

APR 13 2000

WAYS AND MEANS

HOUSE FILE
BY RANTS

2575

(COMPANION TO SF 2447
BY IVERSON)

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

A BILL FOR

1 An Act providing financial assistance to communities and school
2 districts by creating a school infrastructure program and
3 fund, continuing the community attraction and tourism
4 development program and fund, creating a vision Iowa board,
5 creating a vision Iowa program and fund, providing bonding
6 authority to the treasurer of state, and exempting certain
7 income from taxation.

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

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HF 2575

1 DIVISION I
2 SUBCHAPTER I
3 VISION IOWA BOARD

4 Section 1. NEW SECTION. 15F.101 DEFINITIONS.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. "Board" means the vision Iowa board as created in
8 section 15F.102.

9 2. "Department" means the Iowa department of economic
10 development created in section 15.105.

11 Sec. 2. NEW SECTION. 15F.102 VISION IOWA BOARD.

12 1. The vision Iowa board is established consisting of
13 thirteen members and is located for administrative purposes
14 within the department. The director of the department shall
15 provide office space, staff assistance, and necessary supplies
16 and equipment for the board. The director shall budget funds
17 to pay the compensation and expenses of the board.

18 2. The membership of the board shall be appointed as
19 follows:

20 a. Three members of the general public, one member from
21 each of the three tourism regions.

22 b. One mayor of a city with a population of less than
23 twenty thousand.

24 c. One county supervisor from a county that has a
25 population ranking in the bottom thirty-three counties
26 according to the 1990 census.

27 d. Four members of the general public.

28 e. One mayor of a city with a population of twenty
29 thousand or more.

30 f. The director of the department of economic development.

31 g. The treasurer of state or the treasurer of state's
32 designee.

33 h. The auditor of state or the auditor of state's
34 designee.

35 3. All appointments, except the director of the department

1 of economic development, the treasurer of state, and the
2 auditor of state, shall be made by the governor, shall comply
3 with sections 69.16 and 69.16A, and shall be subject to
4 confirmation by the senate. All appointed members of the
5 board shall have demonstrable experience or expertise in the
6 field of tourism development and promotion, public financing,
7 architecture, engineering, or major facility development or
8 construction.

9 4. All members of the board, except the director of the
10 department of economic development, the treasurer of state,
11 and the auditor of state, shall be residents of different
12 counties.

13 5. The chairperson and vice chairperson of the board shall
14 be designated by the governor from the board members listed in
15 subsection 2, paragraphs "a" through "e". In case of the
16 absence or disability of the chairperson and vice chairperson,
17 the members of the board shall elect a temporary chairperson
18 by a majority vote of those members who are present and
19 voting.

20 6. The members, except the director of the department of
21 economic development, the treasurer of state, and the auditor
22 of state, shall be appointed to three-year staggered terms and
23 the terms shall commence and end as provided by section 69.19.
24 If a vacancy occurs, a successor shall be appointed to serve
25 the unexpired term. A successor shall be appointed in the
26 same manner and subject to the same qualifications as the
27 original appointment to serve the unexpired term.

28 7. A majority of the board constitutes a quorum.

29 Sec. 3. NEW SECTION. 15F.103 DUTIES.

30 The board shall do all of the following:

31 1. Organize.

32 2. Adopt rules pursuant to chapter 17A as necessary to
33 administer this chapter.

34 3. Administer the community attraction and tourism program
35 established in section 15F.202 and the vision Iowa program

1 established in section 15F.302.

2 Sec. 4. NEW SECTION. 15F.104 COMPENSATION AND EXPENSES.

3 The members of the board are entitled to receive
4 reimbursement for actual expenses incurred while engaged in
5 the performance of official duties. A member of the board may
6 also be eligible to receive compensation as provided in
7 section 7E.6.

8 SUBCHAPTER II

9 COMMUNITY ATTRACTION AND TOURISM

10 PROGRAM AND FUND

11 Sec. 5. NEW SECTION. 15F.201 DEFINITIONS.

12 As used in this subchapter, unless the context otherwise
13 requires:

14 1. "Fund" means the community attraction and tourism fund
15 created in section 15F.204.

16 2. "Program" means the community attraction and tourism
17 program established in section 15F.202.

18 Sec. 6. NEW SECTION. 15F.202 COMMUNITY ATTRACTION AND
19 TOURISM PROGRAM.

20 1. The board shall establish and administer a community
21 attraction and tourism program to assist communities in the
22 development and creation of multiple-purpose attraction and
23 tourism facilities.

24 2. A city or county in the state or public organization
25 may submit an application to the board for financial
26 assistance for a project under the program. The assistance
27 shall be in the form of grants, loans, forgivable loans, and
28 loan guarantees. The application shall include, but not be
29 limited to, the following information:

30 a. The total capital investment of the project.

31 b. The amount or percentage of local and private matching
32 moneys which will be or have been provided for the project.

33 c. The total number of jobs to be created or retained by
34 the project.

35 d. The need of the community for the project and for the

1 financial assistance.

2 e. The long-term tax-generating impact of the project.

3 3. A school district, in cooperation with a city or
4 county, may submit a joint application for financial
5 assistance for a project under the program. The assistance
6 shall be in the form of grants, loans, forgivable loans, and
7 loan guarantees. In addition to the information required in
8 subsection 2, the application shall include a demonstration
9 that the intended future use of the project shall be by both
10 joint applicants.

