

House File 2428 - Introduced

HOUSE FILE 2428
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 618)

A BILL FOR

1 An Act providing for the reorganization of the Code provisions
2 relating to the Iowa finance authority, revising and
3 eliminating programs, including the beginning farm loan
4 program, providing for existing tax credits, providing
5 for the powers and duties of the authority, and including
6 effective date provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
REORGANIZATION OF THE IOWA FINANCE AUTHORITY
GENERAL PROVISIONS

Section 1. Section 16.1, subsection 1, paragraphs a, f, g, i, o, aa, ak, and al, Code 2014, are amended by striking the paragraphs.

Sec. 2. Section 16.1, subsection 1, paragraphs d, n, p, and af, Code 2014, are amended to read as follows:

d. "Bond" means a bond issued by the authority pursuant to ~~sections 16.26 to 16.30, this chapter~~ and includes a note or other instrument evidencing a debt authorized or referred to in this chapter.

n. "Guiding principles" means the principles provided in ~~section 16.4 subchapter III~~ which shall be considered for amplification and interpretation of the goals of the authority.

p. (1) "Housing" means single family and multifamily dwellings, and facilities incidental or appurtenant to the dwellings, and includes group homes of fifteen beds or less licensed as health care facilities or child foster care facilities and modular or mobile homes which are permanently affixed to a foundation and are assessed as realty.

~~(2) "Adequate housing" means housing which meets minimum structural, heating, lighting, ventilation, sanitary, occupancy, and maintenance standards compatible with applicable building and housing codes, as determined under rules of the authority.~~

af. "Programs" "Program" means any program administered by the authority or any program in which the authority is directed or authorized to participate pursuant to any statute, executive order, or interagency agreement, or any other program participation or administration of which the authority finds useful and convenient to further the goals and purposes of the authority. ~~"Program" shall include but not be limited to all of the following:~~

~~(1) The housing assistance payments program.~~

- 1 ~~(2) The rent supplements program.~~
2 ~~(3) The emergency housing fund program.~~
3 ~~(4) The special housing assistance program.~~
4 ~~(5) The single-family housing program.~~
5 ~~(6) The multifamily housing program.~~
6 ~~(7) The title guaranty program.~~
7 ~~(8) The housing improvement fund program.~~
8 ~~(9) The economic development loan program.~~
9 ~~(10) The Iowa economic development bond bank program.~~
10 ~~(11) The sewage treatment and drinking facilities financing~~
11 ~~program.~~
12 ~~(12) The Iowa tank assistance bond program.~~
13 ~~(13) The residential treatment facilities program.~~
14 ~~(14) The E-911 program.~~
15 ~~(15) The community college dormitory program.~~
16 ~~(16) The prison infrastructure program.~~
17 ~~(17) The wastewater treatment financial assistance program.~~
18 ~~(18) Any other program established by the authority which~~
19 ~~the authority finds useful and convenient to further goals of~~
20 ~~the authority and which is consistent with the legislative~~
21 ~~findings. Such additional programs shall be administered in~~
22 ~~accordance with the guiding principles of the authority after~~
23 ~~such notice and hearing as is determined to be reasonable~~
24 ~~by the authority under the circumstances. Such additional~~
25 ~~programs shall be administered in accordance with rules, if~~
26 ~~any, which the authority determines useful and convenient to~~
27 ~~adopt pursuant to chapter 17A.~~

28 Sec. 3. Section 16.1, subsection 1, Code 2014, is amended by
29 adding the following new paragraphs:

30 NEW PARAGRAPH. *0a.* "Adequate housing" means housing which
31 meets minimum structural, heating, lighting, ventilation,
32 sanitary, occupancy, and maintenance standards compatible with
33 applicable building and housing codes, as determined under
34 rules of the authority.

35 NEW PARAGRAPH. *0g.* "Depreciable property" means personal

1 property for which an income tax deduction for depreciation is
2 allowable in computing federal income tax under the Internal
3 Revenue Code as defined in section 422.3.

