

# Senate File 2084 - Introduced

SENATE FILE \_\_\_\_\_  
BY HOGG

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to energy efficiency by providing income tax  
2 credits, establishing high-performance standards for certain  
3 public buildings, and providing effective and retroactive  
4 applicability dates.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 5337SS 82  
7 rn/rj/14

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1 1 DIVISION I  
1 2 GREEN BUILDING INCOME TAX CREDITS  
1 3 Section 1. NEW SECTION. 422.11V GREEN BUILDING TAX  
1 4 CREDIT.  
1 5 The taxes imposed under this division, less the credits  
1 6 allowed under sections 422.12 and 422.12B, shall be reduced by  
1 7 a green building tax credit under section 473B.6.  
1 8 Sec. 2. Section 422.33, Code Supplement 2007, is amended  
1 9 by adding the following new subsection:  
1 10 NEW SUBSECTION. 25. The taxes imposed under this division  
1 11 shall be reduced by a green building tax credit under section  
1 12 473B.4.  
1 13 Sec. 3. NEW SECTION. 473B.1 DEFINITIONS.  
1 14 As used in this chapter, unless the context otherwise  
1 15 requires:  
1 16 1. a. "Allowable costs" means amounts properly chargeable  
1 17 to a capital account, other than for land, that are paid or  
1 18 incurred on or after July 1, 2008, for all of the following:  
1 19 (1) Construction or rehabilitation.  
1 20 (2) Commissioning costs.  
1 21 (3) Interest paid or incurred during the construction or  
1 22 rehabilitation period.  
1 23 (4) Architectural, engineering, and other professional  
1 24 fees allocable to construction or rehabilitation.  
1 25 (5) Closing costs for construction, rehabilitation, or  
1 26 mortgage loans.  
1 27 (6) Recording taxes and filing fees incurred with respect  
1 28 to construction or rehabilitation.  
1 29 (7) Finishes and furnishings consistent with rules adopted  
1 30 by the department under this chapter, lighting, plumbing,  
1 31 electrical wiring, and ventilation.  
1 32 b. "Allowable costs" does not include any of the  
1 33 following:  
1 34 (1) The cost of telephone systems and computers other than  
1 35 electrical wiring costs.  
2 1 (2) Legal fees allocable to construction or  
2 2 rehabilitation.  
2 3 (3) Site costs, including temporary electric wiring,  
2 4 scaffolding, demolition costs, and fencing and security  
2 5 facilities.  
2 6 (4) Finishes or furnishings that are not consistent with  
2 7 rules adopted by the department under this chapter.  
2 8 (5) The cost of purchasing or installing fuel cells.  
2 9 2. "Base building" means all areas of a building not  
2 10 intended for occupancy by a tenant or owner, including the  
2 11 structural components of the building, exterior walls, floors,  
2 12 windows, roofs, foundations, chimneys and stacks, parking  
2 13 areas, mechanical rooms and mechanical systems, and owner=  
2 14 controlled or owner-operated service spaces, sidewalks, main  
2 15 lobby, shafts and vertical transportation mechanisms,  
2 16 stairways, and corridors.  
2 17 3. "Commissioning" means all of the following:  
2 18 a. The testing and fine-tuning of heat, ventilating, and

2 19 air-conditioning systems and other systems to assure proper  
2 20 functioning and adherence to design criteria.

2 21 b. The preparation of system operation manuals and  
2 22 instruction of maintenance personnel.

2 23 4. "Credit allowance year" means the later of either of  
2 24 the following:

2 25 a. The taxable year during which either of the following  
2 26 occur:

2 27 (1) The property, construction, completion, or  
2 28 rehabilitation on which the credit allowed under this chapter  
2 29 is based is originally placed in service.

2 30 (2) A fuel cell, wind turbine, or photovoltaic module  
2 31 constitutes a qualifying alternate energy source and is fully  
2 32 operational.

2 33 b. The earliest taxable year for which the credit may be  
2 34 claimed under the green building tax credit certificate issued  
2 35 under section 473B.5.

3 1 5. "Department" means the department of economic  
3 2 development.

3 3 6. "Economic development area" means an area as defined by  
3 4 rule by the department.

3 5 7. "Eligible building" means a building located in this  
3 6 state that meets all of the following requirements:

3 7 a. (1) Is a building used primarily for nonresidential  
3 8 purposes if the building contains at least twenty thousand  
3 9 square feet of interior space.

3 10 (2) Is a residential multifamily building with at least  
3 11 twelve dwelling units that contains at least twenty thousand  
3 12 square feet of interior space.

3 13 (3) Is any combination of buildings described in  
3 14 subparagraphs (1) and (2).

3 15 b. In the case of a newly constructed building for which a  
3 16 certificate of occupancy was not issued before July 1, 2008,  
3 17 is any of the following:

3 18 (1) Is located on a brownfield site, as defined in section  
3 19 15.291.