11 Sec. 7. NEW SECTION. 15F.203 COMMUNITY ATTRACTION AND
12 TOURISM PROGRAM APPLICATION REVIEW.

13 1. Applications for assistance under the program shall be
14 submitted to the department. The department shall review all
15 applications for initial eligibility based upon the
16 eligibility criteria provided in this section. For those
17 applications that meet the eligibility criteria, the
18 department shall prepare a review analysis for the community
19 attraction and tourism program review committee referred to in
20 subsection 2 and the board.

21 2. A review committee composed of five members of the
22 board shall review community attraction and tourism program
23 applications submitted to the board and make recommendations
24 regarding the applications to the board. The review committee
25 shall consist of members of the board listed in section
26 15F.102, subsection 2, paragraphs "a" through "c".

27 3. When reviewing the applications, the review committee
28 shall consider, at a minimum, all of the following:

29 a. Whether the wages, benefits, including health benefits,
30 safety, and other attributes of the project would improve the
31 quality of attraction and tourism employment in the community.

32 b. The extent to which such a project would generate
33 additional recreational and cultural attractions and tourism
34 opportunities.

35 c. The ability of the project to produce a long-term tax-

1 generating economic impact.

2 d. The location of the projects and geographic diversity
3 of the applications.

4 e. The extent to which any part of the proposed project
5 meets the definition of vertical infrastructure in section
6 8.57, subsection 5, paragraph "c".

7 f. Whether the applicant has received financial assistance
8 under the program for the same project.

9 4. Upon review of the recommendations of the review
10 committee, the board shall approve, defer, or deny the
11 applications.

12 5. Upon approval of an application for financial
13 assistance under the program, the board shall notify the
14 treasurer of state regarding the amount of moneys needed to
15 satisfy the award of financial assistance and the terms of the
16 award.

17 Sec. 8. NEW SECTION. 15F.204 COMMUNITY ATTRACTION AND
18 TOURISM FUND.

19 1. A community attraction and tourism fund is created as a
20 separate fund in the state treasury under the control of the
21 board, consisting of any moneys appropriated by the general
22 assembly and any other moneys available to and obtained or
23 accepted by the board for placement in the fund.

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

27 3. The fund shall be used to provide grants, loans,
28 forgivable loans, and loan guarantees under the community
29 attraction and tourism program established in section 15F.202.
30 An applicant under the community attraction and tourism
31 program shall not receive financial assistance from the fund
32 in an amount exceeding fifty percent of the total cost of the
33 project.

34 4. Moneys in the fund are not subject to section 8.33.
35 Notwithstanding section 12C.7, subsection 2, interest or

1 earnings on moneys in the fund shall be credited to the fund.

2 5. At the beginning of each fiscal year, the board shall
3 allocate all moneys in the fund in the following manner:

4 a. One-third of the moneys shall be allocated to provide
5 assistance to cities and counties which meet the following
6 criteria:

7 (1) A city which has a population of ten thousand or less
8 according to the most recently published census.

9 (2) A county which has a population that ranks in the
10 bottom thirty-three counties according to the most recently
11 published census.

12 b. Two-thirds of the moneys shall be allocated to provide
13 assistance to any city and county in the state, which may
14 include a city or county included under paragraph "a".

15 6. If two or more cities or counties submit a joint
16 project application for financial assistance under the
17 program, all joint applicants must meet the criteria of
18 subsection 5, paragraph "a", in order to receive any moneys
19 allocated under that paragraph.

20 7. If any portion of the allocated moneys under subsection
21 5, paragraph "a", has not been awarded by April 1 of the
22 fiscal year for which the allocation is made, the portion
23 which has not been awarded may be utilized by the board to
24 provide financial assistance under the program to any city or
25 county in the state.

26 SUBCHAPTER III

27 VISION IOWA PROGRAM

28 Sec. 9. NEW SECTION. 15F.301 DEFINITIONS.

29 As used in this subchapter, unless the context otherwise
30 requires:

31 1. "Fund" means the vision Iowa fund created in section
32 12.72.

33 2. "Program" means the vision Iowa program established in
34 section 15F.302.

35 Sec. 10. NEW SECTION. 15F.302 VISION IOWA PROGRAM.

1 1. The board shall establish and administer a vision Iowa
2 program to assist communities in the development of major
3 tourism facilities.

4 2. A city or county or a public organization in the state
5 may submit an application to the board for financial
6 assistance for a project under the program. For purposes of
7 this subsection, "public organization" means a nonprofit
8 economic development organization or other nonprofit
9 organization that sponsors or supports community or tourism
10 attractions and activities. The financial assistance from the
11 fund shall be in the form of grants, loans, forgivable loans,
12 pledges, and guarantees. The application shall include, but
13 not be limited to, the following information:

14 a. The total capital investment of the project, including
15 but not limited to costs for construction, site acquisition,
16 and infrastructure improvement.

17 b. A description of the proposed financing including the
18 amount or percentage of local and private matching moneys to
19 be provided for the project.

20 c. The total number of jobs to be created or retained by
21 the project.

22 d. The need of the community for the project and for
23 financial assistance.

24 e. The long-term tax-generating impact of the project.

25 f. A discussion of how the project meets other criteria
26 established in this subchapter.

27 g. The projected long-term economic viability of the
28 project, including projected revenues and expenses.

