

Jenkins
Witt
Van Fossen

HSB 696
ECONOMIC DEVELOPMENT

Succeeded
OF 2423

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC DEVELOPMENT BILL
BY CHAIRPERSON TEIG)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating a brownfield redevelopment program and fund and a
2 brownfield redevelopment advisory council.

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

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1 Section 1. NEW SECTION. 15.291 DEFINITIONS.

2 As used in this part, unless the context otherwise
3 requires:

4 1. "Brownfield site" means an abandoned, idled, or
5 underutilized industrial or commercial facility where
6 expansion or redevelopment is complicated by real or perceived
7 environmental contamination. A brownfield site includes
8 property contiguous with the property on which the individual
9 or commercial facility is located.

10 2. "Sponsorship" means an agreement between a city or
11 county and an applicant for assistance under the brownfield
12 redevelopment program where the city or county agrees to offer
13 assistance or guidance to the applicant.

14 Sec. 2. NEW SECTION. 15.292 BROWNFIELD REDEVELOPMENT
15 PROGRAM.

16 1. The department shall establish and administer a
17 brownfield redevelopment program for purposes of providing
18 financial and technical assistance for the acquisition,
19 remediation, or redevelopment of brownfield sites. Financial
20 assistance under the program shall be provided from the
21 brownfield redevelopment fund created in section 15.293.
22 Technical assistance under the program shall be in the form of
23 providing an applicant with assistance in identifying other
24 alternative forms of assistance for which the applicant may be
25 eligible.

26 2. A person owning a site may apply for assistance under
27 the program if the site for which assistance is sought meets
28 the definition of a brownfield site and the applicant has
29 secured sponsorship prior to applying. Sponsorship is not
30 required if the applicant is a city or county.

31 3. a. A person who is not an owner of a site may apply
32 for financial assistance under the program if the site for
33 which financial assistance is sought meets the definition of a
34 brownfield site and the applicant has secured sponsorship
35 prior to applying. Sponsorship is not required if the

1 applicant is a city or county.

2 b. Prior to applying for financial assistance under this
3 subsection, an applicant shall enter into an agreement with
4 the owner of the brownfield site for which financial
5 assistance is sought. The agreement shall be submitted with
6 an application for financial assistance and shall include, at
7 a minimum, the following:

8 (1) An agreement regarding the estimated total cost for
9 remediating the brownfield site.

10 (2) An agreement that the owner shall transfer title of
11 the property to the applicant upon completion of the
12 remediation of the property.

13 (3) An agreement that, upon the subsequent sale of the
14 property by the applicant, the original owner shall receive
15 not more than seventy-five percent of the estimated total cost
16 of remediation.

17 c. An applicant shall not receive financial assistance of
18 more than twenty-five percent of the agreed upon estimated
19 total cost of remediation.

20 d. Upon the subsequent sale of the property by the
21 applicant to a person other than the original owner, the
22 applicant shall repay the department for financial assistance
23 received by the applicant. The repayment shall be in an
24 amount equal to the sales price less the amount paid to the
25 original owner pursuant to the agreement between the applicant
26 and the original owner. The repayment amount shall not exceed
27 the amount of financial assistance received by the applicant.

28 4. An application for assistance under the program shall
29 include any information required by the department including,
30 but not limited to, all of the following:

31 a. A business plan which includes a remediation plan.

32 b. A budget for remediating or redeveloping the site.

33 c. A statement of purpose describing the intended use of
34 and proposed repayment schedule for any financial assistance
35 received by the applicant.

1 d. Evidence of sponsorship.

2 5. In reviewing an application for financial assistance,
3 the department and the brownfield redevelopment advisory
4 council established in section 15.294 shall consider all of
5 the following:

6 a. Whether the brownfield site meets the definition of a
7 brownfield site.

8 b. Whether other alternative forms of assistance exist for
9 which the applicant may be eligible.

10 6. The board may approve, deny, or defer each application
11 for financial assistance from the brownfield redevelopment
12 fund created in section 15.293.

