991, is  
9 amended to read as follows:

10 4. ~~The finance division of the~~ department shall rank the  
11 applications according to the applicant's financial need,  
12 cost-benefit of the project, current conditions or situations,  
13 percent of private investment or contribution, and ability to  
14 administer the project.

15 Sec. 9. NEW SECTION. 15.286A PLANNING.

16 1. The planning category contains projects that include  
17 but are not limited to planning efforts leading to completion  
18 of the community builder program established in section 15.308  
19 and for statewide or regional infrastructure assessment or  
20 planning.

21 2. A city, cluster of cities, county, group of counties,  
22 unincorporated community, group of unincorporated communities,  
23 council of governments, or regional planning commission is  
24 eligible to apply for loans or grants from this category for  
25 planning efforts related to the community builder program.

26 3. The department may issue requests for proposals for  
27 applications on a competitive basis or may negotiate with one  
28 or more public or private contractors for statewide or  
29 regional infrastructure assessment or planning.

30 4. The department shall adopt rules pursuant to chapter  
31 17A for administration of this category.

32 Sec. 10. Section 15.287, Code 1991, is amended to read as  
33 follows:

34 15.287 REVOLVING FUND.

35 The Iowa finance authority shall establish a revolving fund



1 for the program and shall transfer to the department moneys to  
2 be administered by the department. If, during a fiscal year,  
3 moneys are not appropriated for the specific purpose of the  
4 housing category, the executive director of the Iowa finance  
5 authority may retain up to twenty-five percent of the funds  
6 appropriated for the program. The moneys in the revolving  
7 fund are appropriated for purposes of the program.

8 Notwithstanding section 8.33, moneys in the fund at the end of  
9 a fiscal year shall not revert to any other fund but shall  
10 remain in the revolving fund. The fund shall consist of all  
11 appropriations, grants, or gifts received by the authority or  
12 the department specifically for use under this part and all  
13 repayments of loans or grants made under this part. However,  
14 loan repayments from loans made under section 28.120 which are  
15 not allocated to another program shall be deposited in the  
16 revolving fund and shall be available for allocation by the  
17 director for categories administered by the department.

18 Sec. 11. Section 15.308, subsection 4, Code 1991, is  
19 amended to read as follows:

20 4. A city, cluster of cities, county, group of counties,  
21 unincorporated community or group of unincorporated  
22 communities not yet certified under this section but awarded a  
23 grant or initiative from the state shall initiate a process to  
24 establish a community builder program within six months of the  
25 award~~-to~~. The community builder program shall be completed  
26 within one year, or prior to the completion of the contract  
27 period if the contract is longer than one year. However, the  
28 program shall be completed within three years of the receipt  
29 of the award. The department administering the state  
30 financial assistance program may grant an extension if the  
31 contract period is less than three years.

32 Sec. 12. Section 28.120, Code 1991, is amended by adding  
33 the following new subsection:

34 NEW SUBSECTION. 8. Loan repayments made under this  
35 section and unallocated funds in the special account in

1 subsection 5 shall be allocated to the revolving account of  
2 the rural community 2000 program created in section 15.287.

3 Sec. 13. 1989 Iowa Acts, chapter 310, section 6,  
4 unnumbered paragraphs 2 and 3, are amended to read as follows:

5 The funds appropriated by this subsection shall not be  
6 granted after July 1, 1989, to a political subdivision which  
7 does not have on file with the department of economic  
8 development a multiyear community and economic development  
9 strategic plan for the subdivision. The department shall  
10 adopt rules which require that the plan shall be completed  
11 within one year of the receipt of an award and contain key  
12 concepts; however, a valid plan shall not be required to be  
13 comprehensive. The department may accept the community  
14 builder plan under section 15.308 as compliance with this  
15 requirement.