29 3. A school district, in cooperation with a city or
30 county, may submit a joint application for financial
31 assistance for a project under the program. The financial
32 assistance shall be in the form of grants, loans, forgivable
33 loans, and loan guarantees. In addition to the information
34 required in subsection 2, the application shall include a
35 demonstration that the intended future use of the project

1 shall be by both joint applicants.

2 4. The department shall provide the board with assistance
3 in developing administrative rules for the program,
4 implementing administrative functions, marketing the program,
5 providing technical assistance and application assistance to
6 applicants under the program, negotiating contracts, and
7 providing project follow-up.

8 Sec. 11. NEW SECTION. 15F.303 ELIGIBILITY.

9 1. The total cost for a project must be at least twenty
10 million dollars in order for an applicant to receive financial
11 assistance under the program.

12 2. An applicant must demonstrate local and private
13 financial and nonfinancial support for the project. Local and
14 private nonfinancial support may include the cost of labor and
15 land. Local and private financial and nonfinancial support
16 shall be at least fifty percent of the total cost of the
17 project.

18 3. In order for a project to be eligible to receive
19 financial assistance, the project must satisfy all of the
20 following criteria:

21 a. The project is primarily a vertical infrastructure
22 project with demonstrated substantial regional or statewide
23 economic impact. For purposes of this paragraph, "vertical
24 infrastructure" means land acquisition and construction, major
25 renovation and major repair of buildings, all appurtenant
26 structures, utilities, site development, and recreational
27 trails. "Vertical infrastructure" does not include routine,
28 recurring maintenance or operational expenses or leasing of a
29 building, appurtenant structure, or utility without a lease-
30 purchase agreement.

31 b. The project supports or is strategically aligned with
32 other existing regional or statewide cultural, recreational,
33 entertainment, or educational activities.

34 c. The project provides benefits to persons living outside
35 the county in which the project is located.

1 d. The project will increase the diversity of activities
2 available to citizens, workers, families, and tourists, and
3 enhance recruitment and retention of young people as
4 residents.

5 e. The project has economic or other obstacles impeding
6 local financing of the project.

7 f. The project shall attract visitors from outside the
8 state.

9 4. The board shall not approve an application for
10 assistance for any of the following purposes:

11 a. To refinance an existing loan or debt.

12 b. For a project that has previously received assistance
13 under the program, unless the applicant demonstrates that the
14 assistance would be used for a significant expansion of a
15 project.

16 Sec. 12. NEW SECTION. 15F.304 VISION IOWA PROGRAM
17 APPLICATION REVIEW.

18 1. A review committee composed of eight members of the
19 board shall review vision Iowa program applications submitted
20 to the board and make recommendations regarding the
21 applications to the board. The review committee shall consist
22 of members of the board listed in section 15F.102, subsection
23 2, paragraphs "d" through "h".

24 2. When reviewing the applications, the review committee
25 shall consider, in addition to other criteria established in
26 this subchapter, all of the following:

27 a. Whether wages, benefits, including health benefits,
28 safety, and other attributes of the project would improve the
29 quality of other existing regional or statewide cultural,
30 recreational, entertainment, and educational activities or
31 employment in the community.

32 b. The extent to which the project would generate
33 additional attraction and tourism opportunities.

34 c. The ability of the project to produce a long-term tax-
35 generating economic impact in excess of the proposed financial

1 assistance from the vision Iowa fund.

2 d. The geographic diversity of the project in combination
3 with other proposed projects.

4 e. The investment of the city, county, or region in the
5 overall project.

6 f. Other funding mechanisms.

7 g. The long-term economic viability of the project.

8 3. Upon review of the recommendations of the review
9 committee, the board shall approve, defer, or deny the
10 applications.

11 DIVISION II

12 Sec. 13. NEW SECTION. 12.71 GENERAL AND SPECIFIC BONDING
13 POWERS -- VISION IOWA PROGRAM.

14 1. The treasurer of state may issue bonds upon the request
15 of the vision Iowa board created in section 15F.102 and do all
16 things necessary with respect to the purposes of the vision
17 Iowa fund. The treasurer of state shall have all of the
18 powers which are necessary to issue and secure bonds and carry
19 out the purposes of the fund. The treasurer of state may
20 issue bonds in principal amounts which, in the opinion of the
21 treasurer of state, are necessary to provide sufficient funds
22 for the fund as requested by the vision Iowa board, the
23 payment of interest on the bonds, the establishment of
24 reserves to secure the bonds, the costs of issuance of the
25 bonds, other expenditures of the treasurer of state incident
26 to and necessary or convenient to carry out the bond issue for
27 the fund, and all other expenditures of the treasurer of state
28 necessary or convenient to administer the fund. The bonds are
29 investment securities and negotiable instruments within the
30 meaning of and for purposes of the uniform commercial code.

31 2. Bonds issued under this section are payable solely and
32 only out of the moneys, assets, or revenues of the vision Iowa
33 fund, all of which may be deposited with trustees or
34 depositories in accordance with bond or security documents and
35 pledged by the treasurer of state to the payment thereof.

1 Bonds issued under this section shall contain on their face a
2 statement that the bonds do not constitute an indebtedness of
3 the state. The treasurer of state shall not pledge the credit
4 or taxing power of this state or any political subdivision of
5 this state or make its debts payable out of any moneys except
6 those in the vision Iowa fund.