3 20 (2) Is located in a priority funding area as defined by  
3 21 the department.

3 22 (3) Is not located on wetlands, the alteration of which  
3 23 requires a permit under }404 of the federal Clean Water Act,  
3 24 as defined in section 455B.291.

3 25 c. In the case of the rehabilitation of a building, is any  
3 26 of the following:

3 27 (1) Is located in a priority funding area as defined by  
3 28 the director of the department of economic development or on a  
3 29 brownfield site as defined in section 15.291.

3 30 (2) Is not an increase of more than twenty-five percent in  
3 31 the square footage of the building.

3 32 8. "Fuel cell" means a device that produces electricity  
3 33 directly from hydrogen or hydrocarbon fuel through a  
3 34 noncombustive electrochemical process that meets the minimum  
3 35 standards adopted by rule pursuant to section 473B.9.

4 1 9. "Green base building" means a base building that is  
4 2 part of an eligible building that meets the LEED silver rating  
4 3 standard of the United States green building council adopted  
4 4 by rule under section 473B.9.

4 5 10. "Green tenant space" means tenant space in a building  
4 6 if the building is an eligible building and the tenant space  
4 7 meets the LEED silver rating standard of the United States  
4 8 green building council adopted by rule under section 473B.9.

4 9 11. "Green whole building" means a building for which the  
4 10 base building is a green base building and all tenant space is  
4 11 green tenant space.

4 12 12. "Incremental cost of building=integrated photovoltaic  
4 13 modules" means all of the following:

4 14 a. The cost of building=integrated photovoltaic modules  
4 15 and any associated inverter, additional wiring or other  
4 16 electrical equipment for the photovoltaic modules, or  
4 17 additional mounting or structural materials, less the cost of  
4 18 spandrel glass or other building material that would have been  
4 19 used if building=integrated photovoltaic modules were not  
4 20 installed.

4 21 b. Incremental labor costs properly allocable to on-site  
4 22 preparation, assembly, and original installation of  
4 23 photovoltaic modules.

4 24 13. "LEED silver rating standard" means the United States  
4 25 green building council leadership in energy and environmental  
4 26 design green building rating standard, referred to as the  
4 27 silver standard.

4 28 14. "Photovoltaic modules" means semiconductor devices,  
4 29 also called solar cells, that convert sunlight into direct

4 30 current electricity that meet the minimum standards adopted by  
4 31 rule under section 473B.9.

4 32 15. "Qualifying alternate energy source" means a building=  
4 33 integrated and non-building=integrated photovoltaic module,  
4 34 wind turbine, or fuel cell installed to serve the base  
4 35 building or tenant space that meet all of the following  
5 1 requirements:

5 2 a. Have the capability to monitor their actual power  
5 3 output.

5 4 b. Are fully commissioned upon installation, and annually  
5 5 thereafter, to ensure that the systems meet their design  
5 6 specifications.

5 7 c. In the case of a wind turbine, meets any applicable  
5 8 noise and bird protection ordinances.

5 9 16. "Tenant improvements" means improvements that are  
5 10 necessary or appropriate to support or conduct the business of  
5 11 a tenant or occupying owner.

5 12 17. "Tenant space" means the portion of a building  
5 13 intended for occupancy by a tenant or occupying owner.

5 14 18. "Wind turbine" means a wind energy conversion system  
5 15 that collects and converts wind into energy to generate  
5 16 electricity that meets the minimum standards adopted by rule  
5 17 pursuant to section 473B.9.

5 18 Sec. 4. NEW SECTION. 473B.2 PROVISIONAL GREEN BUILDING  
5 19 CERTIFICATE.

5 20 1. A person may apply to the department for provisional  
5 21 certification of eligibility for a green building tax credit  
5 22 by submitting a completed application to the department  
5 23 containing all of the following information:

5 24 a. Sufficient information to identify each building or  
5 25 space as the department shall require.

5 26 b. Proof of the person's ownership or tenancy of the  
5 27 building.

5 28 c. An itemization of estimated allowable costs with  
5 29 supporting documentation.

5 30 d. Any other information the department may require.

5 31 2. If upon receipt of the completed application the  
5 32 department finds that the applicant has shown that the  
5 33 applicant is likely within a reasonable time to place in  
5 34 service property which would warrant the allowance of a credit  
5 35 under section 473B.4, the department shall issue a provisional  
6 1 green building certificate. The provisional green building  
6 2 certificate shall describe the property for which the  
6 3 certificate was issued and shall contain an expiration date.  
6 4 The certificate shall apply only to property placed in service  
6 5 by such expiration date which may be extended at the  
6 6 discretion of the department, in order to avoid unwarranted  
6 7 hardship.

6 8 3. A person whose application for a provisional green  
6 9 building certificate is denied may file an appeal with the  
6 10 department within sixty days from the date of denial pursuant  
6 11 to the provisions of chapter 17A.