13 Sec. 3. NEW SECTION. 15.293 BROWNFIELD REDEVELOPMENT
14 FUND.

15 1. A brownfield redevelopment fund is created in the state
16 treasury under the control of the department and consisting of
17 any moneys appropriated by the general assembly and any other
18 moneys available to and obtained or accepted by the department
19 for placement in the fund.

20 2. Payments of interest, repayments of moneys loaned
21 pursuant to this part, and recaptures of loans shall be
22 deposited in the fund.

23 3. The fund shall be used to provide grants, loans,
24 forgivable loans, loan guarantees, and other forms of
25 assistance under the brownfield redevelopment program
26 established in section 15.292.

27 4. Moneys in the fund are not subject to section 8.33.
28 Notwithstanding section 12C.7, interest or earnings on moneys
29 in the fund shall be credited to the fund.

30 Sec. 4. NEW SECTION. 15.294 BROWNFIELD REDEVELOPMENT
31 ADVISORY COUNCIL.

32 1. The department shall establish a brownfield
33 redevelopment advisory council consisting of five members.
34 The advisory council shall be composed of all of the
35 following:

1 a. The director of the department of economic development,
2 or the director's designee.

3 b. The director of the department of natural resources, or
4 the director's designee.

5 c. The director of transportation, or the director's
6 designee.

7 d. One person selected by the board of directors of the
8 Iowa league of cities.

9 e. One member of the Iowa economic development board
10 selected by the board.

11 2. The director of the department of economic development,
12 or the director's designee, shall serve as the chairperson of
13 the advisory council.

14 3. The advisory council shall review each application
15 received by the department of economic development for
16 assistance under the brownfield redevelopment program and make
17 recommendations to the department regarding all of the
18 following:

19 a. The completeness of the application.

20 b. Suggestions for alternative forms of assistance for
21 which the applicant may be eligible. The alternative forms of
22 assistance may include assistance programs available through
23 other departments.

24 c. Whether the applicant should receive financial
25 assistance from the brownfield redevelopment fund created in
26 section 15.293.

27 Sec. 5. NEW SECTION. 15.295 RULES.

28 The department, in consultation with the department of
29 natural resources, shall adopt rules pursuant to chapter 17A
30 as necessary to administer this part.

31 Sec. 6. RULES. The state department of transportation
32 shall amend existing administrative rules pursuant to chapter
33 17A for local development projects under the revitalize Iowa's
34 sound economy fund to include a rating factor for remediation
or redevelopment of a brownfield site.

EXPLANATION

1
2 This bill creates a brownfield redevelopment program and
3 fund for purposes of providing financial and technical
4 assistance for the acquisition, remediation, or redevelopment
5 of brownfield sites. The bill provides that brownfield sites
6 are defined as an abandoned, idled, or underutilized
7 industrial or commercial facility where expansion or
8 redevelopment is complicated by real or perceived
9 environmental contamination and includes property contiguous
10 with the property on which the industrial or commercial
11 facility is located. The bill also provides for the
12 establishment of a brownfield redevelopment advisory council.

13 The bill provides that the department of economic
14 development shall establish and administer the brownfield
15 redevelopment program. The bill provides that a person owning
16 a site may apply for assistance if the site for which
17 assistance is sought meets the definition of a brownfield site
18 and the applicant has secured sponsorship prior to applying.
19 The bill provides that sponsorship is defined as an agreement
20 between a city or county and an applicant for assistance under
21 the brownfield redevelopment program where the city or county
22 agrees to offer assistance or guidance to the applicant. The
23 bill provides that, in reviewing applications for financial
24 assistance, the department shall consider whether the
25 brownfield site meets the definition of a brownfield site and
26 whether alternative forms of assistance exist. The bill
27 provides that the Iowa economic development board may approve,
28 deny, or defer each application for financial assistance.