7 3. The proceeds of bonds issued by the treasurer of state
8 and not required for immediate disbursement may be deposited
9 with a trustee or depository as provided in the bond documents
10 and invested or reinvested in any investment approved by the
11 treasurer of state and specified in the trust indenture,
12 resolution, or other instrument pursuant to which the bonds
13 are issued without regard to any limitation otherwise provided
14 by law.

15 4. The bonds shall be:

16 a. In a form, issued in denominations, executed in a
17 manner, and payable over terms and with rights of redemption,
18 and be subject to such other terms and conditions as
19 prescribed in the trust indenture, resolution, or other
20 instrument authorizing their issuance.

21 b. Negotiable instruments under the laws of the state and
22 may be sold at prices, at public or private sale, and in a
23 manner, as prescribed by the treasurer of state. Chapters
24 73A, 74, 74A, and 75 do not apply to the sale or issuance of
25 the bonds.

26 c. Subject to the terms, conditions, and covenants
27 providing for the payment of the principal, redemption
28 premiums, if any, interest, and other terms, conditions,
29 covenants, and protective provisions safeguarding payment, not
30 inconsistent with this section and as determined by the trust
31 indenture, resolution, or other instrument authorizing their
32 issuance.

33 5. The bonds are securities in which public officers and
34 bodies of this state; political subdivisions of this state;
35 insurance companies and associations and other persons

1 carrying on an insurance business; banks, trust companies,
2 savings associations, savings and loan associations, and
3 investment companies; administrators, guardians, executors,
4 trustees, and other fiduciaries; and other persons authorized
5 to invest in bonds or other obligations of the state, may
6 properly and legally invest funds, including capital, in their
7 control or belonging to them.

8 6. Bonds must be authorized by a trust indenture,
9 resolution, or other instrument of the treasurer of state.
10 However, a trust indenture, resolution, or other instrument
11 authorizing the issuance of bonds may delegate to an officer
12 of the issuer the power to negotiate and fix the details of an
13 issue of bonds.

14 7. Neither the resolution, trust agreement, nor any other
15 instrument by which a pledge is created needs to be recorded
16 or filed under the Iowa uniform commercial code to be valid,
17 binding, or effective.

18 8. Bonds issued under the provisions of this section are
19 declared to be issued for a general public and governmental
20 purpose and all bonds issued under this section shall be
21 exempt from taxation by the state of Iowa and the interest on
22 the bonds shall be exempt from the state income tax and the
23 state inheritance and estate tax.

24 9. Subject to the terms of any bond documents, moneys in
25 the vision Iowa fund may be expended for administration
26 expenses.

27 10. The treasurer of state may issue its bonds for the
28 purpose of refunding any bonds or notes of the treasurer of
29 state then outstanding, including the payment of any
30 redemption premiums thereon and any interest accrued or to
31 accrue to the date of redemption of the outstanding bonds or
32 notes. Until the proceeds of bonds issued for the purpose of
33 refunding outstanding bonds or notes are applied to the
34 purchase or retirement of outstanding bonds or notes or the
35 redemption of outstanding bonds or notes, the proceeds may be

1 placed in escrow and be invested and reinvested in accordance
2 with the provisions of this section. The interest, income,
3 and profits earned or realized on an investment may also be
4 applied to the payment of the outstanding bonds or notes to be
5 refunded by purchase, retirement, or redemption. After the
6 terms of the escrow have been fully satisfied and carried out,
7 any balance of proceeds and interest earned or realized on the
8 investments may be returned to the board for use by it in any
9 lawful manner. All refunding bonds shall be issued and
10 secured and subject to the provisions of this chapter in the
11 same manner and to the same extent as other bonds issued
12 pursuant to this section.

13 Sec. 14. NEW SECTION. 12.72 VISION IOWA AND RESERVE
14 FUNDS.

15 1. A vision Iowa fund is created and established as a
16 separate and distinct fund in the state treasury. The fund
17 shall be used for purposes of the vision Iowa program
18 established in section 15F.302. An applicant under the vision
19 Iowa program shall not receive more than seventy-five million
20 dollars in financial assistance from the fund.

21 2. Revenue for the vision Iowa fund shall include, but is
22 not limited to, the following, which shall be deposited with
23 the treasurer of state or its designee as provided by any bond
24 or security documents and credited to the fund:

25 a. The proceeds of bonds issued to capitalize and pay the
26 costs of the fund and investment earnings on the proceeds.

27 b. Interest attributable to investment of money in the
28 fund or an account of the fund.

29 c. Moneys in the form of a devise, gift, bequest,
30 donation, federal or other grant, reimbursement, repayment,
31 judgment, transfer, payment, or appropriation from any source
32 intended to be used for the purposes of the fund.

33 3. Moneys in the vision Iowa fund are not subject to
34 section 8.33. Notwithstanding section 12C.7, subsection 2,
35 interest or earnings on moneys in the fund shall be credited

1 to the fund.

2 4. The treasurer of state may establish reserve funds to
3 secure one or more issues of its bonds or notes. The
4 treasurer of state may deposit in a reserve fund established
5 under this subsection the proceeds of the sale of its bonds or
6 notes and other money which is made available from any other
7 source. The treasurer of state may allow a reserve fund
8 established under this subsection to be depleted.