16 Funds appropriated by this subsection are the funds  
17 anticipated to be received from the federal government for the  
18 designated federal fiscal years under Pub. L. No. 97-35,  
19 Title III, Subtitle A, which provides for the community  
20 development block grant of which a minimum of four percent  
21 shall be set aside and expended half for a grant program for  
22 the homeless for the construction, rehabilitation, or  
23 expansion of group home shelter for the homeless and half for  
24 a home ownership program to help lower income and very low  
25 income families achieve single family home ownership.  
26 However, after January 1, 1990, the department may allocate  
27 the set-aside money between the programs based on the number  
28 of applications received. If this allocation for the current  
29 federal fiscal year is not fully obligated, the excess shall  
30 be allocated to the general competitive program for the  
31 following year. The department of economic development shall  
32 expend funds appropriated by this section as provided in the  
33 federal law making the funds available and in conformance with  
34 chapter 17A.

35 Sec. 14. 1990 Iowa Acts, chapter 1263, section 4,

1 unnumbered paragraph 3, is amended to read as follows:  
2 Funds appropriated by this subsection are the funds  
3 anticipated to be received from the federal government for the  
4 designated federal fiscal years under Pub. L. No. 97-35,  
5 Title III, subtitle A, which provides for the community  
6 development block grant of which a minimum of 4 percent shall  
7 be set aside and expended half for a grant program for the  
8 homeless for the construction, rehabilitation, or expansion of  
9 group home shelter for the homeless and half for a home  
10 ownership program to help lower income and very low income  
11 families achieve single family home ownership. However, after  
12 January 1, 1991, the department may allocate the set-aside  
13 money between the programs based on the number of applications  
14 received. If this allocation for the current federal fiscal  
15 year is not fully obligated, the excess shall be allocated to  
16 the general competitive program for the following year. The  
17 department of economic development shall expend funds  
18 appropriated by this section as provided in the federal law  
19 making the funds available and in conformance with chapter  
20 17A.

21 Sec. 15. EFFECTIVE DATE. This Act, being deemed of  
22 immediate importance, takes effect upon enactment.

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RIDORDAN, CH.  
MILLER  
BORLAUG

SSB 180  
SMALL BUSINESS + ECONOMIC  
DEVELOPMENT

SENATE/HOUSE FILE 254  
BY (PROPOSED DEPARTMENT OF  
ECONOMIC DEVELOPMENT BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to economic development by transferring funds to  
2 the revolving fund of the rural community 2000 program,  
3 establishing time frames for the completion of the community  
4 builder program, and providing an effective date.

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

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1 Section 1. Section 15.287, Code 1991, is amended to read  
2 as follows:

3 15.287 REVOLVING FUND.

4 The Iowa finance authority shall establish a revolving fund  
5 for the program and shall transfer to the department moneys to  
6 be administered by the department. The moneys in the  
7 revolving fund are appropriated for purposes of the program.  
8 Notwithstanding section 8.33, moneys in the fund at the end of  
9 a fiscal year shall not revert to any other fund but shall  
10 remain in the revolving fund. The fund shall consist of all  
11 appropriations, grants, or gifts received by the authority or  
12 the department specifically for use under this part and all  
13 repayments of loans or grants made under this part. However,  
14 loan repayments from loans made under section 28.120 which are  
15 not allocated to another program shall be deposited in the  
16 revolving fund and shall be allocated equally so that fifty  
17 percent of the moneys are dedicated for the traditional  
18 infrastructure category under section 15.284 and fifty percent  
19 of the moneys are dedicated for the new infrastructure  
20 category under section 15.285.

21 Sec. 2. Section 15.308, subsection 4, Code 1991, is  
22 amended to read as follows:

23 4. A city, cluster of cities, county, group of counties,  
24 unincorporated community or group of unincorporated  
25 communities not yet certified under this section but awarded a  
26 grant or initiative from the state shall initiate a process to  
27 establish a community builder program within six months of the  
28 award~~,-to~~. The community builder program shall be completed  
29 within one year, or prior to the completion of the contract  
30 period if the contract is longer than one year. However, the  
31 program shall be completed within three years of the receipt  
32 of the award. The department administering the state  
33 financial assistance program may grant an extension if the  
34 contract period is less than three years.

35 Sec. 3. Section 28.120, Code 1991, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 8. Loan repayments made under this  
3 section and unallocated funds in the special account in  
4 subsection 5 shall be allocated to the rural community 2000  
5 program created in section 15.281 and are appropriated so that  
6 fifty percent of the moneys are dedicated for the traditional  
7 infrastructure category under section 15.284 and fifty percent  
8 of the moneys are dedicated for the new infrastructure  
9 category under section 15.285.

