

MAR 13 2001
APPROPRIATIONS

HOUSE FILE 595
BY HOFFMAN

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

A BILL FOR

1 An Act creating a council of governments fund for economic
2 development, related financial assistance, and making an
3 appropriation.

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

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HF 595

1 Section 1. NEW SECTION. 15.381 COUNCIL OF GOVERNMENTS
2 FUND.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Council of governments" means an entity organized
6 under chapter 28H. "Council of governments" also includes a
7 group of counties that are not included in a council of
8 governments organized under chapter 28H that have formed a
9 development fund.

10 b. "Index of income" means the average county income
11 divided by the average state income.

12 c. "Sales leakage" means the product of the county
13 population, the index of income, and the state average sales
14 per person minus the actual sales for the county as reported
15 by the department of revenue and finance.

16 2. A council of governments fund is created in the state
17 treasury under the control of the department and consisting of
18 any moneys appropriated by the general assembly and any other
19 moneys available to and obtained or accepted by the department
20 for placement in the fund. Moneys in the fund are not subject
21 to section 8.33. Notwithstanding section 12C.7, interest or
22 earnings on moneys in the fund shall be credited to the fund.

23 3. Moneys in the fund shall be used to provide assistance
24 to a council of governments to meet economic development needs
25 described in subsection 5. The department shall not use any
26 moneys in the fund for administrative purposes.

27 4. The department shall distribute moneys in the fund on
28 an equal basis to each council of governments.

29 5. A council of governments shall use moneys received from
30 the fund for loans for economic development purposes in
31 counties with a positive sales leakage or for loans to assist
32 projects located in enterprise zones designated pursuant to
33 section 15E.194. A council of governments shall not use
34 moneys received from the fund for purposes of providing
35 forgivable loans. Any moneys received from the fund and

1 loaned by a council of governments shall require a one hundred
2 percent match from the loan recipient. Each council of
3 governments shall establish a loan review committee which
4 shall include bankers from the region to review loan
5 applications and make recommendations on the applications.

6 6. By January 15 of each year, each council of governments
7 receiving moneys from the fund shall submit a report to the
8 general assembly. The report shall include the use of moneys
9 received from the fund during the previous calendar year, the
10 recipients of any loans, the purposes for which the moneys
11 were used, the amount of money outstanding, and any other
12 related information the council of governments deems
13 necessary.

14 Sec. 2. APPROPRIATION. Notwithstanding section 8.57,
15 subsection 5, paragraph "c", there is appropriated from the
16 rebuild Iowa infrastructure fund to the department of economic
17 development, the following amounts, to be deposited in the
18 council of governments fund created in section 15.381:

19	FY 2001-2002.....	\$ 5,000,000
20	FY 2002-2003.....	\$ 5,000,000

21 EXPLANATION

22 This bill creates a council of governments fund and
23 appropriates moneys from the rebuild Iowa infrastructure fund
24 to the council of governments fund. The bill provides that
25 "council of governments" means an entity organized under Code
26 chapter 28H and includes a group of counties that are not
27 included in a council of governments organized under Code
28 chapter 28H that have formed a development fund.

29 The bill creates a council of governments fund in the state
30 treasury under the control of the department and consisting of
31 any moneys appropriated by the general assembly and any other
32 moneys available to and obtained or accepted by the department
33 for placement in the fund. The bill provides that moneys in
34 the fund shall be used to provide assistance to councils of
35 governments to meet certain economic development needs.

1 The bill provides that the department shall distribute
2 moneys in the fund on an equal basis to each council of
3 governments. The bill provides that a council of governments
4 shall use moneys received from the fund for loans for economic
5 development purposes in counties with a positive sales leakage
6 or for loans to assist projects located in enterprise zones.
7 The bill provides that any moneys received from the fund and
8 loaned by a council of governments shall require a 100 percent
9 match from the loan recipient. The bill provides that each
10 council of governments shall establish a loan review committee
11 which shall include bankers from the region to review loan
12 applications and make recommendations on the applications.

13 The bill requires each council of governments to submit a
14 report to the general assembly annually detailing the use of
15 moneys received from the fund.

16 The bill appropriates from the rebuild Iowa infrastructure
17 fund to the department of economic development for deposit in
18 the council of governments fund \$5 million for FY 2001-2002
19 and \$5 million for FY 2002-2003.

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