9 Sec. 15. NEW SECTION. 12.73 PLEDGES.

10 1. It is the intention of the general assembly that a
11 pledge made in respect of bonds or notes shall be valid and
12 binding from the time the pledge is made, that the money or
13 property so pledged and received after the pledge by the
14 authority shall immediately be subject to the lien of the
15 pledge without physical delivery or further act, and that the
16 lien of the pledge shall be valid and binding as against all
17 parties having claims of any kind in tort, contract, or
18 otherwise against the treasurer of state whether or not the
19 parties have notice of the lien.

20 2. The state pledges to and agrees with the holders of
21 bonds or notes issued under section 12.71, that the state will
22 not limit or alter the rights and powers vested in the
23 treasurer of state to fulfill the terms of a contract made by
24 the treasurer of state with respect to the bonds or notes, or
25 in any way impair the rights and remedies of the holders until
26 the bonds and notes, together with the interest on them
27 including interest on unpaid installments of interest, and all
28 costs and expenses in connection with an action or proceeding
29 by or on behalf of the holders, are fully met and discharged.
30 The treasurer of state is authorized to include this pledge
31 and agreement of the state, as it refers to holders of bonds
32 or notes of the authority, in a contract with the holders.

33 Sec. 16. NEW SECTION. 12.74 PROJECTS.

34 1. The vision Iowa board may undertake a project for two
35 or more applicants jointly or for any combination of

1 applicants, and may combine for financing purposes, with the
2 consent of all of the applicants which are involved, the
3 project and some or all future projects of any applicant, and
4 sections 12.71, 12.72, and 12.73, this section, and sections
5 12.75 and 12.76 apply to and for the benefit of the vision
6 Iowa board and the joint applicants. However, the money set
7 aside in a fund or funds pledged for any series or issue of
8 bonds or notes shall be held for the sole benefit of the
9 series or issue separate and apart from money pledged for
10 another series or issue of bonds or notes of the treasurer of
11 state. To facilitate the combining of projects, bonds or
12 notes may be issued in series under one or more resolutions or
13 trust agreements and may be fully open-ended, thus providing
14 for the unlimited issuance of additional series, or partially
15 open-ended, limited as to additional series.

16 2. For purposes of this section, "applicant" means a city
17 or county applying for financial assistance under the vision
18 Iowa program established in section 15F.302.

19 Sec. 17. NEW SECTION. 12.75 LIMITATIONS.

20 Bonds or notes issued pursuant to section 12.71 are not
21 debts of the state or of any political subdivision of the
22 state or a pledge of the faith and credit of the state or of
23 any political subdivision, but the bonds or notes are limited
24 obligations of the treasurer of state payable solely from the
25 funds or securities, pledged for their payment as authorized
26 in section 12.73, unless the bonds or notes are refunded by
27 refunding bonds or notes issued under section 12.71, which
28 refunding bonds or notes shall be payable solely from funds or
29 securities pledged for their payment as authorized in sections
30 12.71 and 12.73. All revenue bonds or notes shall contain on
31 their face a statement to the effect that the bonds or notes,
32 as to both principal and interest, are not bonds or notes of
33 the state, or of any political subdivision of the state, but
34 are limited obligations of the treasurer of state payable
35 solely from revenue or securities pledged for their payment.

1 Expenses incurred in carrying out sections 12.71 through
2 12.74, this section, and section 12.76 are payable solely from
3 funds available under those sections.

4 Sec. 18. NEW SECTION. 12.76 CONSTRUCTION.

5 Sections 12.71 through 12.75, being necessary for the
6 welfare of this state and its inhabitants, shall be liberally
7 construed to effect its purposes.

8 DIVISION III

9 Sec. 19. NEW SECTION. 292.1 DEFINITIONS.

10 As used in this chapter, unless the context otherwise
11 requires:

12 1. "Capacity per pupil" means the sum of a school
13 district's property tax infrastructure capacity per pupil and
14 the sales tax capacity per pupil.

15 2. "Committee" means the school budget review committee
16 established in section 257.30.

17 3. "Department" means the department of education
18 established in section 256.1.

19 4. "Fund" means the school infrastructure fund created in
20 section 292.3.

21 5. "Local match percentage" means a percentage equivalent
22 to either of the following, whichever is less:

23 a. Fifty percent.

24 b. The quotient of a school district's capacity per pupil
25 divided by the capacity per pupil of all school districts at
26 the fortieth percentile, multiplied by fifty, except that the
27 percentage in this paragraph shall not be less than twenty
28 percent.

29 6. "Program" means the school infrastructure program
30 established in section 292.2.

31 7. "Property tax infrastructure capacity per pupil" means
32 the sum of a school district's levies under sections 298.2 and
33 298.18 when the levies are imposed to the maximum extent
34 allowable under law in the budget year divided by the school
35 district's basic enrollment for the budget year.

1 8. "Sales tax capacity per pupil" means the estimated
2 amount of revenues that a school district receives or would
3 receive if a local sales and services tax for school
4 infrastructure is imposed at one percent pursuant to section
5 422E.2, divided by the school district's basic enrollment for
6 the budget year. For budget years beginning on or after July
7 1, 2001, the school district's actual enrollment shall be used
8 in the calculation in place of the school district's basic
9 enrollment for the budget year.

10 9. "School infrastructure" means activities initiated on
11 or after July 1, 2000, as authorized in section 296.1 but does
12 not include those activities related to stadiums, bus barns, a
13 home or homes of a teacher or superintendent, procuring a site
14 or sites or purchasing land to add to a site already owned or
15 procuring and improving a site for an athletic field, or
16 improving a site already owned for an athletic field.