10 Sec. 4. 1989 Iowa Acts, chapter 310, section 6, unnumbered  
11 paragraphs 2 and 3, are amended to read as follows:

12 The funds appropriated by this subsection shall not be  
13 granted after July 1, 1989, to a political subdivision which  
14 does not have on file with the department of economic  
15 development a multiyear-community-and-economic-development  
16 strategic-plan-for-the-subdivision plan pursuant to section  
17 15.308, subsection 6, paragraph "c". The department shall  
18 adopt rules which require that the plan shall be completed  
19 within one year of the receipt of an award and contain key  
20 concepts; however, a valid plan shall not be required to be  
21 comprehensive.

22 Funds appropriated by this subsection are the funds  
23 anticipated to be received from the federal government for the  
24 designated federal fiscal years under Pub. L. No. 97-35, Title  
25 III, Subtitle A, which provides for the community development  
26 block grant of which a minimum of four percent shall be set  
27 aside and expended half for a grant program for the homeless  
28 for the construction, rehabilitation, or expansion of group  
29 home shelter for the homeless and half for a home ownership  
30 program to help lower income and very low income families  
31 achieve single family home ownership. However, after January  
32 1, 1990, the department may allocate the set-aside money  
33 between the programs based on the number of applications  
34 received. If this allocation for the current federal fiscal  
35 year is not fully obligated, the excess shall be allocated to

1 the general competitive program for the following year. The  
2 department of economic development shall expend funds  
3 appropriated by this section as provided in the federal law  
4 making the funds available and in conformance with chapter  
5 17A.

6 Sec. 5. 1990 Iowa Acts, chapter 1263, section 4,  
7 unnumbered paragraphs 2 and 3, are amended to read as follows:

8 The funds appropriated by this subsection shall not be  
9 granted after July 1, 1990, to a political subdivision which  
10 does not have on file with the department of economic  
11 development a ~~multiyear-community-and-economic-development~~  
12 ~~strategic-plan-for-the-subdivision~~ plan pursuant to section  
13 15.308, subsection 6, paragraph "c". The department shall  
14 adopt rules which require that the plan shall be completed  
15 within one year of the receipt of an award and contain key  
16 concepts; however, a valid plan shall not be required to be  
17 comprehensive.

18 Funds appropriated by this subsection are the funds  
19 anticipated to be received from the federal government for the  
20 designated federal fiscal years under Pub. L. No. 97-35, Title  
21 III, subtitle A, which provides for the community development  
22 block grant of which a minimum of 4 percent shall be set aside  
23 and expended half for a grant program for the homeless for the  
24 construction, rehabilitation, or expansion of group home  
25 shelter for the homeless and half for a home ownership program  
26 to help lower income and very low income families achieve  
27 single family home ownership. However, after January 1, 1991,  
28 the department may allocate the set-aside money between the  
29 programs based on the number of applications received. If  
30 this allocation for the current federal fiscal year is not  
31 fully obligated, the excess shall be allocated to the general  
32 competitive program for the following year. The department of  
33 economic development shall expend funds appropriated by this  
34 section as provided in the federal law making the funds  
35 available and in conformance with chapter 17A.

1 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
2 immediate importance, takes effect upon enactment.

3 EXPLANATION

4 This bill provides that unallocated loan repayments being  
5 made on loans from the Iowa community development loan  
6 program, which is no longer granting loans, be used for  
7 traditional infrastructure and new infrastructure programs  
8 under the rural community 2000 program. Also, the bill  
9 provides that the time frame for the completion of a project  
10 is the same as for completion of the community builder program  
11 plan.

12 The bill takes effect upon enactment.

13 BACKGROUND STATEMENT

14 SUBMITTED BY THE AGENCY

15 Sections 1 and 3 -- In the years since the Iowa community  
16 development loan (ICDL) program ceased operation, the  
17 legislature has created the rural community 2000 program to  
18 provide financial assistance for similar purposes. The  
19 department recommends that the provision of the ICDL  
20 repayments account be modified so that unobligated repayments  
21 may be used for traditional and new infrastructure programs  
22 under the rural community 2000 program, except as provided for  
23 in the new language.