29 The bill provides that a person who is not an owner of a
30 site may apply for financial assistance under the program if
31 the site for which financial assistance is sought meets the
32 definition of a brownfield site and the applicant has secured
33 sponsorship prior to applying. The bill provides that an
34 applicant shall enter into an agreement with the owner of the
35 brownfield site for which financial assistance is sought which

SB696

1 shall include, at a minimum, an agreement regarding the
2 estimated total cost for remediating the brownfield site, an
3 agreement that the owner shall transfer title of the property
4 to the applicant upon completion of the remediation of the
5 property, and an agreement that, upon the sale of the property
6 by the applicant, the original owner shall receive not more
7 than 75 percent of the estimated total cost for remediation.
8 The bill provides that an applicant shall not receive
9 financial assistance of more than 25 percent of the agreed
10 upon estimated total cost of remediation. The bill provides
11 that, upon the subsequent sale of the property by the
12 applicant, the applicant shall repay the department for
13 financial assistance received by the applicant. The repayment
14 shall be in an amount equal to the sales price less the amount
15 paid to the original owner pursuant to the agreement between
16 the applicant and the original owner. The bill provides that
17 the repayment amount shall not exceed the amount of financial
18 assistance received by the applicant.

19 The bill provides for the creation of a brownfield
20 redevelopment fund from which awards for financial assistance
21 under the brownfield redevelopment program may be given.

22 The bill provides that the department of economic
23 development shall establish a brownfield redevelopment
24 advisory council consisting of five members. The bill
25 provides that the members shall include the director of the
26 department of economic development, the director of the
27 department of natural resources, the director of
28 transportation, one person selected by the board of directors
29 of the Iowa league of cities, and one member of the Iowa
30 economic development board selected by the board. The bill
31 provides that the advisory council shall review each
32 brownfield redevelopment program application and provide
33 recommendations to the department of economic development
34 regarding financial and technical assistance.

35 The bill provides that the state department of

S.F. _____

H.F. SB 696

1 transportation shall amend existing administrative rules for
2 local development projects under the revitalize Iowa's sound
3 economy fund to include a rating factor for remediation or
4 redevelopment of a brownfield site.

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FEB 24 2000

Place On Calendar

HOUSE FILE 2423
BY COMMITTEE ON
ECONOMIC DEVELOPMENT

(SUCCESSOR TO HSB 696)

Passed House, ^(P. 576) Date 3-7-00 Passed Senate, ^(P. 859) Date 3-27-00
Vote: Ayes 98 Nays 0 Vote: Ayes 47 Nays 0
Approved 4-14-00

A BILL FOR

1 An Act creating a brownfield redevelopment program and fund and a
2 brownfield redevelopment advisory council.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2423

H-8146

1 Amend House File 2423 as follows:
2 1. Page 2, line 18, by inserting after the word
3 "applicant" the following: "to a person other than
4 the original owner".

By JENKINS of Black Hawk

H-8146 FILED MARCH 1, 2000

adopted
3-7-00
(P. 576)

HF 2423

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5 underutilized industrial or commercial facility where
6 expansion or redevelopment is complicated by real or perceived
7 environmental contamination. A brownfield site includes
8 property contiguous with the property on which the individual
9 or commercial facility is located. A brownfield site shall
10 not include property which has been placed or is proposed to
11 be included on the national priorities list established
12 pursuant to the federal Comprehensive Environmental Response,
13 Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

14 2. "Sponsorship" means an agreement between a city or
15 county and an applicant for assistance under the brownfield
16 redevelopment program where the city or county agrees to offer
17 assistance or guidance to the applicant.

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25 brownfield redevelopment fund created in section 15.293.
26 Technical assistance under the program shall be in the form of
27 providing an applicant with assistance in identifying other
28 alternative forms of assistance for which the applicant may be
29 eligible.

30 2. A person owning a site may apply for assistance under
31 the program if the site for which assistance is sought meets
32 the definition of a brownfield site and the applicant has
33 secured sponsorship prior to applying. Sponsorship is not
34 required if the applicant is a city or county.

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1 for financial assistance under the program if the site for
2 which financial assistance is sought meets the definition of a
3 brownfield site and the applicant has secured sponsorship
4 prior to applying. Sponsorship is not required if the
5 applicant is a city or county.

6 b. Prior to applying for financial assistance under this
7 subsection, an applicant shall enter into an agreement with
8 the owner of the brownfield site for which financial
9 assistance is sought. The agreement shall be submitted with
10 an application for financial assistance and shall include, at
11 a minimum, the following:

12 (1) An agreement regarding the estimated total cost for
13 remediating the brownfield site.