17 Sec. 20. NEW SECTION. 292.2 SCHOOL INFRASTRUCTURE
18 PROGRAM.

19 1. a. The department shall establish and administer a
20 school infrastructure program to provide financial assistance
21 in the form of grants to school districts with school
22 infrastructure needs.

23 b. The department of education, in consultation with the
24 department of management, shall annually compute the property
25 tax infrastructure capacity per pupil for each school district
26 in the state.

27 c. The department of education, in consultation with the
28 department of revenue and finance and the legislative fiscal
29 bureau, shall annually calculate the estimated sales and
30 services tax for school infrastructure, if imposed at one
31 percent, that is or would be received by each school district
32 in the state pursuant to section 422E.3. These calculations
33 shall be made on a total tax and on a tax per pupil basis for
34 each school district.

35 d. The department of education, in consultation with the

1 department of revenue and finance and the department of
2 management, shall annually compute capacity per pupil and the
3 local match percentage for each school district in the state.
4 The initial calculations shall be released not later than
5 January 1, 2001. For all calculations thereafter, the
6 calculations shall be released not later than July 1 of each
7 year.

8 2. a. A school district may submit an application to the
9 department for financial assistance under the program if the
10 school district meets the district's local match percentage
11 requirement through one or more of the following sources:

12 (1) The issuance of bonds.

13 (2) Local sales and services tax moneys received pursuant
14 to section 422E.3.

15 (3) A physical plant and equipment levy under chapter 298.

16 (4) Other moneys locally obtained by the school district
17 excluding other state or federal grant moneys.

18 b. If the project is in collaboration with other public or
19 private entities, the school district shall be eligible to
20 apply for only the school district's portion of the project.
21 As such, state or federal grants received by the other
22 entities cannot be used toward the local match required under
23 paragraph "a", subparagraph (4).

24 c. A school district may submit an application for a
25 project which includes activities at more than one attendance
26 center. However, if the activities relate to new
27 construction, the project shall only relate to one attendance
28 center.

29 d. A school district may submit an application for
30 conditional approval to the department for financial
31 assistance under the program if the school district submits a
32 plan for securing the school district's local match percentage
33 as required under paragraph "a". If a school district does
34 not meet the requirements of paragraph "a" within nine months
35 of receiving conditional approval from the department, the

1 application for financial assistance shall be denied by the
2 department and the financial assistance shall be carried
3 forward to be made available under the allocation provided
4 under subsection 4, paragraph "d", for the next available
5 grant cycle.

6 e. For the fiscal year beginning July 1, 2000,
7 applications shall be submitted to the department by March 1,
8 2001. For the fiscal year beginning July 1, 2001, and every
9 fiscal year thereafter, applications shall be submitted to the
10 department by October 15 of each year.

11 f. For the fiscal year beginning July 1, 2000, the
12 department shall notify all approved applicants by May 1,
13 2001, regarding the approval of the application. For the
14 fiscal year beginning July 1, 2001, and every fiscal year
15 thereafter, the department shall notify all approved
16 applicants by December 15 of each year regarding the approval
17 of the application.

18 g. An applicant which is not successful in obtaining
19 financial assistance under the program may reapply for
20 financial assistance in succeeding years.

21 3. The application shall include, but shall not be limited
22 to, the following information:

23 a. The total capital investment of the project.

24 b. The amount and percentage of moneys which the school
25 district will be providing for the project.

26 c. The infrastructure needs of the school district,
27 especially the fire and health safety needs of the school
28 district, and including the extent to which the project would
29 allow the school district to meet the infrastructure needs of
30 the school district on a long-term basis.

31 d. The financial assistance needed by the school district
32 based upon the capacity per pupil.

33 e. Any previous efforts by the school district to secure
34 infrastructure funding from federal, state, or local
35 resources, including any funding received for any project

1 under the Iowa demonstration construction grant program. The
2 previous efforts shall be evaluated on a case-by-case basis.

3 f. Evidence that the school district meets or will meet
4 the local match percentage requirement in subsection 2,
5 paragraph "a".

6 g. The nature of the proposed project and its relationship
7 to improving educational opportunities for the students.

8 h. Evidence that the school district has reorganized on or
9 after July 1, 2000, or that the school district has initiated
10 a resolution to reorganize by July 1, 2004, or entered into an
11 innovative collaboration with another school district or
12 school districts.

13 i. Evidence that the school district receives sales and
14 services tax for school infrastructure funding under section
15 422E.3.

16 4. A school district shall not receive more than one grant
17 under the program. The financial assistance shall be in the
18 form of grants and shall be allocated in the following manner:

19 a. Twenty-five percent of the financial assistance each
20 year shall be awarded to school districts with an enrollment
21 of one thousand one hundred ninety-nine students or less.

22 b. Twenty-five percent of the financial assistance each
23 year shall be awarded to school districts with an enrollment
24 of more than one thousand one hundred ninety-nine students but
25 not more than four thousand seven hundred fifty students.

26 c. Twenty-five percent of the financial assistance each
27 year shall be awarded to school districts with an enrollment
28 of more than four thousand seven hundred fifty students.

29 d. Twenty-five percent of the financial assistance each
30 year, any financial assistance not awarded under paragraphs
31 "a" through "c", and financial assistance not awarded in
32 previous fiscal years shall be awarded to school districts
33 with any size enrollment.