6 12 Sec. 5. NEW SECTION. 473B.3 ELIGIBILITY CERTIFICATE.

6 13 1. For each taxable year for which a person claims a green  
6 14 building tax credit under this chapter, the person shall  
6 15 obtain from an architect or professional engineer licensed to  
6 16 practice in this state an eligibility certificate.

6 17 2. The eligibility certificate shall consist of a  
6 18 certification, under the seal of such architect or engineer,  
6 19 that the building, base building, or tenant space with respect  
6 20 to which the credit is claimed is a green whole building,  
6 21 green base building, or green tenant space, respectively, and  
6 22 that the fuel cell, wind turbine, or photovoltaic modules  
6 23 constitute a qualifying alternate energy source and remains in  
6 24 service. The eligibility certification shall be made in  
6 25 accordance with the standards and guidelines adopted by rule  
6 26 pursuant to section 473B.9 and in effect at the time the  
6 27 property which is the basis for the credit was placed in  
6 28 service. The eligibility certificate shall set forth the  
6 29 specific findings upon which the certification was based.

6 30 3. The eligibility certificate shall include sufficient  
6 31 information to identify each building or space, and such other  
6 32 information as the department shall require.

6 33 4. The taxpayer shall file a copy of each eligibility  
6 34 certificate with the department.

6 35 Sec. 6. NEW SECTION. 473B.4 TAX CREDITS.

7 1 A green building tax credit may consist of any or all of  
7 2 the following credits:

7 3 1. GREEN WHOLE BUILDING TAX CREDIT. The green whole  
7 4 building tax credit shall be equal to the one and four-tenths  
7 5 percent of the allowable costs paid or incurred by the

7 6 taxpayer, for either the construction of a green whole  
7 7 building or the rehabilitation of a building which is not a  
7 8 green whole building to be a green whole building for which a  
7 9 certificate of occupancy has been issued. If the building is  
7 10 located in an economic development area, the applicable  
7 11 percentage shall be one and six-tenths percent of the  
7 12 allowable costs. The allowable costs for a green whole  
7 13 building shall not exceed, in the aggregate, one hundred fifty  
7 14 dollars per square foot with respect to the portion of the  
7 15 building which comprises the base building and seventy-five  
7 16 dollars per square foot with respect to the portion of the  
7 17 building which comprises the tenant space.

7 18 2. GREEN BASE BUILDING TAX CREDIT. The green base  
7 19 building tax credit shall be equal to one percent of the  
7 20 allowable costs paid or incurred by the taxpayer, if the  
7 21 owner, for either the construction of a green base building or  
7 22 the rehabilitation of a base building which is not a green  
7 23 base building to be a green base building for which a  
7 24 certificate of occupancy for the building has been issued. If  
7 25 the building is located in an economic development area, the  
7 26 applicable percentage shall be one and two-tenths percent of  
7 27 the allowable costs. The allowable costs for the green base  
7 28 building shall not exceed, in the aggregate, one hundred fifty  
7 29 dollars per square foot.

7 30 3. GREEN TENANT SPACE TAX CREDIT. The green tenant space  
7 31 tax credit shall be equal to one percent of allowable costs  
7 32 for tenant improvements paid or incurred by the taxpayer in  
7 33 constructing or completing green tenant space, or  
7 34 rehabilitating tenant space which is not green tenant space to  
7 35 be green tenant space. If the building is located in an  
8 1 economic development area the applicable percentage shall be  
8 2 one and two-tenths percent of the allowable costs. Provided,  
8 3 however, that the owner, or a tenant who occupies fewer than  
8 4 ten thousand square feet, shall qualify for a green tenant  
8 5 space tax credit only if the base building is a green base  
8 6 building. The allowable costs for green tenant space shall  
8 7 not exceed, in the aggregate, seventy-five dollars per square  
8 8 foot. If both an owner and tenant incur such costs for green  
8 9 tenant space with respect to the same green tenant space and  
8 10 such costs in the aggregate exceed seventy-five dollars per  
8 11 square foot, the owner shall have priority as to costs  
8 12 constituting the basis for the green tenant space tax credit.

8 13 4. FUEL CELL TAX CREDIT. A fuel cell tax credit shall be  
8 14 allowed for the installation of a fuel cell that is a  
8 15 qualifying alternate energy source installed to serve a green  
8 16 building, green base building, or green tenant space. The  
8 17 amount of the credit shall equal six percent of the sum of the  
8 18 capitalized costs paid or incurred by the taxpayer with  
8 19 respect to each fuel cell installed to serve such building or  
8 20 space, including the cost of the foundation or platform and  
8 21 the labor cost associated with installation, such capitalized  
8 22 costs not to exceed one thousand dollars per kilowatt of  
8 23 installed direct current-rated capacity. The amount of any  
8 24 federal, state, or local grant received by the taxpayer and  
8 25 used for the purchase and installation of such fuel cell,  
8 26 which was not included in the federal gross income of the  
8 27 taxpayer, shall be subtracted from the amount of such costs.