14 (2) An agreement that the owner shall transfer title of
15 the property to the applicant upon completion of the
16 remediation of the property.

17 (3) An agreement that, upon the subsequent sale of the
18 property by the applicant, the original owner shall receive
19 not more than seventy-five percent of the estimated total cost
20 of remediation.

21 c. An applicant shall not receive financial assistance of
22 more than twenty-five percent of the agreed upon estimated
23 total cost of remediation.

24 d. Upon the subsequent sale of the property by the
25 applicant to a person other than the original owner, the
26 applicant shall repay the department for financial assistance
27 received by the applicant. The repayment shall be in an
28 amount equal to the sales price less the amount paid to the
29 original owner pursuant to the agreement between the applicant
30 and the original owner. The repayment amount shall not exceed
31 the amount of financial assistance received by the applicant.

32 4. An application for assistance under the program shall
33 include any information required by the department including,
34 but not limited to, all of the following:

35 a. A business plan which includes a remediation plan.

- 1 b. A budget for remediating or redeveloping the site.
2 c. A statement of purpose describing the intended use of
3 and proposed repayment schedule for any financial assistance
4 received by the applicant.
5 d. Evidence of sponsorship.

6 5. In reviewing an application for financial assistance,
7 the department and the brownfield redevelopment advisory
8 council established in section 15.294 shall consider all of
9 the following:

10 a. Whether the brownfield site meets the definition of a
11 brownfield site.

12 b. Whether other alternative forms of assistance exist for
13 which the applicant may be eligible.

14 6. The board may approve, deny, or defer each application
15 for financial assistance from the brownfield redevelopment
16 fund created in section 15.293.

17 Sec. 3. NEW SECTION. 15.293 BROWNFIELD REDEVELOPMENT
18 FUND.

19 1. A brownfield redevelopment fund is created in the state
20 treasury under the control of the department and consisting of
21 any moneys appropriated by the general assembly and any other
22 moneys available to and obtained or accepted by the department
23 for placement in the fund.

24 2. Payments of interest, repayments of moneys loaned
25 pursuant to this part, and recaptures of loans shall be
26 deposited in the fund.

27 3. The fund shall be used to provide grants, loans,
28 forgivable loans, loan guarantees, and other forms of
29 assistance under the brownfield redevelopment program
30 established in section 15.292.

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32 Notwithstanding section 12C.7, interest or earnings on moneys
33 in the fund shall be credited to the fund.

34 Sec. 4. NEW SECTION. 15.294 BROWNFIELD REDEVELOPMENT
35 ADVISORY COUNCIL.

1 1. The department shall establish a brownfield
2 redevelopment advisory council consisting of five members.

3 The advisory council shall be composed of all of the
4 following:

5 a. The director of the department of economic development,
6 or the director's designee.

7 b. The director of the department of natural resources, or
8 the director's designee.

9 c. The director of transportation, or the director's
10 designee.

11 d. One person selected by the board of directors of the
12 Iowa league of cities.

13 e. One member of the Iowa economic development board
14 selected by the board.

15 2. The director of the department of economic development,
16 or the director's designee, shall serve as the chairperson of
17 the advisory council.

18 3. The advisory council shall review each application
19 received by the department of economic development for
20 assistance under the brownfield redevelopment program and make
21 recommendations to the department regarding all of the
22 following:

23 a. The completeness of the application.

24 b. Suggestions for alternative forms of assistance for
25 which the applicant may be eligible. The alternative forms of
26 assistance may include assistance programs available through
27 other departments.

28 c. Whether the applicant should receive financial
29 assistance from the brownfield redevelopment fund created in
30 section 15.293.

31 Sec. 5. NEW SECTION. 15.295 RULES.

32 The department, in consultation with the department of
33 natural resources, shall adopt rules pursuant to chapter 17A
34 as necessary to administer this part.

35 Sec. 6. RULES.

1 1. The state department of transportation shall amend
2 existing administrative rules pursuant to chapter 17A for
3 local development projects under the revitalize Iowa's sound
4 economy fund to include a rating factor for remediation or
5 redevelopment of a brownfield site.