4 NEW PARAGRAPH. *Op.* "*Historic properties*" means landmarks,
5 landmark sites, or districts which are significant in the
6 history, architecture, archaeology, or culture of this state,
7 its communities, or the nation.

8 NEW PARAGRAPH. *Op.* (1) "*Lending institution*" means
9 any bank, trust company, mortgage company, national banking
10 association, federal savings association, or life insurance
11 company; any state or federal governmental agency or
12 instrumentality; the federal land bank or any of its local
13 associations; or any other institution authorized to make loans
14 in this state.

15 (2) "*Lending institution*" includes a financial institution
16 as defined in section 496B.2, which lends moneys for farming
17 purposes as provided in subchapter VIII, or for industrial or
18 business purposes.

19 NEW PARAGRAPH. *Oac.* "*Net worth*" means a person's total
20 assets minus total liabilities as determined in accordance
21 with generally accepted accounting principles with appropriate
22 exceptions and exemptions reasonably related to an equitable
23 determination of a person's net worth. Assets shall be valued
24 at fair market value.

25 NEW PARAGRAPH. *Oaj.* "*Secured loan*" means a financial
26 obligation secured by a chattel mortgage, security agreement,
27 or other instrument creating a lien on an interest in
28 depreciable property.

29 NEW PARAGRAPH. *an.* "*Veteran*" means the same as defined in
30 section 35.1.

31 Sec. 4. Section 16.1, subsection 2, Code 2014, is amended by
32 striking the subsection.

33 Sec. 5. Section 16.1A, Code 2014, is amended to read as
34 follows:

35 **16.1A Creation — administration of programs.**

1 1. The Iowa finance authority is created, and constitutes
2 a public instrumentality and agency of the state exercising
3 public and essential governmental functions.

4 2. The authority shall undertake and administer all of the
5 following:

6 a. Programs established under this chapter ~~to assist in~~
7 ~~attainment of adequate housing for low or moderate income~~
8 ~~families, elderly families, and families which include one or~~
9 ~~more persons with disabilities, and to undertake the various~~
10 ~~finance programs under this chapter.~~

11 b. Programs which ~~assist qualified farmers or agricultural~~
12 ~~producers, including beginning farmers, as provided in chapter~~
13 ~~175 established by the authority which the authority finds~~
14 useful and convenient to further goals of the authority and
15 which is consistent with the legislative findings. Such
16 programs shall be administered in accordance with the guiding
17 principles of the authority after such notice and hearing as
18 is determined to be reasonable by the authority under the
19 circumstances. Such additional programs shall be administered
20 in accordance with rules, if any, which the authority
21 determines useful and convenient to adopt pursuant to chapter
22 17A.

23 3. The Iowa finance authority board of directors shall
24 have general control, supervision, and regulation of all
25 authority programs ~~established under this chapter and chapter~~
26 ~~175 described in this section.~~

27 4. The authority is charged with the broad administrative
28 authority to make, administer, interpret, construe, repeal, and
29 execute the rules, and to administer, interpret, construe, and
30 execute the laws of this state relating to such programs.

31 5. The board may, by resolution, delegate to the
32 agricultural development board, title guaranty division
33 board, executive director, or other authority employee such
34 of its powers, under such terms and conditions, as it deems
35 appropriate.

1 Sec. 6. Section 16.2, subsection 9, Code 2014, is amended by
2 striking the subsection.

3 Sec. 7. Section 16.2A, subsection 1, Code 2014, is amended
4 to read as follows:

5 1. A title guaranty division is created within the
6 authority. The powers of the division relating to the issuance
7 of title guaranties are vested in and shall be exercised by
8 a division board of five members appointed by the governor
9 subject to confirmation by the senate. The membership of
10 the board shall include an attorney, an abstractor, a real
11 estate broker, a representative of a ~~mortgage lender~~ lending
12 institution, and a representative of the housing development
13 industry. The executive director of the authority shall
14 appoint an attorney as director of the title guaranty division,
15 who shall serve as an ex officio member of the board. The
16 appointment of and compensation for the division director
17 are exempt from the merit system provisions of chapter 8A,
18 subchapter IV.