24 Section 2 -- This change makes the time frame for the  
25 project period and the community builder completion the same.  
26 The administering department would be able to authorize an  
27 extension for completion of the plan if a hardship was  
28 demonstrated by the city, county, etc.

29 Sections 4 and 5 -- This request assures compliance with  
30 the United States housing and urban development standards in  
31 the appropriations of community development block grants  
32 (CDBG) funds and streamlines the filing requirements by  
33 eliminating the requirement of filing a CDBG plan in addition  
34 to a community builder plan.

35



SENATE FILE 254

AN ACT

RELATING TO ECONOMIC DEVELOPMENT BY TRANSFERRING FUNDS TO THE REVOLVING FUND OF THE RURAL COMMUNITY 2000 PROGRAM, ESTABLISHING TIME FRAMES FOR THE COMPLETION OF THE COMMUNITY BUILDER PROGRAM, ESTABLISHING A PLANNING CATEGORY IN THE RURAL COMMUNITY 2000 PROGRAM, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 15.282, Code 1991, is amended to read as follows:

15.282 PURPOSE.

The purpose of this part is to assist communities and rural areas of the state with their development and governmental responsibilities by providing low-interest and no-interest loans or grants for traditional infrastructure, new infrastructure, and housing, and their efforts relating to community, business, and economic development under the community builder program established in section 15.308.

The department may also provide assistance for infrastructure assessment or planning efforts pursuant to rules established by the department.

Sec. 2. Section 15.283, subsection 2, Code 1991, is amended to read as follows:

2. The program shall provide for three four categories of assistance. These are the traditional infrastructure category, the new infrastructure category, and the housing category, and the planning category.

Sec. 3. Section 15.283, subsection 3, Code 1991, is amended to read as follows:

3. All moneys available for the traditional infrastructure category, and the new infrastructure category, and the planning category shall be administered by the department. All moneys available for the housing category shall be administered by the Iowa finance authority. The Iowa finance authority may transfer a portion of the funds appropriated for the housing category to the department for purposes of the planning category to be administered by the department.

Sec. 4. Section 15.283, subsection 4, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

4. Moneys available under this program for the traditional infrastructure category, the new infrastructure category, and the planning category shall be allocated by the director. Annually, not more than three hundred thousand dollars of the funds for the program shall be allocated for the planning category. Moneys available under this program for the housing category shall be allocated by the executive director of the Iowa finance authority who may transfer a portion of the moneys to the department for the planning category. If moneys allocated to the housing category are not used or dedicated by April 1 of the fiscal year, the moneys shall be reallocated to the other categories that have the most need as determined by the department. At least one-third of the moneys allocated for the traditional infrastructure category, the new infrastructure category, and the housing category shall be set aside for cities with populations of five thousand or less. For the purposes of this set-aside, a city located in a county with a population in excess of three hundred thousand, if the city is contiguous to another city in the county and that other city is contiguous to the largest city in that county, shall be considered as having a population in excess of five thousand.

Sec. 5. Section 15.283, subsection 6, Code 1991, is amended by striking the subsection.

Sec. 6. Section 15.284, subsection 4, Code 1991, is amended to read as follows:

4. The ~~finance-division-of-the~~ department shall rank the applicants according to financial need, cost-benefit of the project, percent of match, impact, including an increase in fire or public safety because of completion of the project, and ability to administer the project.

Sec. 7. Section 15.285, subsection 1, Code 1991, is amended to read as follows:

1. The new infrastructure category contains projects described in section 384.24, subsection 4, and projects which are services or processes that do not currently meet the guidelines of standard public works projects. These include, but are not limited to, communication systems, day care, technology transfer adaptation, medical decision-support systems, special transportation services, physical improvements under town square and main street programs, physical improvements to historic, art, and cultural sites and attractions, emergency medical services, and speculative shell buildings built by a local community development organization, ~~and other projects described in section 384.24, subsection 4.~~

Sec. 8. Section 15.285, subsection 4, Code 1991, is amended to read as follows:

4. The ~~finance-division-of-the~~ department shall rank the applications according to the applicant's financial need, cost-benefit of the project, current conditions or situations, percent of private investment or contribution, and ability to administer the project.