6 2. The department of economic development shall amend
7 existing administrative rules pursuant to chapter 17A for
8 projects under the community economic betterment program to
9 include a rating factor for remediation or redevelopment of a
10 brownfield site.

11 EXPLANATION

12 This bill creates a brownfield redevelopment program and
13 fund for purposes of providing financial and technical
14 assistance for the acquisition, remediation, or redevelopment
15 of brownfield sites. The bill provides that brownfield sites
16 are defined as an abandoned, idled, or underutilized
17 industrial or commercial facility where expansion or
18 redevelopment is complicated by real or perceived
19 environmental contamination and includes property contiguous
20 with the property on which the industrial or commercial
21 facility is located. The bill provides that a brownfield site
22 shall not include property which has been placed or is
23 proposed to be included on the national priorities list
24 established pursuant to the federal Comprehensive
25 Environmental Response, Compensation, and Liability Act. The
26 bill also provides for the establishment of a brownfield
27 redevelopment advisory council.

28 The bill provides that the department of economic
29 development shall establish and administer the brownfield
30 redevelopment program. The bill provides that a person owning
31 a site may apply for assistance if the site for which
32 assistance is sought meets the definition of a brownfield site
33 and the applicant has secured sponsorship prior to applying.
34 The bill provides that sponsorship is defined as an agreement
35 between a city or county and an applicant for assistance under

1 the brownfield redevelopment program where the city or county
2 agrees to offer assistance or guidance to the applicant. The
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4 assistance, the department shall consider whether the
5 brownfield site meets the definition of a brownfield site and
6 whether alternative forms of assistance exist. The bill
7 provides that the Iowa economic development board may approve,
8 deny, or defer each application for financial assistance.

9 The bill provides that a person who is not an owner of a
10 site may apply for financial assistance under the program if
11 the site for which financial assistance is sought meets the
12 definition of a brownfield site and the applicant has secured
13 sponsorship prior to applying. The bill provides that an
14 applicant shall enter into an agreement with the owner of the
15 brownfield site for which financial assistance is sought which
16 shall include, at a minimum, an agreement regarding the
17 estimated total cost for remediating the brownfield site, an
18 agreement that the owner shall transfer title of the property
19 to the applicant upon completion of the remediation of the
20 property, and an agreement that, upon the sale of the property
21 by the applicant, the original owner shall receive not more
22 than 75 percent of the estimated total cost for remediation.
23 The bill provides that an applicant shall not receive
24 financial assistance of more than 25 percent of the agreed
25 upon estimated total cost of remediation. The bill provides
26 that, upon the subsequent sale of the property by the
27 applicant, the applicant shall repay the department for
28 financial assistance received by the applicant. The repayment
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31 the applicant and the original owner. The bill provides that
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4 advisory council consisting of five members. The bill
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9 of the Iowa league of cities, and one member of the Iowa
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11 provides that the advisory council shall review each
12 brownfield redevelopment program application and provide
13 recommendations to the department of economic development
14 regarding financial and technical assistance.

15 The bill provides that the state department of
16 transportation shall amend existing administrative rules for
17 local development projects under the revitalize Iowa's sound
18 economy fund to include a rating factor for remediation or
19 redevelopment of a brownfield site.

20 The bill provides that the department of economic
21 development shall amend existing administrative rules for
22 projects under the community economic betterment program to
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S-3/8/00 Small Business
& Tourism
S-3/16/00 Do Pass
2423

HOUSE FILE
BY COMMITTEE ON
ECONOMIC DEVELOPMENT
(SUCCESSOR TO HSB 696)

*Small Business
& Tourism
Committee*

(As Amended and Passed by the House, March 7, 2000)

Passed House, Date _____ Passed Senate, Date 3-27-00
Vote: Ayes _____ Nays _____ Vote: Ayes 47 Nays 0
Approved 4-14-00

(p. 859)

A BILL FOR

1 An Act creating a brownfield redevelopment program and fund and a
2 brownfield redevelopment advisory council.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendment _____

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HF 2423

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8 property contiguous with the property on which the individual
9 or commercial facility is located. A brownfield site shall
10 not include property which has been placed or is proposed to
11 be included on the national priorities list established
12 pursuant to the federal Comprehensive Environmental Response,
13 Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

14 2. "Sponsorship" means an agreement between a city or
15 county and an applicant for assistance under the brownfield
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29 assistance under the brownfield redevelopment program
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8 the director's designee.