19 Sec. 8. NEW SECTION. **16.2B Agricultural development**
20 **division — administration of programs.**

21 1. An agricultural development division is created
22 within the authority. The agricultural development division
23 shall administer subchapter VIII, by providing assistance
24 to beginning farmers, agricultural producers, displaced
25 farmers, or other persons qualifying for such assistance under
26 subchapter VIII.

27 2. The agricultural development division shall be
28 administered in accordance with the policies of the
29 agricultural development board created in section 16.2C.
30 The executive director of the authority may organize the
31 agricultural development division and employ necessary
32 qualified personnel to administer subchapter VIII.

33 3. The agricultural development division shall, to
34 every extent practical, assist such persons to do all of the
35 following:

1 *a.* Acquire agricultural land, agricultural improvements,
2 or depreciable agricultural property, including as provided in
3 subchapter VIII.

4 *b.* Obtain agricultural assets transfer tax credits,
5 including by issuing tax credit certificates pursuant to
6 subchapter VIII, part 5.

7 *c.* Obtain financing for other capital requirements or
8 operating expenses.

9 4. The net earnings of the agricultural development
10 division, beyond that necessary for retirement of its notes,
11 bonds, or other obligations or to implement the public purposes
12 and programs authorized in subchapter VIII, shall not inure to
13 the benefit of any person other than the state.

14 5. *a.* At least two of the authority's full-time equivalent
15 positions, as defined in section 8.36A, shall be entirely
16 dedicated to administering programs established pursuant to
17 subchapter VIII. One of those full-time equivalent positions
18 shall be dedicated to overseeing the administration of those
19 programs, and to the extent that the programs are affected, the
20 full-time equivalent position shall be provided the powers and
21 duties necessary to do all of the following:

22 (1) Participate in making managerial decisions.

23 (2) Provide for outreach and promotion.

24 (3) Improve delivery of services.

25 *b.* This subsection is repealed on July 1, 2015.

26 Sec. 9. NEW SECTION. **16.2C Agricultural development board.**

27 1. The powers of the agricultural development division,
28 created within the Iowa finance authority under section 16.2B,
29 are vested in and shall be exercised by the agricultural
30 development board as provided in section 16.2B and this
31 section.

32 2. The agricultural development board is created to
33 exercise all powers and perform all duties necessary to
34 administer subchapter VIII according to policies established
35 by the Iowa finance authority. The authority shall establish

1 policies and practices for the division and oversee its
2 operations. The authority may review or approve decisions
3 affecting the division or administration of subchapter VIII,
4 including decisions of the agricultural development board.

5 3. The agricultural development board consists of five
6 members appointed by the governor subject to confirmation
7 by the senate. The executive director of the Iowa finance
8 authority or the executive director's designee shall serve as
9 an ex officio, nonvoting member.

10 4. The appointed members of the agricultural development
11 board shall be appointed and retained in office as follows:

12 a. Not more than three members shall belong to the same
13 political party.

14 b. As far as possible, the governor shall include within
15 the membership persons who represent lending institutions
16 experienced in agricultural lending, real estate sales,
17 farmers, beginning farmers, average taxpayers, local
18 government, soil and water conservation district officials,
19 agricultural educators, and other persons specially interested
20 in family farm development.

21 c. Members shall serve for staggered terms of six years
22 beginning and ending as provided in section 69.19. A person
23 appointed to fill a vacancy shall serve only for the unexpired
24 portion of the member's term. A member is eligible for
25 reappointment. An appointed member may be removed from office
26 by the governor for misfeasance, malfeasance, willful neglect
27 of duty, or other just cause, after notice and hearing, unless
28 the notice and hearing is expressly waived in writing.

29 5. The agricultural development board shall conduct
30 business according to all of the following:

31 a. Three appointed members constitute a quorum and the
32 affirmative vote of a majority of the appointed members is
33 necessary for any substantive action taken by the board. A
34 majority of appointed members shall not include any member who
35 has a conflict of interest and a statement by a member that

1 the member has a conflict of interest is conclusive for this
2 purpose. A vacancy in the membership does not impair the right
3 of a quorum to exercise all rights and perform all duties of
4 the board.

