

# Senate File 234 - Introduced

SENATE FILE \_\_\_\_\_  
BY WOOD, GASKILL, and STEWART

(COMPANION TO HF 404 BY  
S. OLSON)

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

## A BILL FOR

1 An Act relating to enterprise zones that include the site of a  
2 biodiesel or biodiesel blended fuel production facility.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1898SS 82  
5 tm/gg/14

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1 1 Section 1. Section 15E.192, subsection 4, paragraph b,  
1 2 Code 2007, is amended to read as follows:  
1 3 b. A county or city may apply to the department for an  
1 4 area to be certified as an enterprise zone at any time prior  
1 5 to July 1, 2010. However, the total amount of land designated  
1 6 as enterprise zones under subsection 1, and any other  
1 7 enterprise zones certified by the department, excluding those  
1 8 approved pursuant to subsection 2 and section 15E.194,  
1 9 subsections 3 ~~and~~ 5, and 6, shall not exceed in the aggregate  
1 10 one percent of the total county area.  
1 11 Sec. 2. Section 15E.194, subsection 4, Code 2007, is  
1 12 amended to read as follows:  
1 13 4. The department of economic development shall certify  
1 14 eligible enterprise zones that meet the requirements of  
1 15 subsection 1 upon request by the county, subsection 2 upon  
1 16 request by the city, ~~or~~ subsection 3 upon request by the city,  
1 17 or subsection 6 upon request by the city or county, as  
1 18 applicable.  
1 19 Sec. 3. Section 15E.194, Code 2007, is amended by adding  
1 20 the following new subsection:  
1 21 NEW SUBSECTION. 6. a. A city of any size or any county  
1 22 may designate an enterprise zone provided the enterprise zone  
1 23 includes the site or planned site of a biodiesel or biodiesel  
1 24 blended fuel production facility. The enterprise zone may  
1 25 include an area up to an additional three miles adjacent to  
1 26 the property where the production facility is located or  
1 27 planned to be located. In order to designate an enterprise  
1 28 zone under this subsection, the city or county must include in  
1 29 the application required under section 15E.195, subsection 4,  
1 30 documentation of a commitment, including a letter of intent,  
1 31 to locate the production facility in the enterprise zone. The  
1 32 biodiesel or biodiesel blended fuel production facility is an  
1 33 eligible business for purposes of section 15E.196.  
1 34 b. The area meeting the requirements for enterprise zone  
1 35 eligibility under this subsection shall not be included for  
2 1 the purpose of determining the area limitation pursuant to  
2 2 section 15E.192, subsection 4. An eligible housing business  
2 3 under section 15E.193B shall not receive incentives or  
2 4 assistance for a home or multiple dwelling unit built or  
2 5 rehabilitated in an enterprise zone designated pursuant to  
2 6 this subsection.  
2 7 c. For purposes of the investment tax credit available  
2 8 under section 15E.196, subsection 3, after verifying  
2 9 eligibility for a tax credit under this subsection, the  
2 10 department of economic development shall issue a biodiesel  
2 11 enterprise zone investment tax credit certificate to be  
2 12 attached to the taxpayer's tax return. The tax credit  
2 13 certificate shall contain the taxpayer's name, address, tax  
2 14 identification number, the date of project completion, the  
2 15 amount of credit, other information required by the department  
2 16 of revenue, and a place for the name and tax identification  
2 17 number of a transferee and the amount of the tax credit being

2 18 transferred. Tax credit certificates issued under this  
2 19 paragraph may be transferred to any person or entity. Within  
2 20 ninety days of transfer, the transferee must submit the  
2 21 transferred tax credit certificate to the department of  
2 22 revenue along with a statement containing the transferee's  
2 23 name, tax identification number, and address, and the  
2 24 denomination that each replacement tax credit certificate is  
2 25 to carry and any other information required by the department  
2 26 of revenue. Within thirty days of receiving the transferred  
2 27 tax credit certificate and the transferee's statement, the  
2 28 department of revenue shall issue one or more replacement tax  
2 29 credit certificates to the transferee. Each replacement  
2 30 certificate must contain the information required for the  
2 31 original tax credit certificate and must have the same  
2 32 expiration date that appeared on the original tax credit  
2 33 certificate. Tax credit certificate amounts of less than the  
2 34 minimum amount established by rule of the department of  
2 35 economic development shall not be transferable. A tax credit  
3 1 shall not be claimed by a transferee under this paragraph  
3 2 until a replacement tax credit certificate identifying the  
3 3 transferee as the proper holder has been issued. The  
3 4 transferee may use the amount of the tax credit transferred  
3 5 against the taxes imposed under chapter 422, divisions II,  
3 6 III, and V, and under chapter 432, and against the moneys and  
3 7 credits tax imposed in section 533.24, for any tax year the  
3 8 original transferor could have claimed the tax credit. Any  
3 9 consideration received for the transfer of the tax credit  
3 10 shall not be included as income under chapter 422, divisions  
3 11 II, III, and V, under chapter 432, or against the moneys and  
3 12 credits tax imposed in section 533.24. Any consideration paid  
3 13 for the transfer of the tax credit shall not be deducted from  
3 14 income under chapter 422, divisions II, III, and V, under  
3 15 chapter 432, or against the moneys and credits tax imposed in  
3 16 section 533.24.

3 17 d. For purposes of this subsection, the terms "biodiesel"  
3 18 and "biodiesel blended fuel" mean the same as defined in  
3 19 section 214A.1.

#### 3 20 EXPLANATION

3 21 This bill relates to enterprise zones that include the site  
3 22 of a biodiesel or biodiesel blended fuel production facility.  
3 23 The bill allows any city or county to designate an  
3 24 enterprise zone provided the enterprise zone includes the site  
3 25 or planned site of a biodiesel or biodiesel blended fuel  
3 26 production facility. The bill allows the enterprise zone to  
3 27 include an area up to an additional three miles adjacent to  
3 28 the property where the production facility is located or  
3 29 planned to be located. The bill requires the city or county  
3 30 to include in the application submitted to the department of  
3 31 economic development for certification of the enterprise zone  
3 32 documentation of a commitment, including a letter of intent,  
3 33 to locate the production facility in the enterprise zone. The  
3 34 bill provides that the biodiesel or biodiesel blended fuel  
3 35 production facility is an eligible business for purposes of  
4 1 incentives and assistance under the enterprise zone program.  
4 2 The bill provides that an enterprise zone that includes the  
4 3 site of a biodiesel or biodiesel blended fuel production  
4 4 facility is not included for purposes of area limitations  
4 5 under the enterprise zone laws, and eligible housing  
4 6 businesses under the enterprise zone laws are not eligible to  
4 7 receive incentives or assistance for a home or multiple  
4 8 dwelling unit built or rehabilitated in such enterprise zones.  
4 9 Currently, one of the incentives or types of assistance  
4 10 available to an eligible business under the enterprise zone is  
4 11 an investment tax credit. The bill provides that investment  
4 12 tax credits for an eligible business in a biodiesel enterprise  
4 13 zone are transferable.  
4 14 LSB 1898SS 82  
4 15 tm:sc/gg/14.1