8 28 5. PHOTOVOLTAIC MODULE TAX CREDIT. A photovoltaic module  
8 29 tax credit shall be allowed for the installation of  
8 30 photovoltaic modules that constitute a qualifying alternate  
8 31 energy source installed to serve a green building, green base  
8 32 building, or green tenant space. The amount of the tax credit  
8 33 component shall equal twenty percent of the incremental cost  
8 34 paid or incurred by the taxpayer for building-integrated  
8 35 photovoltaic modules and five percent of the cost of non-  
9 1 building-integrated photovoltaic modules, in either case such  
9 2 cost not to exceed the product of three dollars and the number  
9 3 of watts included in the direct current-rated capacity of the  
9 4 photovoltaic modules. The amount of any federal, state, or  
9 5 local grant received by the taxpayer and used for the purchase  
9 6 and installation of such photovoltaic modules which was not  
9 7 included in the federal gross income of the taxpayer, shall be  
9 8 subtracted from the amount of such cost.

9 9 6. WIND TURBINE TAX CREDIT. A wind turbine tax credit  
9 10 shall be allowed for the installation of a wind turbine that  
9 11 is a qualifying alternate energy source and is installed to  
9 12 serve a green whole building, green base building, or green  
9 13 tenant space. The amount of the tax credit shall be an amount  
9 14 equal to twenty-five percent of the sum of the capitalized  
9 15 costs paid or incurred by the taxpayer with respect to each  
9 16 wind turbine installed, including the cost of the foundation

9 17 or platform and the labor costs associated with installation.  
9 18 The amount of any federal, state, or other grant received by  
9 19 the taxpayer and used for the purchase of the wind turbine,  
9 20 which was not included in the federal gross income of the  
9 21 taxpayer, shall be subtracted from the amount of the  
9 22 capitalized costs.

9 23 Sec. 7. NEW SECTION. 473B.5 APPLICATION FOR TAX CREDIT  
9 24 CERTIFICATE.

9 25 1. To receive a green building tax credit described in  
9 26 section 473B.4, a taxpayer shall file an application with the  
9 27 department for a tax credit certificate. The application  
9 28 shall contain all of the following:

- 9 29 a. All applicable provisional green building certificates.
- 9 30 b. All applicable eligibility certificates.
- 9 31 c. A certificate of occupancy if required.
- 9 32 d. Documentation supporting actual allowable costs  
9 33 incurred.

9 34 e. Any other information required by the department.

9 35 2. If upon receipt of a completed application, the  
10 1 department finds that the person is qualified for a green  
10 2 building tax credit, the department shall calculate the amount  
10 3 of the tax credit for which the person is eligible and shall  
10 4 issue a green building tax credit certificate to the person or  
10 5 notify the person in writing of its refusal to do so. The tax  
10 6 credit certificate may be applied against tax owed pursuant to  
10 7 chapter 422, division II and division III. Each green  
10 8 building tax credit certificate issued pursuant to this  
10 9 chapter shall be allowed for the tax credit allowance year and  
10 10 for each of the next four succeeding taxable years with  
10 11 respect to which the person has obtained and filed a  
10 12 provisional eligibility certificate pursuant to section  
10 13 473B.3.

10 14 3. The green building tax credit certificate shall state  
10 15 all of the following:

10 16 a. The credit allowance year for which the credit may be  
10 17 claimed and a description of the property for which  
10 18 eligibility was granted.

10 19 b. The certificate's expiration date and shall apply only  
10 20 to property placed in service by such expiration date. Such  
10 21 expiration date may be extended at the discretion of the  
10 22 department, in order to avoid unwarranted hardship.

10 23 c. The maximum amount of the tax credit allowable for each  
10 24 of the five taxable years for which the credit is allowed.

10 25 d. The maximum amount of the tax credit allowable in the  
10 26 aggregate for all credits allowed under section 473B.4.

10 27 4. The amount of each green building tax credit shall not  
10 28 exceed the limit set forth in the provisional green building  
10 29 certificate obtained pursuant to section 473B.2. The  
10 30 department shall not issue green building tax credit  
10 31 certificates, in the aggregate, for more than four million  
10 32 dollars worth of credits pursuant to this chapter in any  
10 33 fiscal year.

10 34 5. A person whose application for a green building tax  
10 35 credit certificate is denied may file an appeal with the  
11 1 department within sixty days from the date of denial pursuant  
11 2 to the provisions of chapter 17A.

11 3 6. If the department has reason to believe that an  
11 4 architect or professional engineer in making any eligibility  
11 5 certification under this chapter engaged in professional  
11 6 misconduct, the department may revoke a provisional green  
11 7 building certificate or green building tax credit certificate  
11 8 issued pursuant to this chapter and report the misconduct to  
11 9 the appropriate professional board or commission.