5 *b.* Meetings of the board shall be held at the call of the
6 chairperson or whenever two appointed members so request.

7 *c.* The appointed members shall elect a chairperson and vice
8 chairperson annually, and other officers as they determine.
9 The executive director of the Iowa finance authority or the
10 executive director's designee shall serve as secretary to the
11 board.

12 6. An appointed member of the agricultural development
13 board is entitled to receive a per diem as specified in section
14 7E.6 for each day spent in performance of duties as a member,
15 and shall be reimbursed for all actual and necessary expenses
16 incurred in the performance of duties as a member.

17 7. An appointed member of the agricultural development
18 board shall give bond as required for public officers in
19 chapter 64.

20 Sec. 10. NEW SECTION. 16.2D Council on homelessness.

21 1. A council on homelessness is established consisting of
22 thirty-eight voting members. At least one voting member at all
23 times shall be a member of a minority group.

24 2. Members of the council shall consist of all of the
25 following:

26 *a.* Twenty-six members of the general public appointed to
27 two-year staggered terms by the governor in consultation with
28 the nominating committee under subsection 4, paragraph "a".

29 (1) Voting members from the general public may include
30 but are not limited to the following types of individuals
31 and representatives of the following programs: homeless or
32 formerly homeless individuals and their family members, youth
33 shelters, faith-based organizations, local homeless service
34 providers, emergency shelters, transitional housing providers,
35 family and domestic violence shelters, private business, local

1 government, and community-based organizations.

2 (2) Five of the twenty-six voting members selected from the
3 general public shall be individuals who are homeless, formerly
4 homeless, or family members of homeless or formerly homeless
5 individuals.

6 (3) One of the twenty-six members selected from the general
7 public shall be a representative of the Iowa state association
8 of counties.

9 (4) One of the twenty-six members selected from the general
10 public shall be a representative of the Iowa league of cities.

11 b. Twelve agency director members consisting of all of the
12 following:

13 (1) The director of the department of education or the
14 director's designee.

15 (2) The director of the economic development authority or
16 the director's designee.

17 (3) The director of human services or the director's
18 designee.

19 (4) The attorney general or the attorney general's
20 designee.

21 (5) The director of the department of human rights or the
22 director's designee.

23 (6) The director of public health or the director's
24 designee.

25 (7) The director of the department on aging or the
26 director's designee.

27 (8) The director of the department of corrections or the
28 director's designee.

29 (9) The director of the department of workforce development
30 or the director's designee.

31 (10) The director of the department of public safety or the
32 director's designee.

33 (11) The director of the department of veterans affairs or
34 the director's designee.

35 (12) The executive director of the Iowa finance authority or

1 the executive director's designee.

2 3. An agency director's designee may vote on council matters
3 in the absence of the director.

4 4. *a.* A nominating committee initially comprised of all
5 twelve agency director members shall nominate persons to
6 the governor to fill the general public member positions.
7 Following appointment of all twenty-six general public members,
8 the composition of the nominating committee may be modified by
9 rule.

10 *b.* The council may establish other committees and
11 subcommittees comprised of members of the council.

12 5. A vacancy on the council shall be filled in the same
13 manner as the original appointment. A member appointed to fill
14 a vacancy created other than by expiration of a term shall be
15 appointed for the remainder of the unexpired term.

16 6. *a.* A majority of the members of the council constitutes
17 a quorum. Any action taken by the council must be adopted by
18 the affirmative vote of a majority of its membership.

19 *b.* The council shall elect a chairperson and vice
20 chairperson from the membership of the council. The
21 chairperson and vice chairperson shall each serve two-year
22 terms. The positions of chairperson and vice chairperson shall
23 not be held by members who are both either general public
24 members or agency directors. The position of chairperson shall
25 rotate between agency director members and general public
26 members.