9 c. The director of transportation, or the director's
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11 d. One person selected by the board of directors of the
12 Iowa league of cities.

13 e. One member of the Iowa economic development board
14 selected by the board.

15 2. The director of the department of economic development,
16 or the director's designee, shall serve as the chairperson of
17 the advisory council.

18 3. The advisory council shall review each application
19 received by the department of economic development for
20 assistance under the brownfield redevelopment program and make
21 recommendations to the department regarding all of the
22 following:

23 a. The completeness of the application.

24 b. Suggestions for alternative forms of assistance for
25 which the applicant may be eligible. The alternative forms of
26 assistance may include assistance programs available through
27 other departments.

28 c. Whether the applicant should receive financial
29 assistance from the brownfield redevelopment fund created in
30 section 15.293.

31 Sec. 5. NEW SECTION. 15.295 RULES.

32 The department, in consultation with the department of
33 natural resources, shall adopt rules pursuant to chapter 17A
34 as necessary to administer this part.

35 Sec. 6. RULES.

1 1. The state department of transportation shall amend
2 existing administrative rules pursuant to chapter 17A for
3 local development projects under the revitalize Iowa's sound
4 economy fund to include a rating factor for remediation or
5 redevelopment of a brownfield site.

6 2. The department of economic development shall amend
7 existing administrative rules pursuant to chapter 17A for
8 projects under the community economic betterment program to
9 include a rating factor for remediation or redevelopment of a
10 brownfield site.

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**HOUSE FILE 2423
FISCAL NOTE**

A fiscal note for House File 2423 as passed by the House 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.

House File 2423 as passed by the House creates a Brownfield Redevelopment Program and Fund. Brownfields are properties with past environmental contamination that limits the future use of the land. The Bill allows for a maximum of 25.0% of the project cost to be paid by the Brownfield Redevelopment Fund. Through the future sale of the remediated sites, the Fund is allowed to recover a portion of the cleanup funds invested by the State. The Bill does not specify a funding source for the Program.

ASSUMPTIONS

1. Ten large projects per year, at a total cleanup cost of \$5,000,000 per project, could be approved each year.
2. Eleven small projects, at a total cleanup cost of \$350,000 per project, could be approved each year.
3. The total cleanup cost of all projects eligible for the Brownfield Redevelopment Program exceeds \$600,000,000.
4. Due to the time required to start the new Program and to review and approve awards, the first projects would receive funding in FY 2002.
5. Repayment of the State's investment would equal 10.0% of the amount awarded to projects, beginning in FY 2003.

FISCAL IMPACT

The estimated cost to the Fund for cleanup projects would be \$13,500,000 in FY 2002 and \$12,000,000 in FY 2003. Over 11 fiscal years, it is estimated the net Program cost would be \$74,000,000 if fully funded.

Once remediated, the properties would have a higher assessed value which would increase property tax collections.

SOURCE

Department of Economic Development

(LSB 6537HV, JWR)

FILED MARCH 16, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2423

AN ACT

CREATING A BROWNFIELD REDEVELOPMENT PROGRAM AND FUND AND A
BROWNFIELD REDEVELOPMENT ADVISORY COUNCIL.

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

Section 1. NEW SECTION. 15.291 DEFINITIONS.

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

1. "Brownfield site" means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the property on which the individual or commercial facility is located. A brownfield site shall not include property which has been placed or is proposed to be included on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

2. "Sponsorship" means an agreement between a city or county and an applicant for assistance under the brownfield redevelopment program where the city or county agrees to offer assistance or guidance to the applicant.

Sec. 2. NEW SECTION. 15.292 BROWNFIELD REDEVELOPMENT PROGRAM.

1. The department shall establish and administer a brownfield redevelopment program for purposes of providing financial and technical assistance for the acquisition, remediation, or redevelopment of brownfield sites. Financial assistance under the program shall be provided from the brownfield redevelopment fund created in section 15.293. Technical assistance under the program shall be in the form of providing an applicant with assistance in identifying other alternative forms of assistance for which the applicant may be eligible.