11 10 Sec. 8. NEW SECTION. 473B.6 SUCCESSOR OWNER OR TENANT.

11 11 1. If a green building tax credit is allowed to a building  
11 12 owner pursuant to this chapter with respect to property, and  
11 13 such property or an interest therein is sold, the credit for  
11 14 the period after the sale which would have been allowable  
11 15 under this chapter to the prior owner had the property not  
11 16 been sold shall be allowable to the new owner. A tax credit  
11 17 for the year of sale shall be allocated between the parties on  
11 18 the basis of the number of days during such year that the  
11 19 property or interest was held by each.

11 20 2. If a tax credit is allowed to a tenant pursuant to this  
11 21 chapter with respect to property, and if such tenancy is  
11 22 terminated but such property remains in use in the building by  
11 23 a successor tenant, the tax credit for the period after such  
11 24 termination which would have been allowable under this chapter  
11 25 to the prior tenant had the tenancy not been terminated shall  
11 26 be allowable to the successor tenant. A tax credit for the  
11 27 year of termination shall be allocated between the parties on

11 28 the basis of the number of days during such year that the  
11 29 property was used by each.

11 30 3. Notwithstanding any other provision of law to the  
11 31 contrary, in the case of allowance of a tax credit under this  
11 32 section to a successor owner or tenant, as provided in  
11 33 subsection 1 or 2, the department shall have the authority to  
11 34 reveal to the successor owner or tenant any information, with  
11 35 respect to the credit of the prior owner or tenant, which is  
12 1 the basis for the denial in whole or in part of the credit  
12 2 claimed by such successor owner or tenant.

12 3 Sec. 9. NEW SECTION. 473B.7 RECORDKEEPING.

12 4 A person shall, for any taxable year for which the green  
12 5 building tax credit provided for under this chapter is  
12 6 claimed, maintain and provide to the department upon request  
12 7 records of the following information as applicable:

12 8 1. Annual energy consumption for the green whole building,  
12 9 green base building, or green tenant space.

12 10 2. Annual results of air monitoring, if conducted.

12 11 3. Annual confirmation that the green whole building,  
12 12 green base building, or green tenant space continues to meet  
12 13 requirements regarding smoking areas, if required.

12 14 4. All written notification of tenants and requests to  
12 15 remedy any indoor air quality problems.

12 16 5. Initial and annual results of validation of performance  
12 17 of photovoltaic modules and fuel cells.

12 18 6. Certifications as to off-gassing and other  
12 19 contamination, if conducted.

12 20 Sec. 10. NEW SECTION. 473B.8 REPORTING.

12 21 1. On or before July 1, 2012, the department shall submit  
12 22 a written report to the director of the office of energy  
12 23 independence, the governor, and the general assembly regarding  
12 24 all of the following:

12 25 a. The number and value of provisional green building  
12 26 certificates and green building tax credit certificates issued  
12 27 under this chapter.

12 28 b. The amount of the green building tax credits redeemed.

12 29 c. The geographical distribution of the provisional green  
12 30 building certificates and green building tax credit  
12 31 certificates issued and redeemed.

12 32 d. Any other such available information the department may  
12 33 deem meaningful and appropriate.

12 34 2. A preliminary version of the report required by  
12 35 subsection 1 shall be issued by July 1, 2010.

13 1 3. The department shall make recommendations regarding the  
13 2 establishment of a permanent green building tax credit  
13 3 program. Recommendations may include methods to enhance the  
13 4 effectiveness, simplicity, or other aspects of the program.

13 5 Sec. 11. NEW SECTION. 473B.9 RULES.

13 6 1. The department shall, with assistance from the  
13 7 department of natural resources, adopt rules adopting by  
13 8 reference the LEED silver rating standard as adopted and  
13 9 published by the United States green building council  
13 10 regarding standards for a property to qualify as a green whole  
13 11 building, green base building, or green tenant space, that is  
13 12 eligible for a green building tax credit under this chapter.

13 13 2. The department shall adopt by rule reasonable minimum  
13 14 standards for fuel cells, photovoltaic modules, and wind  
13 15 turbines that are eligible for a green building tax credit  
13 16 under this chapter.

13 17 3. The department shall adopt additional rules necessary  
13 18 to administer this chapter.

13 19 Sec. 12. EFFECTIVE AND APPLICABILITY DATES. This division  
13 20 of this Act, being deemed of immediate importance, takes  
13 21 effect upon enactment and is retroactively applicable to  
13 22 taxable years beginning on or after January 1, 2008.

#### 13 23 DIVISION II

#### 13 24 GREEN PUBLIC BUILDINGS

13 25 Sec. 13. NEW SECTION. 262.101 HIGH=PERFORMANCE ENERGY  
13 26 STANDARDS.