27 *c.* The council shall meet at least six times per year.
28 Meetings of the council may be called by the chairperson or by
29 a majority of the members.

30 *d.* General public members shall be reimbursed by the Iowa
31 finance authority for actual and necessary expenses incurred
32 while engaged in their official duties.

33 7. The Iowa finance authority shall provide staff
34 assistance and administrative support to the council.

35 8. The duties of the council shall include but are not

1 limited to the following:

2 *a.* Develop a process for evaluating state policies,
3 programs, statutes, and rules to determine whether any state
4 policies, programs, statutes, or rules should be revised to
5 help prevent and alleviate homelessness.

6 *b.* Evaluate whether state agency resources could be more
7 efficiently coordinated with other state agencies to prevent
8 and alleviate homelessness.

9 *c.* Work to develop a coordinated and seamless service
10 delivery system to prevent and alleviate homelessness.

11 *d.* Use existing resources to identify and prioritize efforts
12 to prevent persons from becoming homeless and to eliminate
13 factors that keep people homeless.

14 *e.* Identify and use federal and other funding opportunities
15 to address and reduce homelessness within the state.

16 *f.* Work to identify causes and effects of homelessness and
17 increase awareness among policymakers and the general public.

18 *g.* Advise the governor's office, the Iowa finance authority,
19 state agencies, and private organizations on strategies to
20 prevent and eliminate homelessness.

21 9. *a.* The council shall make annual recommendations to
22 the governor regarding matters which impact homelessness on or
23 before September 15.

24 *b.* The council shall prepare and file with the governor and
25 the general assembly on or before the first day of December in
26 each odd-numbered year, a report on homelessness in Iowa.

27 *c.* The council shall assist in the completion of the state's
28 continuum of care application to the United States department
29 of housing and urban development.

30 10. *a.* The Iowa finance authority, in consultation with the
31 council, shall adopt rules pursuant to chapter 17A for carrying
32 out the duties of the council pursuant to this section.

33 *b.* The council shall establish internal rules of procedure
34 consistent with the provisions of this section.

35 *c.* Rules adopted or internal rules of procedure established

1 pursuant to paragraph "a" or "b" shall be consistent with the
2 requirements of the federal McKinney-Vento Homeless Assistance
3 Act, 42 U.S.C. §11301 et seq.

4 11. The council shall comply with the requirements of
5 chapters 21 and 22. The Iowa finance authority shall be the
6 official repository of council records.

7 Sec. 11. NEW SECTION. 16.2E Legislative findings —
8 general.

9 The general assembly finds and declares all of the
10 following:

11 1. The establishment of the authority is in all respects
12 for the benefit of the people of the state of Iowa, for the
13 improvement of their health and welfare, and for the promotion
14 of the economy, which are public purposes.

15 2. The authority will be performing an essential
16 governmental function in the exercise of the powers and duties
17 conferred upon it by this chapter.

18 3. All of the purposes stated in this section are public
19 purposes and uses for which public moneys may be borrowed,
20 expended, advanced, loaned, or granted.

21 Sec. 12. Section 16.3, subsections 1, 2, 14, 15, 16, 17, and
22 18, Code 2014, are amended by striking the subsections.

23 Sec. 13. Section 16.4, subsection 7, Code 2014, is amended
24 to read as follows:

25 7. The authority shall encourage the protection,
26 restoration and rehabilitation of historic properties, and
27 the preservation of other properties of special value for
28 architectural or esthetic reasons. ~~As used in this subsection,~~
29 ~~"historic properties" means landmarks, landmark sites, or~~
30 ~~districts which are significant in the history, architecture,~~
31 ~~archaeology, or culture of this state, its communities, or the~~
32 ~~nation.~~

33 Sec. 14. NEW SECTION. 16.4A Legislative findings —
34 agricultural development.

35 The general assembly finds and declares all of the

1 following:

2 1. There exists a serious problem in this state regarding
3 the ability of nonestablished farmers to acquire agricultural
4 land and agricultural improvements and depreciable agricultural
5 property in order to enter farming.