2. A person owning a site may apply for assistance under the program if the site for which assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.

3. a. A person who is not an owner of a site may apply for financial assistance under the program if the site for which financial assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.

b. Prior to applying for financial assistance under this subsection, an applicant shall enter into an agreement with the owner of the brownfield site for which financial assistance is sought. The agreement shall be submitted with an application for financial assistance and shall include, at a minimum, the following:

- (1) An agreement regarding the estimated total cost for remediating the brownfield site.
- (2) An agreement that the owner shall transfer title of the property to the applicant upon completion of the remediation of the property.
- (3) An agreement that, upon the subsequent sale of the property by the applicant to a person other than the original owner, the original owner shall receive not more than seventy-five percent of the estimated total cost of remediation.

c. An applicant shall not receive financial assistance of more than twenty-five percent of the agreed upon estimated total cost of remediation.

d. Upon the subsequent sale of the property by the applicant to a person other than the original owner, the applicant shall repay the department for financial assistance received by the applicant. The repayment shall be in an amount equal to the sales price less the amount paid to the original owner pursuant to the agreement between the applicant and the original owner. The repayment amount shall not exceed the amount of financial assistance received by the applicant.

4. An application for assistance under the program shall include any information required by the department including, but not limited to, all of the following:

- a. A business plan which includes a remediation plan.
- b. A budget for remediating or redeveloping the site.
- c. A statement of purpose describing the intended use of and proposed repayment schedule for any financial assistance received by the applicant.
- d. Evidence of sponsorship.

5. In reviewing an application for financial assistance, the department and the brownfield redevelopment advisory council established in section 15.294 shall consider all of the following:

- a. Whether the brownfield site meets the definition of a brownfield site.
- b. Whether other alternative forms of assistance exist for which the applicant may be eligible.
6. The board may approve, deny, or defer each application for financial assistance from the brownfield redevelopment fund created in section 15.293.

Sec. 3. NEW SECTION. 15.293 BROWNFIELD REDEVELOPMENT FUND.

1. A brownfield redevelopment fund is created in the state treasury under the control of the department and consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department for placement in the fund.

2. Payments of interest, repayments of moneys loaned pursuant to this part, and recaptures of loans shall be deposited in the fund.

3. The fund shall be used to provide grants, loans, forgivable loans, loan guarantees, and other forms of assistance under the brownfield redevelopment program established in section 15.292.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 4. NEW SECTION. 15.294 BROWNFIELD REDEVELOPMENT ADVISORY COUNCIL.

1. The department shall establish a brownfield redevelopment advisory council consisting of five members. The advisory council shall be composed of all of the following:

- a. The director of the department of economic development, or the director's designee.
- b. The director of the department of natural resources, or the director's designee.
- c. The director of transportation, or the director's designee.
- d. One person selected by the board of directors of the Iowa league of cities.
- e. One member of the Iowa economic development board selected by the board.

2. The director of the department of economic development, or the director's designee, shall serve as the chairperson of the advisory council.

3. The advisory council shall review each application received by the department of economic development for assistance under the brownfield redevelopment program and make recommendations to the department regarding all of the following:

- a. The completeness of the application.
- b. Suggestions for alternative forms of assistance for which the applicant may be eligible. The alternative forms of assistance may include assistance programs available through other departments.

c. Whether the applicant should receive financial assistance from the brownfield redevelopment fund created in section 15.293.

Sec. 5. NEW SECTION. 15.295 RULES.

The department, in consultation with the department of natural resources, shall adopt rules pursuant to chapter 17A as necessary to administer this part.

Sec. 6. RULES.

House File 2423, p. 5

1. The state department of transportation shall amend existing administrative rules pursuant to chapter 17A for local development projects under the revitalize Iowa's sound economy fund to include a rating factor for remediation or redevelopment of a brownfield site.

2. The department of economic development shall amend existing administrative rules pursuant to chapter 17A for projects under the community economic betterment program to include a rating factor for remediation or redevelopment of a brownfield site.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2423, Seventy-eighth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved 4/14, 2000

THOMAS J. VILSACK
Governor