13 27 An institution of higher education under the board's  
13 28 control shall comply with high-performance public building  
13 29 requirements under chapter 473C.

13 30 Sec. 14. Section 279.39, Code 2007, is amended to read as  
13 31 follows:

13 32 279.39 SCHOOL BUILDINGS == HIGH=PERFORMANCE ENERGY  
13 33 STANDARDS.

13 34 1. The board of any school corporation shall establish  
13 35 attendance centers and provide suitable buildings for each  
14 1 school in the district and may at the regular or a special  
14 2 meeting call a special election to submit to the registered  
14 3 voters of the district the question of voting a tax or

14 4 authorizing the board to issue bonds, or both.  
14 5 2. Public school districts shall comply with high=  
14 6 performance public building requirements under chapter 473C.  
14 7 Sec. 15. NEW SECTION. 473C.1 FINDINGS AND INTENT.  
14 8 1. The general assembly finds that public buildings can be  
14 9 built and renovated using high-performance methods that save  
14 10 money, improve performance, increase productivity, and cut  
14 11 energy and utility costs.  
14 12 2. It is the intent of the general assembly that state=  
14 13 owned buildings and schools be improved by adopting recognized  
14 14 standards for high-performance public buildings and allowing  
14 15 flexible methods and choices in how to achieve those  
14 16 standards. The general assembly also intends that state  
14 17 agencies and public school districts shall document costs and  
14 18 savings to monitor the effectiveness of the requirements of  
14 19 this chapter and ensure that economic, community, and  
14 20 environmental goals are achieved each year, and that an  
14 21 independent performance review be conducted to evaluate this  
14 22 chapter and determine the extent to which the results intended  
14 23 by this chapter are being met.  
14 24 Sec. 16. NEW SECTION. 473C.2 DEFINITIONS.  
14 25 As used in this chapter, unless the context otherwise  
14 26 requires:  
14 27 1. "High-performance public building" means a high=  
14 28 performance public building designed, constructed, and  
14 29 certified to a standard as identified in this chapter.  
14 30 2. "Institution of higher education" means a community  
14 31 college or regents institution in this state.  
14 32 3. "LEED silver standard" means the United States green  
14 33 building council leadership in energy and environmental design  
14 34 green building rating standard, referred to as the silver  
14 35 standard.  
15 1 4. a. "Major facility project" means any of the  
15 2 following:  
15 3 (1) A construction project larger than five thousand gross  
15 4 square feet of occupied or conditioned space.  
15 5 (2) A building renovation project when the cost is greater  
15 6 than fifty percent of the assessed value and the project is  
15 7 larger than five thousand gross square feet of occupied or  
15 8 conditioned space.  
15 9 b. "Major facility project" does not include any of the  
15 10 following:  
15 11 (1) A project for which the department of administrative  
15 12 services, public school district, or other applicable agency  
15 13 and the design team determine the LEED silver standard or the  
15 14 sustainable school design protocol is not practicable.  
15 15 (2) Transmitter buildings, pumping stations, hospitals,  
15 16 research facilities primarily used for sponsored laboratory  
15 17 experimentation, laboratory research, or laboratory training  
15 18 in research methods, or other similar building types as  
15 19 determined by the department.  
15 20 5. "Public funds" means all funds that are public funds as  
15 21 defined in section 12C.1, subsection 2.  
15 22 6. "Public school district" means a school district  
15 23 eligible to receive state basic education moneys and tax funds  
15 24 collected pursuant to chapter 423E.  
15 25 7. "State agency" means any executive, judicial, or  
15 26 legislative department, commission, board, institution,  
15 27 division, bureau, office, agency, or other entity of state  
15 28 government of this state.  
15 29 8. "Sustainable school design protocol" means a school  
15 30 design protocol and related information developed by the state  
15 31 board of regents, the state board of education, and the Iowa  
15 32 association of community college trustees, in conjunction with  
15 33 public school districts and the department of education.  
15 34 Sec. 17. NEW SECTION. 473C.3 STATE AGENCY PROJECTS.  
15 35 1. All major facility projects of a state agency financed  
16 1 through an appropriation from the general assembly shall be  
16 2 designed, constructed, and certified to at least the LEED  
16 3 silver standard. This subsection applies to major facility  
16 4 projects that have not entered the design phase prior to July  
16 5 1, 2008, and to the extent appropriate LEED silver standards  
16 6 exist for that type of building or facility.  
16 7 2. When the LEED silver standard is determined not to be  
16 8 practicable for a project, it must be determined if any LEED  
16 9 standard is practicable for the project. If LEED standards  
16 10 are not followed for the project, the state agency shall  
16 11 report these reasons to the department of administrative  
16 12 services.  
16 13 3. a. A state agency shall monitor and document ongoing  
16 14 operating savings resulting from major facility projects

16 15 designed, constructed, and certified as required under this  
16 16 section.