6 2. This barrier to entry into farming is conducive to
7 consolidation of acreage of agricultural land with fewer
8 individuals resulting in a grave threat to the traditional
9 family farm.

10 3. These conditions result in a loss in population,
11 unemployment, and a movement of persons from rural communities
12 to urban areas accompanied by added costs to communities for
13 creation of new public facilities and services.

14 4. One major cause of this condition has been recurrent
15 shortages of funds in private channels and the high interest
16 cost of borrowing.

17 5. These shortages and costs have made the sale and
18 purchase of agricultural land to beginning farmers a virtual
19 impossibility in many parts of the state.

20 6. The ordinary operations of private enterprise have not in
21 the past corrected these conditions.

22 7. A stable supply of adequate funds for agricultural
23 financing is required to encourage beginning farmers in
24 an orderly and sustained manner and to reduce the problems
25 described in this section.

26 8. Article IX, 2nd subarticle, section 3, of the
27 Constitution of the State of Iowa requires that, "The
28 General Assembly shall encourage, by all suitable means, the
29 promotion of intellectual, scientific, moral, and agricultural
30 improvement," and agricultural improvement and the public good
31 are served by a policy of facilitating access to capital by
32 beginning farmers unable to obtain capital elsewhere in order
33 to preserve, encourage, and protect the family farm which has
34 been the economic, political, and social backbone of rural
35 Iowa.

1 9. It is necessary to create a program to encourage
2 ownership of farms by beginning farmers by providing purchase
3 money loans to beginning farmers who are not able to obtain
4 adequate capital elsewhere to provide such funds and to lower
5 costs through the use of public financing.

6 10. All of the purposes stated in this section are public
7 purposes and uses for which public moneys may be borrowed,
8 expended, advanced, loaned, or granted.

9 11. There exists a serious problem in this state regarding
10 the ability of farmers to obtain affordable operating loans for
11 reasonable and necessary expenses and cash flow requirements
12 of farming.

13 12. Farming is one of the principal pursuits of the
14 inhabitants of this state. Many other industries and pursuits,
15 in turn, are wholly dependent upon farming.

16 13. The inability of farmers to obtain affordable operating
17 loans is conducive to a general decline of the economy in this
18 state.

19 14. A serious problem continues to exist in this state
20 regarding the ability of agricultural producers to obtain,
21 retain, restructure, or service loans or other financing on
22 a reasonable and affordable basis for operating expenses,
23 cash flow requirements, and capital asset acquisition or
24 maintenance.

25 15. Because the Iowa economy is dependent upon the
26 production and marketing of agricultural produce, the inability
27 of agricultural producers to obtain, retain, restructure,
28 or service loans or other financing on a reasonable and
29 an affordable basis for operating expenses, cash flow
30 requirements, or capital asset acquisition or maintenance
31 contributes to a general decline of the state's economy.

32 **Sec. 15. NEW SECTION. 16.4B Guiding principles —**
33 **agricultural development.**

34 In the performance of its duties, implementation of its
35 powers, and selection of specific programs and projects to

1 receive its assistance under subchapter VIII, the authority
2 shall be guided by the following principles:

3 1. The authority shall not become an owner of real or
4 depreciable property, except on a temporary basis where
5 necessary in order to implement its programs, to protect its
6 investments by means of foreclosure or other means, or to
7 facilitate transfer of real or depreciable property for the use
8 of beginning farmers.

9 2. The authority shall exercise diligence and care in
10 selection of projects to receive its assistance and shall apply
11 customary and acceptable business and lending standards in
12 selection and subsequent implementation of the projects. The
13 authority may delegate primary responsibility for determination
14 and implementation of the projects to any federal governmental
15 agency which assumes any obligation to repay the loan, either
16 directly or by insurance or guaranty.

17 3. The authority shall establish a beginning farmer
18 loan program to aid beginning farmers in the acquisition of
19 agricultural land and improvements and depreciable agricultural
20 property.

21 4. The authority shall develop programs for providing
22 financial assistance to agricultural producers in this state.

