

Senate Study Bill 3256

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CO=CHAIRPERSON ANGELO)

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

A BILL FOR

1 An Act creating a show Iowa program and fund, reducing the
2 aggregate limit of certain investment tax credits, making
3 appropriations, and providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6599XK 81
6 tm/cf/24

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1 1 Section 1. Section 15E.43, subsection 4, Code Supplement
1 2 2005, is amended to read as follows:
1 3 4. The aggregate amount of tax credits issued pursuant to
1 4 this division shall not exceed a total of ~~ten five~~ million
1 5 dollars. ~~The total amount of tax credits issued during the~~
~~1 6 fiscal year beginning July 1, 2002, shall not exceed three~~
~~1 7 million dollars. The total amount of tax credits issued~~
~~1 8 during the fiscal year beginning July 1, 2003, shall not~~
~~1 9 exceed three million dollars. The total amount of tax credits~~
~~1 10 issued during the fiscal year beginning July 1, 2004, shall~~
~~1 11 not exceed four million dollars.~~ Any amount of the maximum
1 12 aggregate limit of tax credits that have not been issued by
1 13 June 30, ~~2005~~ 2006, may be issued in any subsequent fiscal
1 14 year. Not more than three million dollars of tax credits may
1 15 be issued in any one subsequent fiscal year.
1 16 Sec. 2. NEW SECTION. 15E.361 SHOW IOWA PROGRAM == FUND.
1 17 1. The department shall establish and administer a show
1 18 Iowa program for purposes of providing financial assistance to
1 19 enhance tourism by highlighting unique and authentic qualities
1 20 of local communities. Applications for financial assistance
1 21 shall be submitted to the department for approval, denial, or
1 22 modification. Financial assistance under the program shall be
1 23 in the form of grants and shall be used by the recipient as
1 24 seed money for the early stages of a tourism project involving
1 25 the creation or renovation of vertical infrastructure at
1 26 eligible sites. Financial assistance shall not be used for
1 27 recurring maintenance costs. A project shall not receive more
1 28 than one award of financial assistance under the program.
1 29 2. To be an eligible applicant under the program, an
1 30 applicant must be a nonprofit entity, a city, or a county and
1 31 must demonstrate all of the following:
1 32 a. Local matching support for the project. Local matching
1 33 support may include moneys received from other state and
1 34 federal grant programs, in-kind materials or services, and
1 35 actual financial investment.
2 1 b. A need for financial assistance.
2 2 c. A substantial regional or statewide economic impact.
2 3 d. That the project for which financial assistance is
2 4 sought involves the creation or renovation of vertical
2 5 infrastructure as defined in section 8.57, subsection 6,
2 6 paragraph "c".
2 7 3. Financial assistance under the program shall be used
2 8 for projects at eligible sites. Eligible sites are sites
2 9 where national and regional livestock exhibitions could take
2 10 place and sites where cultural or historical events could be
2 11 held.
2 12 4. a. A show Iowa fund is created in the state treasury
2 13 under the control of the department and consisting of any
2 14 moneys appropriated by the general assembly and any other
2 15 moneys available to and obtained or accepted by the department

2 16 for placement in the fund. Payments of interest, repayments
2 17 of moneys granted pursuant to this section, and recaptures of
2 18 grants shall be deposited in the fund. The fund shall be used
2 19 to provide grants under the program established in this
2 20 section. Moneys in the fund are not subject to section 8.33.
2 21 Notwithstanding section 12C.7, interest or earnings on moneys
2 22 in the fund shall be credited to the fund.

2 23 b. In a fiscal year, one third of the moneys available in
2 24 the fund shall be used for projects located in cities and
2 25 counties with a population of five thousand or less and one
2 26 third of the moneys available in the fund shall be used for
2 27 projects located in cities and counties with a population
2 28 between five thousand and ten thousand.

2 29 c. Any moneys in the fund that are not allocated pursuant
2 30 to paragraph "b", and any moneys allocated pursuant to
2 31 paragraph "b" and not awarded by April 1 of a fiscal year, may
2 32 be used for projects located in cities and counties of any
2 33 size.

2 34 Sec. 3. SHOW IOWA FUND APPROPRIATION. There is
2 35 appropriated from the general fund of the state to the
3 1 department of economic development for the fiscal year
3 2 beginning July 1, 2006, and ending June 30, 2007, the
3 3 following amount, or so much thereof as is necessary, to be
3 4 used for the purpose designated:

3 5 For deposit in the show Iowa fund created in section
3 6 15E.361:

3 7 \$ 5,000,000

3 8 Notwithstanding section 8.33, moneys appropriated in this
3 9 section that remain unencumbered or unobligated at the close
3 10 of the fiscal year shall not revert but shall remain available
3 11 for expenditure for the purpose designated until the close of
3 12 the succeeding fiscal year.

3 13 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
3 14 immediate importance, takes effect upon enactment.

3 15 EXPLANATION

3 16 This bill creates a show Iowa program and fund, reduces the
3 17 aggregate limit of certain tax credits, makes appropriations,
3 18 and provides an effective date.

3 19 The bill reduces the aggregate amount of certain investment
3 20 tax credits that may be issued from \$10 million to \$5 million.
3 21 The tax credits are allowed for a portion of a taxpayer's
3 22 equity investment in a qualifying business or a community=
3 23 based seed capital fund.

3 24 The bill requires the department of economic development to
3 25 establish and administer a show Iowa program for purposes of
3 26 providing financial assistance to enhance tourism by
3 27 highlighting unique and authentic qualities of local
3 28 communities. The bill provides that financial assistance
3 29 under the program shall be in the form of grants and shall be
3 30 used by the recipient as seed money for the early stages of
3 31 vertical infrastructure projects at eligible sites. The bill
3 32 prohibits a project from receiving more than one award of
3 33 financial assistance under the program. The bill provides
3 34 that to be an eligible applicant under the program, an
3 35 applicant must be a nonprofit entity, a city, or a county and
4 1 must demonstrate local matching support for the project, a
4 2 need for financial assistance, a substantial regional or
4 3 statewide economic impact, and that the project for which
4 4 financial assistance is sought involves the creation or
4 5 renovation of vertical infrastructure. The bill provides that
4 6 financial assistance under the program shall be used for
4 7 projects at eligible sites. The bill provides that eligible
4 8 sites are sites where national and regional livestock
4 9 exhibitions could take place and sites where cultural or
4 10 historical events could be held.

4 11 The bill creates a show Iowa fund in the state treasury
4 12 under the control of the department. In a fiscal year, the
4 13 bill provides that one third of the moneys available in the
4 14 fund shall be used for projects located in cities and counties
4 15 with a population of 5,000 or less and one third of the moneys
4 16 available in the fund shall be used for projects located in
4 17 cities and counties with a population between 5,000 and
4 18 10,000. The bill provides that any moneys in the fund that
4 19 are not allocated, and any moneys allocated and not awarded by
4 20 April 1 of a fiscal year, may be used for projects located in
4 21 cities and counties of any size.

4 22 The bill appropriates \$5 million from the general fund of
4 23 the state to the department of economic development for the
4 24 fiscal year beginning July 1, 2006, and ending June 30, 2007,
4 25 for deposit in the show Iowa fund.

4 26 The bill takes effect upon enactment.

4 27 LSB 6599XK 81
4 28 tm:rj/cf/24