16 17 b. A state agency shall report annually to the department  
16 18 of administrative services on major facility projects and  
16 19 operating savings.

16 20 4. The department of administrative services shall  
16 21 consolidate the reports required in subsections 2 and 3 into  
16 22 one report and report to the director of the office of energy  
16 23 independence, the governor, and general assembly by September  
16 24 1 of each even-numbered year beginning in 2010 and ending in  
16 25 2022. In the report, the department of administrative  
16 26 services shall also report on the implementation of this  
16 27 chapter, including reasons why the LEED silver standard was  
16 28 not used as required by this section. The department of  
16 29 administrative services shall make recommendations regarding  
16 30 the ongoing implementation of this chapter, including a  
16 31 discussion of incentives and disincentives related to  
16 32 implementing this chapter.

16 33 Sec. 18. NEW SECTION. 473C.4 PUBLIC SCHOOLS AND  
16 34 INSTITUTIONS OF HIGHER LEARNING == PROJECTS.

16 35 1. All major facility projects of a public school district  
17 1 or institution of higher learning financed in whole or in part  
17 2 through public funds shall be designed and constructed to at  
17 3 least the LEED silver standard or the sustainable school  
17 4 design protocol. To the extent appropriate LEED silver or  
17 5 sustainable school design protocol standards exist for the  
17 6 type of building or facility, this subsection applies to major  
17 7 facility projects that have not received project approval from  
17 8 the director of the department of education or the state board  
17 9 of regents prior to July 1, 2008.

17 10 2. When the LEED silver standard is determined not to be  
17 11 practicable for a project, it must be determined if any LEED  
17 12 standard is practicable for the project. If LEED standards or  
17 13 the sustainable school design protocol is not followed for the  
17 14 project, the public school district or institution of higher  
17 15 learning shall report these reasons to the department of  
17 16 education.

17 17 3. Public school districts and institutions of higher  
17 18 learning under this section shall do all of the following:

17 19 a. Monitor and document appropriate operating benefits and  
17 20 savings resulting from major facility projects designed and  
17 21 constructed as required under this section for a minimum of  
17 22 five years following acceptance of a project receiving state  
17 23 funding.

17 24 b. Report annually to the director of the department of  
17 25 education. The form and content of each report must be  
17 26 mutually developed by the department of education in  
17 27 consultation with public school districts and the state board  
17 28 of regents.

17 29 4. The director of the department of education shall  
17 30 consolidate the reports required in subsections 2 and 3 into  
17 31 one report and report to the director of the office of energy  
17 32 independence, the governor, and general assembly by September  
17 33 1 of each even-numbered year beginning in 2010 and ending in  
17 34 2022. In the report, the director of the department of  
17 35 education shall also report on the implementation of this  
18 1 chapter, including reasons why the LEED silver standard or  
18 2 sustainable school design protocol was not used as required by  
18 3 this section. The director of the department of education  
18 4 shall make recommendations regarding the ongoing  
18 5 implementation of this chapter, including a discussion of  
18 6 incentives and disincentives related to implementing this  
18 7 chapter.

18 8 5. The state board of education, in consultation with the  
18 9 director of the department of education, shall develop and  
18 10 issue guidelines for administering this chapter for public  
18 11 school districts and community colleges. The state board of  
18 12 regents shall develop and issue guidelines for administering  
18 13 this chapter for other institutions of higher learning. The  
18 14 purpose of the guidelines is to define a procedure and method  
18 15 for employing and verifying compliance with the LEED silver  
18 16 standard or the sustainable school design protocol.

18 17 6. The director of the department of education shall  
18 18 establish a school facilities advisory committee as a high=  
18 19 performance buildings advisory committee comprised of  
18 20 representatives of affected public schools, the state board of  
18 21 education, the state board of regents, the department of  
18 22 education, the Iowa association of community college trustees,  
18 23 and others at the director of the department of education's  
18 24 discretion to provide advice on implementing this chapter.  
18 25 Among other duties, the advisory committee shall make



18 26 recommendations regarding an education and training process  
18 27 and an ongoing evaluation or feedback process to help the  
18 28 director of the department of education and the state board of  
18 29 education implement this chapter.

18 30 Sec. 19. NEW SECTION. 473C.5 REPORT TO GENERAL ASSEMBLY.

18 31 On or before January 1, 2011, the director of the  
18 32 department of administrative services and the director of the  
18 33 department of education shall summarize the reports submitted  
18 34 under sections 473C.3 and 473C.4 and submit the individual  
18 35 reports to the legislative capital projects committee, the  
19 1 legislative standing committees on state government, and the  
19 2 legislative standing committees on education for review of the  
19 3 program's performance and consideration of any changes that  
19 4 may be needed to adapt the program to any new or modified  
19 5 standards for high-performance buildings that meet the intent  
19 6 of this chapter.