23 Sec. 16. NEW SECTION. 16.4C Legislative findings — title
24 guaranty.

25 The general assembly finds and declares that the abstract
26 attorney's title opinion system promotes land title stability
27 for determining the marketability of land titles and is a
28 public purpose. A public purpose will be served by providing,
29 as an adjunct to the abstract attorney's title opinion system,
30 a low-cost mechanism to provide for additional guaranties
31 of real property titles in Iowa. The title guaranties will
32 facilitate mortgage lenders' participation in the secondary
33 market and add to the integrity of the land-title transfer
34 system in the state.

35 Sec. 17. NEW SECTION. 16.4D Legislative findings —

1 **economic development.**

2 The general assembly finds and declares all of the
3 following:

4 1. Economic development and expansion of business,
5 industry, and farming in the state is dependent upon the
6 availability of financing of the development and expansion at
7 affordable interest rates.

8 2. The pooling of private financing enhances the
9 marketability of the obligations involved and increases access
10 to other state, regional, and national credit markets.

11 3. The creation of an economic development program as
12 provided in section 16.102 will make the pooling of private
13 financing available to small businesses, farmers, agricultural
14 landowners and operators, and commercial, industrial, and other
15 business enterprises at favorable interest rates with reduced
16 marketing costs.

17 Sec. 18. Section 16.5, subsection 1, paragraph p, Code 2014,
18 is amended to read as follows:

19 *p.* Through the Iowa title guaranty division, make and issue
20 title guaranties on Iowa real property in a form acceptable
21 to the secondary market, to fix and collect the charges for
22 the guaranties and to procure reinsurance against any loss in
23 connection with the guaranties.

24 Sec. 19. Section 16.5C, subsections 6 and 8, Code 2014, are
25 amended to read as follows:

26 6. Renegotiate a mortgage loan or loan to a ~~mortgage lender~~
27 lending institution in default; waive a default or consent to
28 the modification of the terms of a mortgage loan or a loan to a
29 ~~mortgage lender~~ lending institution; forgive or forbear all or
30 part of a mortgage loan or a loan to a ~~mortgage lender~~ lending
31 institution; and commence, prosecute, and enforce a judgment
32 in any action, including but not limited to a foreclosure
33 action, to protect or enforce any right conferred upon the
34 authority by law, mortgage loan agreement, contract, or other
35 agreement, and in connection with any such action, bid for and

1 purchase the property or acquire or take possession of it,
2 complete, administer, and pay the principal of and interest on
3 any obligations incurred in connection with the property, and
4 dispose of and otherwise deal with the property in a manner as
5 the authority deems advisable to protect its interests.

6 8. Purchase, and make advance commitments to purchase,
7 residential mortgage loans from ~~mortgage lenders~~ lending
8 institutions at prices and upon terms and conditions it
9 determines consistent with its goals and legislative findings.
10 However, the total purchase price for all residential
11 mortgage loans which the authority commits to purchase from
12 a ~~mortgage lender~~ lending institution at any one time shall
13 not exceed the total of the unpaid principal balances of the
14 residential mortgage loans purchased. ~~Mortgage lenders~~ Lending
15 institutions are authorized to sell residential mortgage loans
16 to the authority in accordance with this section and the rules
17 of the authority. The authority may charge a ~~mortgage lender~~
18 lending institution a commitment fee or other fees as set by
19 rule as a condition for the authority purchasing residential
20 mortgage loans.

21 Sec. 20. NEW SECTION. 16.5D Specific powers and duties —
22 agricultural development.

23 The authority has all of the general and specific powers
24 needed to carry out its purposes and duties as provided in
25 this subchapter, and to exercise its specific powers under
26 subchapter VIII.

27 Sec. 21. Section 16.7, Code 2014, is amended to read as
28 follows:

29 **16.7 Annual report.**

30 1. The authority shall submit to the governor and to the
31 general assembly, not later than January 15 each year, ~~a~~ an
32 annual report.

