

FILED MAR 08 '04

SENATE FILE

2277

BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 3136)

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

A BILL FOR

1 An Act relating to the creation of a rural resource development
2 assistance program and fund.

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

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SF 2277 NAT. RES. & ENVIRONMENT

1 Section 1. NEW SECTION. 455A.22 RURAL RESOURCE
2 DEVELOPMENT ASSISTANCE PROGRAM.

3 1. The department, in consultation with the department of
4 economic development, shall establish a rural resource
5 development assistance program in the department to provide
6 financial assistance for rural economic development projects
7 that are based on the development of natural resources in the
8 state. Such projects must positively impact the quality of
9 life in rural Iowa. Projects that qualify for such financial
10 assistance shall include, but are not limited to, development
11 of alternative energy, recreational amenities, value-added
12 agriculture and alternative agriculture, rural small
13 businesses, tourism and marketing involving natural resources,
14 and enhancement and use of forest resources.

15 2. A rural resource development assistance fund is created
16 within the state treasury under the control of the department.

17 a. The fund shall include any moneys appropriated to the
18 fund by the general assembly, payments of interest earned,
19 recaptures of awards, repayments of moneys loaned or expended
20 by the rural resource development assistance program, and any
21 other moneys designated by the department for placement in the
22 fund.

23 b. The fund shall be used for the following:

24 (1) To provide reimbursement to the department for
25 activities related to rural resource development assistance
26 projects under this section.

27 (2) To provide financial assistance for qualifying
28 projects.

29 (3) To provide funding for any other purpose consistent
30 with this section and deemed appropriate by the department, in
31 consultation with the department of economic development.

32 c. Section 8.33 shall not apply to the rural resource
33 development assistance fund. Notwithstanding section 12C.7,
34 interest earned on moneys in the fund shall be credited to the
35 fund.

1 3. The department shall do all of the following:

2 a. Consult with and coordinate with the department of
3 economic development, and any other appropriate state agency
4 responsible for the development of natural resources or other
5 economic development in this state to ensure that activities
6 conducted pursuant to this section are consistent with the
7 policies and plans of other state agencies and are coordinated
8 with other natural resource and economic development projects.

9 b. Provide financial assistance in the form of a loan,
10 forgivable loan, loan guarantee, cost-share, indemnification
11 of costs, or any combination of financial assistance deemed by
12 the department to be most efficient in facilitating rural
13 resource development assistance projects.

14 c. Enter into contracts including the power to sue and be
15 sued. However, the department shall not in any manner
16 directly or indirectly pledge the credit of the state of Iowa.

17 d. Authorize payment of costs, commissions, attorney fees,
18 consultant fees, and other reasonable expenses from the fund.
19 Expenses may include costs related to carrying out the duties
20 necessary for insuring or guaranteeing loans, cosharing or
21 indemnifying costs under the rural resource development
22 assistance program, and for the recovery of loans insured or
23 guaranteed, costs coshared or indemnified, or the management
24 of property acquired in connection with such loans or costs.

25 e. Adopt administrative rules pursuant to chapter 17A
26 necessary to administer this section.

27 4. The department, in consultation with the department of
28 economic development, shall accept and review proposals for
29 projects and shall determine what projects qualify for and
30 what qualifying projects shall receive financial assistance
31 from the rural resource development assistance program. A
32 proposal that is submitted shall include a description of the
33 applicant, details of the project request, total budget for
34 the project, and completion date. A proposal shall also
35 include a study outlining the feasibility of the project.

1 5. The department, in consultation with the department of
2 economic development, shall establish priorities for ranking
3 proposals submitted for approval by the department. All
4 proposals received shall be ranked on a competitive basis,
5 including but not limited to demonstrated need, community
6 involvement, cost-effectiveness, feasibility, and other issues
7 pertinent to positively impacting the quality of life in rural
8 Iowa through the development of natural resources.

9 6. a. The department and the recipient of financial
10 assistance from the program shall negotiate a project
11 agreement describing the work to be accomplished, specifying
12 the amount of the financial assistance awarded by the program,
13 and designating the project completion date, as soon as
14 possible after a proposal has been approved. The maximum time
15 period allowed for project completion shall be stated in the
16 announcement of the approval of a project proposal and shall
17 be extended only by approval of the department.

18 b. Project agreements may be amended to increase or
19 decrease project scope or to increase or decrease project
20 costs and program assistance. Any increase in program
21 assistance shall be subject to availability of funds.
22 Amendments to project agreements to increase the scope or
23 amount of program assistance shall be approved by the
24 department before work is commenced or additional costs are
25 incurred.

26 EXPLANATION

27 This bill directs the department of natural resources, in
28 consultation with the department of economic development, to
29 establish a rural resource development assistance program in
30 the department of natural resources to provide financial
31 assistance for rural economic development projects that are
32 based on the development of natural resources in the state.
33 The bill provides that the projects assisted must positively
34 impact the quality of life in rural Iowa. Projects that
35 qualify for such financial assistance shall include, but are

1 not limited to, development of alternative energy,
2 recreational amenities, value-added agriculture and
3 alternative agriculture, rural small businesses, tourism and
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12 development assistance program, and any other moneys
13 designated by the department for placement in the fund. The
14 bill provides that the funds shall be used for activities and
15 projects related to the rural resource development assistance
16 program.

17 The bill also provides that the department shall consult
18 with and coordinate activities with the department of economic
19 development and other state agencies involved with natural
20 resources and economic development projects, provide financial
21 assistance in a form deemed by the department to be most
22 efficient in facilitating projects, enter into contracts,
23 authorize payment of costs, commissions, attorney and
24 consultant fees, and other reasonable expenses from the fund,
25 and adopt administrative rules necessary to carry out the
26 provisions of the bill. However, the department is prohibited
27 from directly or indirectly pledging the credit of the state
28 in carrying out the program.

29 The bill also provides that the department, in consultation
30 with the department of economic development, shall accept and
31 review proposals for projects and shall determine what
32 projects qualify for and what qualifying projects shall
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20 can only be extended by approval of the department of natural
21 resources. The bill provides that project agreements may be
22 amended upon approval by the department.

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Lettering
Miller
Black

Succeeded By
SF/HF 2277 SSB# 3136
Natural Resources

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES AND
ENVIRONMENT BILL BY
CHAIRPERSON HOUSER)

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