Sec. 9. NEW SECTION. 15.286A PLANNING.

1. The planning category contains projects that include but are not limited to planning efforts leading to completion of the community builder program established in section 15.308 and for statewide or regional infrastructure assessment or planning.

2. A city, cluster of cities, county, group of counties, unincorporated community, group of unincorporated communities, council of governments, or regional planning commission is eligible to apply for loans or grants from this category for planning efforts related to the community builder program.

3. The department may issue requests for proposals for applications on a competitive basis or may negotiate with one or more public or private contractors for statewide or regional infrastructure assessment or planning.

4. The department shall adopt rules pursuant to chapter 17A for administration of this category.

Sec. 10. Section 15.287, Code 1991, is amended to read as follows:

15.287 REVOLVING FUND.

The Iowa finance authority shall establish a revolving fund for the program and shall transfer to the department moneys to be administered by the department. If, during a fiscal year, moneys are not appropriated for the specific purpose of the housing category, the executive director of the Iowa finance authority may retain up to twenty-five percent of the funds appropriated for the program. The moneys in the revolving fund are appropriated for purposes of the program. Notwithstanding section 8.33, moneys in the fund at the end of a fiscal year shall not revert to any other fund but shall remain in the revolving fund. The fund shall consist of all appropriations, grants, or gifts received by the authority or the department specifically for use under this part and all repayments of loans or grants made under this part. However, loan repayments from loans made under section 28.120 which are not allocated to another program shall be deposited in the revolving fund and shall be available for allocation by the director for categories administered by the department.

Sec. 11. Section 15.308, subsection 4, Code 1991, is amended to read as follows:

4. A city, cluster of cities, county, group of counties, unincorporated community or group of unincorporated communities not yet certified under this section but awarded a grant or initiative from the state shall initiate a process to establish a community builder program within six months of the award-to. The community builder program shall be completed within one year, or prior to the completion of the contract period if the contract is longer than one year. However, the program shall be completed within three years of the receipt of the award. The department administering the state financial assistance program may grant an extension if the contract period is less than three years.

Sec. 12. Section 28.120, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Loan repayments made under this section and unallocated funds in the special account in subsection 5 shall be allocated to the revolving account of the rural community 2000 program created in section 15.287.

Sec. 13. 1989 Iowa Acts, chapter 310, section 6, unnumbered paragraphs 2 and 3, are amended to read as follows:

The funds appropriated by this subsection shall not be granted after July 1, 1989, to a political subdivision which does not have on file with the department of economic development a multiyear community and economic development strategic plan for the subdivision. The department shall adopt rules which require that the plan shall be completed within one year of the receipt of an award and contain key concepts; however, a valid plan shall not be required to be comprehensive. The department may accept the community builder plan under section 15.308 as compliance with this requirement.

Funds appropriated by this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title III, Subtitle A, which provides for the community development

block grant of which a minimum of four percent shall be set aside and expended half for a grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless and half for a home ownership program to help lower income and very low income families achieve single family home ownership. However, after January 1, 1990, the department may allocate the set-aside money between the programs based on the number of applications received. If this allocation for the current federal fiscal year is not fully obligated, the excess shall be allocated to the general competitive program for the following year. The department of economic development shall expend funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Sec. 14. 1990 Iowa Acts, chapter 1263, section 4, unnumbered paragraph 3, is amended to read as follows:

Funds appropriated by this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title III, subtitle A, which provides for the community development block grant of which a minimum of 4 percent shall be set aside and expended half for a grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless and half for a home ownership program to help lower income and very low income families achieve single family home ownership. However, after January 1, 1991, the department may allocate the set-aside money between the programs based on the number of applications received. If this allocation for the current federal fiscal year is not fully obligated, the excess shall be allocated to the general competitive program for the following year. The department of economic development shall expend funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Sec. 15. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

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JOE J. WELSH  
President of the Senate

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ROBERT C. ARNOULD  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 254, Seventy-fourth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 11, 1991

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TERRY E. BRANSTAD .  
Governor