34 5. A district shall receive the lesser of one million
35 dollars of financial assistance under the program, or the

1 total capital investment of the project minus the local match
2 requirement. The program shall provide grants each year for a
3 period of five years.

4 6. The school budget review committee shall review all
5 applications for financial assistance under the program and
6 make recommendations regarding the applications to the
7 department. The department shall make the final determination
8 on grant awards. The school budget review committee shall
9 base the recommendations on the criteria established pursuant
10 to subsections 3 and 7.

11 7. The department shall form a task force to review
12 applications for financial assistance and provide
13 recommendations to the school budget review committee. The
14 task force shall include, at a minimum, representatives from
15 the kindergarten through grade twelve education community, the
16 state fire marshal, and individuals knowledgeable in school
17 infrastructure and construction issues. The department, in
18 consultation with the task force, shall establish the
19 parameters and the details of the criteria for awarding grants
20 based on the information listed in subsection 3, including
21 greater priority to the following:

- 22 a. A school district with a lower capacity per pupil.
23 b. A school district whose plans address specific occupant
24 safety issues.
25 c. A school district reorganizing or collaborating as
26 described in subsection 3, paragraph "h".
27 d. A school district for which a sales and services tax
28 for school infrastructure has not been imposed pursuant to
29 section 422E.2 or a school district receiving minimal revenues
30 under section 422E.3 when the total enrollment of the school
31 district is considered.

32 8. Notwithstanding section 8.57, subsection 5, paragraph
33 "c", from the funds appropriated annually to this program, the
34 amount of fifty thousand dollars shall be allocated annually
35 during the term of the program, beginning on the effective

1 date of this Act, to the department of public safety for the
2 use of the state fire marshal. The funds shall be used by the
3 state fire marshal solely for the purpose of retaining an
4 architect or architectural firm to evaluate structures for
5 which grant applications are made, to consult with school
6 district representatives and builders, to review construction
7 drawings and blueprints, and to perform related duties at the
8 direction of the state fire marshal to ensure the best
9 possible use of moneys received under the program by a school
10 district.

11 9. An applicant receiving financial assistance under the
12 program shall submit a progress report to the department of
13 education as requested by the department which shall include a
14 description of the activities under the project, the status of
15 the implementation of the project, and any other information
16 required by the department.

17 Sec. 21. NEW SECTION. 292.3 SCHOOL INFRASTRUCTURE FUND.

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

23 2. The fund shall be used to provide financial assistance
24 in the form of grants under the school infrastructure program.

25 3. Moneys in the fund are not subject to section 8.33.

26 Sec. 22. NEW SECTION. 292.4 RULES.

27 The department shall adopt rules, pursuant to chapter 17A,
28 necessary for administering the school infrastructure program
29 and fund.

30 Sec. 23. Sections 15.371 through 15.373, Code Supplement
31 1999, are repealed.

32 Sec. 24. REPEAL AND REENACTMENT -- CONTINUATION. The
33 repeal and reenactment of Code sections relating to the
34 community attraction and tourism development program and the
35 community attraction and tourism development fund are intended

1 to be a continuation of the prior statutes and not a new
 2 enactment, so far as the new enactment is the same as the
 3 prior statutes. The repeal and reenactment of Code sections
 4 relating to the community attraction and tourism development
 5 program and the community attraction and tourism development
 6 fund shall not cause moneys in the current community
 7 attraction and tourism development fund to revert to any other
 8 fund but such moneys shall remain in the community attraction
 9 and tourism fund established in Code section 15F.204 for
 10 expenditure for subsequent fiscal years.

11 Sec. 25. This Act prevails over the provisions of 2000
 12 Iowa Acts, House File 2392, if enacted, relating to any
 13 amendments to the community attraction and tourism development
 14 program and fund, which provisions are void.

15 EXPLANATION

16 This bill creates a vision Iowa board to administer a
 17 community attraction and tourism program and a vision Iowa
 18 program. The bill provides that the board consists of 13
 19 members, with most members appointed for three-year staggered
 20 terms. The bill provides that the board shall be located
 21 within the department of economic development for
 22 administrative purposes. The bill provides for the
 23 compensation and reimbursement of expenses of board members.

24 The bill provides for the repeal of sections in the Code
 25 relating to the community attraction and tourism development
 26 program and fund, moves these sections to new Code chapter
 27 15F, and changes the name to the community attraction and
 28 tourism program and fund. The program is designed to assist
 29 communities in the development and creation of multiple-
 30 purpose attraction and tourism facilities. The bill amends
 31 these sections by allowing a school district to submit a joint
 32 application for financial assistance with a city or county.
 33 The bill amends these sections by providing that an applicant
 34 shall not receive financial assistance in an amount exceeding
 35 50 percent of the total cost of a project. The bill amends

1 these sections by providing for a review committee consisting
2 of certain members of the board to review the applications for
3 assistance and make recommendations to the board. The bill
4 provides that upon review of the recommendations, the board
5 shall approve, defer, or deny the applications. The bill also
6 amends these sections by providing for the allocation of one-
7 third of the moneys in the fund to provide assistance to
8 cities with a population of 10,000 or less according to the
9 most recently published census and to counties with a
10 population that ranks in the bottom 33 counties according to
11 the most recently published census. The bill provides that
12 any allocated moneys which are not awarded by April 1 of each
13 fiscal year may be utilized to provide assistance to any city
14 or county in the state.