19 7 Sec. 20. NEW SECTION. 473C.6 IMPLEMENTATION.

19 8 1. a. The department of administrative services, in  
19 9 consultation with affected state agencies, shall develop and  
19 10 issue guidelines for administering this chapter for state  
19 11 agencies. The purpose of the guidelines is to define a  
19 12 procedure and method for employing and verifying activities  
19 13 necessary for certification to at least the LEED silver  
19 14 standard for major facility projects.

19 15 b. The department of administrative services and the  
19 16 department of education shall amend any fee schedules for  
19 17 architectural and engineering services to accommodate the  
19 18 requirements in the design of major facility projects under  
19 19 this chapter.

19 20 c. Major facility projects designed to meet standards  
19 21 identified in this chapter must include building commissioning  
19 22 as a critical cost-saving part of the construction process.  
19 23 This process includes input from the project design and  
19 24 construction teams and the project ownership representatives.

19 25 d. As provided in the request for proposals for  
19 26 construction services, the department of administrative  
19 27 services shall hold a preproposal conference for prospective  
19 28 bidders to discuss compliance with and achievement of  
19 29 standards identified in this chapter for prospective  
19 30 respondents.

19 31 2. The department of administrative services shall create  
19 32 a high-performance buildings advisory committee comprised of  
19 33 representatives from the design and construction industry  
19 34 involved in public works contracting, personnel from the  
19 35 affected state agencies responsible for overseeing public  
20 1 works projects, the state board of education, the department  
20 2 of education, and others at the department of administrative  
20 3 services' discretion to provide advice on implementing this  
20 4 chapter. Among other duties, the advisory committee shall  
20 5 make recommendations regarding an education and training  
20 6 process and an ongoing evaluation or feedback process to help  
20 7 the department of administrative services implement this  
20 8 chapter.

20 9 Sec. 21. NEW SECTION. 473C.7 RULES.

20 10 1. The department of administrative services, the  
20 11 department of education, and the state board of regents shall  
20 12 adopt rules pursuant to chapter 17A to administer this  
20 13 chapter.

20 14 2. In adopting implementation rules, the department of  
20 15 education and the state board of regents, in consultation with  
20 16 the department of administrative services, shall review and  
20 17 modify any other requirement for energy conservation by public  
20 18 schools and institutions of higher learning.

20 19 3. In adopting implementation rules, the department of  
20 20 education, in consultation with the state board of education,  
20 21 shall do all of the following:

20 22 a. Review private and public utility providers' capacity  
20 23 and financial and technical assistance programs for affected  
20 24 public school districts to monitor and report utility  
20 25 consumption for purposes of reporting to the director of the  
20 26 department of education as provided in section 473C.4.

20 27 b. Coordinate with the department of administrative  
20 28 services, the state board of health, the department of natural  
20 29 resources, federal agencies, and other affected agencies as  
20 30 appropriate in their consideration of rules to implement this  
20 31 chapter.

20 32 Sec. 22. NEW SECTION. 473C.8 NONLIABILITY.

20 33 A member of the design or construction team shall not be  
20 34 held liable for the failure of a major facility project to  
20 35 meet the LEED silver standard or other LEED standard  
21 1 established for the project as long as a good faith attempt

21 2 was made to achieve the LEED standard set for the project.  
21 3 Sec. 23. NEW SECTION. 473C.9 HOUSING PROJECTS EXEMPT.  
21 4 Affordable housing projects funded through the Iowa finance  
21 5 authority are exempt from the provisions of this chapter.  
21 6 EXPLANATION  
21 7 This bill provides for a tax credit on personal and  
21 8 corporate income tax for the construction or rehabilitation of  
21 9 certain buildings certified under specified building standards  
21 10 that promote energy efficiency. Tax credits are available in  
21 11 an amount equal to a percentage of the costs for the  
21 12 construction of or rehabilitation to a green whole building  
21 13 standard, green base building standard, and green tenant space  
21 14 standard, and for the installation of a fuel cell,  
21 15 photovoltaic module, or wind turbine as provided by the bill.  
21 16 An immediate effective date and retroactive applicability  
21 17 provision is included relating to application of the tax  
21 18 credits.  
21 19 The bill also requires certain public buildings to meet  
21 20 specified green building rating standards as high-performance  
21 21 public buildings. The bill requires all major facility  
21 22 projects of a state agency, institution of higher learning, or  
21 23 public school district that receives an appropriation of state  
21 24 funds from the general assembly to be designed, constructed,  
21 25 and certified to certain standards of the United States  
21 26 building council leadership in energy and environmental design  
21 27 green building rating standards, otherwise called the LEED  
21 28 silver standard. The bill provides for exceptions to the  
21 29 certification requirements.  
21 30 LSB 5337SS 82  
21 31 rn/rj/14.2