15 The bill provides for the establishment of the vision Iowa
16 program. The bill provides that the program is designed to
17 assist communities in the development of major tourism
18 facilities. The bill provides a review committee consisting
19 of certain members of the board to review the applications for
20 assistance and make recommendations to the board. The bill
21 provides that upon review of the recommendations, the board
22 shall approve, defer, or deny the applications. The bill
23 provides that the total cost of a project must be at least \$20
24 million in order for an applicant to receive assistance. The
25 bill provides that local and private financial and
26 nonfinancial support must be demonstrated by the applicant and
27 such support must be at least 50 percent of the total cost of
28 the project. The bill provides that assistance under the
29 program shall not be used to refinance a loan or debt and a
30 project shall not receive more than one award under the
31 program unless the applicant demonstrates that the assistance
32 would be used for a significant expansion of the project.

33 The bill provides the treasurer of state with powers
34 relating to issuance of bonds and the deposit or disbursement
35 of bond proceeds. The bill provides that the bonds are

1 payable solely and only out of the moneys, assets, or revenues
2 of the vision Iowa fund. The bill provides for the form the
3 bonds shall take. The bill provides for persons authorized to
4 invest in the bonds, the manner in which the bonds shall be
5 authorized, and that the authorization does not need to be
6 recorded to be valid and binding. The bill provides that the
7 interest on the bonds shall be exempt from the state income
8 tax and the state inheritance and estate tax. The bill allows
9 the moneys in the vision Iowa fund to be used for
10 administrative purposes and allows the treasurer of state to
11 issue refunding bonds.

12 The bill provides for the creation of a vision Iowa fund as
13 a separate and distinct fund in the state treasury to be used
14 for purposes of the vision Iowa program. The bill provides
15 that revenue for the fund shall include proceeds of bonds
16 issued to capitalize the fund and other moneys received for
17 purposes of the fund. The bill provides that an applicant
18 shall not receive more than \$75 million in financial
19 assistance from the fund. The bill provides the treasurer of
20 state with the power to establish reserve funds to secure one
21 or more issues of its bonds or notes.

22 The bill provides for the binding and valid nature of a
23 pledge made in respect of bonds or notes issued by the
24 treasurer of state. The bill provides that the state will not
25 limit or alter the rights and powers vested in the treasurer
26 of state to fulfill the terms of a contract made by the
27 treasurer of state with respect to bonds or notes.

28 The bill provides the board with the ability to undertake a
29 project for two or more applicants jointly and combine, for
30 financing purposes, a project with some or all future projects
31 of an applicant.

32 The bill provides that obligations issued by the treasurer
33 of state are not debts of the state or of any political
34 subdivision of the state or a pledge of the faith and credit
35 of the state or of any political subdivision, but the

1 obligations are limited obligations of the treasurer of state.

2 The bill provides for the liberal construction of the
3 bonding provisions of the bill.

4 The bill provides that repeal and reenactment of Code
5 sections relating to the community attraction and tourism
6 development program and fund are intended to be a continuation
7 of the prior statutes and that moneys in the current community
8 attraction and tourism fund shall not revert to any other
9 fund.

10 The bill creates a school infrastructure program and fund
11 to provide financial assistance in the form of grants to
12 certain school districts with infrastructure needs. The bill
13 provides that a school district may apply for financial
14 assistance under the program if the school meets the school
15 district's local match percentage through the issuance of
16 bonds, the local sales and services tax for school
17 infrastructure moneys received pursuant to section 422E.3, a
18 physical plant and equipment levy under Code chapter 298, or
19 other moneys locally obtained by the school district excluding
20 other state or federal grants. The bill provides that the
21 local match percentage means the lesser of 50 percent or the
22 quotient of the school district's capacity per pupil divided
23 by the capacity per pupil for all school districts at the
24 fortieth percentile multiplied by 50. However, the bill
25 provides that the local match percentage shall not be less
26 than 20 percent. The bill provides for the calculation of
27 capacity per pupil by the department of education, in
28 consultation with the department of revenue and finance, the
29 department of management, and the legislative fiscal bureau.
30 The bill provides that a school district may apply for
31 conditional approval of a grant in order to secure the
32 remaining costs of the project.

33 The department is required to form a task force to review
34 applications for financial assistance under the school
35 infrastructure program and provide recommendations to the

1 school budget review committee.

2 The bill requires the school budget review committee to
3 review all applications for financial assistance to determine
4 qualifying grant recipients and to make recommendations to the
5 department of education, with the department making final
6 grant awards. The school budget review committee's
7 recommendations shall be based on certain criteria. The bill
8 provides that, under the program, grants shall be awarded each
9 year plus any unexpended moneys from previous years for a
10 period of five years. The bill provides that a school
11 district shall not receive more than one grant under the
12 program and that the grant shall equal the lesser of \$1
13 million or the total capital investment of the project minus
14 the local match requirement.

15 The bill allows for the appropriation of \$50,000 annually
16 to the department of public safety from moneys appropriated
17 for purposes of this program to be used for retaining an
18 architect or architectural firm.

19 The bill provides that applicants receiving financial
20 assistance under the program shall submit a progress report to
21 the department of education as requested by the department.

22 The bill provides that this bill shall prevail over
23 provisions of 2000 Iowa Acts, House File 2392, if enacted,
24 relating to any amendments to the community attraction and
25 tourism development program and fund, which provisions are
26 void.

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