33 2. A complete report shall include at least three parts
34 which include all of the following:

35 a. A general description of the authority setting forth:

- 1 ~~a.~~ (1) Its operations and accomplishments.
- 2 ~~b.~~ (2) Its receipts and expenditures during the fiscal
3 year, in accordance with the classifications it establishes for
4 its operating and capital accounts.
- 5 ~~c.~~ (3) Its assets and liabilities at the end of its fiscal
6 year and the status of reserve, special, and other funds.
- 7 ~~d.~~ (4) A schedule of its bonds and notes outstanding at
8 the end of its fiscal year, together with a statement of the
9 amounts redeemed and issued during its fiscal year.
- 10 ~~e.~~ (5) A statement of its proposed and projected
11 activities.
- 12 ~~f.~~ (6) Recommendations to the general assembly, as it deems
13 necessary.
- 14 ~~g.~~ ~~An analysis of current housing needs in the state.~~
- 15 ~~2.~~ ~~The annual report shall identify performance~~
- 16 (7) Performance goals of the authority, and clearly
17 indicate indicating the extent of progress during the reporting
18 period, in attaining the goals.
- 19 b. A summary of housing programs administered under this
20 chapter. The summary shall include an analysis of current
21 housing needs in this state. Where possible, results shall be
22 expressed in terms of housing units.
- 23 c. A summary of agricultural development programs
24 administered under subchapter VIII. Where possible, findings
25 and results shall be expressed in terms of number of loans, tax
26 credits, participating qualified beginning farmers, and acres
27 of agricultural land, including by county.

28 Sec. 22. Section 16.9, Code 2014, is amended to read as
29 follows:

30 **16.9 Nondiscrimination and affirmative action.**

31 1. In administering housing programs under this chapter,
32 all of the following shall apply:

33 a. Housing financed or otherwise assisted by the authority,
34 directly or indirectly, shall be open to all persons regardless
35 of race, creed, color, sex, national origin, age, physical or

1 mental impairment, or religion except that preference may be
2 given to elderly families, families which include one or more
3 persons with disabilities, lower income families, or very low
4 income families.

5 ~~2.~~ b. The authority shall promote marketing plans to make
6 housing available to all persons without discrimination.

7 ~~3.~~ c. The authority shall require adoption and submission
8 of an affirmative action program for employment by all
9 contractors and subcontractors of housing financed or otherwise
10 assisted by the authority.

11 ~~4.~~ d. The authority shall require all ~~mortgage lenders who~~
12 lending institutions which participate in programs financed
13 or otherwise assisted by ~~it~~ the authority to agree that they
14 will not designate certain areas as unsuitable for the making
15 of mortgage loans because of the prevailing income, racial,
16 ethnic, or other characteristics of the inhabitants of the
17 area. This ~~subsection~~ paragraph is intended to prohibit all
18 ~~mortgage lenders who~~ lending institutions which participate in
19 authority programs from engaging in the practice commonly known
20 as "redlining" redlining.

21 ~~5.~~ e. The authority may require ~~mortgage lenders who~~
22 lending institutions which participate in programs financed or
23 otherwise assisted by the authority to take affirmative action
24 to make mortgage loans in areas with a higher than average
25 concentration of lower income families or members of racial or
26 ethnic minorities.

27 2. In administering agricultural development programs under
28 subchapter VIII, all of the following apply:

29 a. The opportunity to acquire agricultural land and
30 agricultural improvements and depreciable agricultural property
31 financed or otherwise assisted by the authority, directly or
32 indirectly, shall be open to all persons regardless of race,
33 creed, color, sex, national origin, age, physical or mental
34 impairment, or religion.

35 b. The authority shall promote marketing plans for its

1 programs under subchapter VIII.

2 Sec. 23. NEW SECTION. 16.11 **Assistance by state officers,**
3 **agencies, and departments.**

4 State officers and state departments and agencies may render
5 services to the authority within their respective functions as
6 requested by the authority.

7 Sec. 24. NEW SECTION. 16.13 **Conflicts of interest.**

8 1. *a.* If a member or employee of the authority other than
9 the executive director of the authority has an interest, either
10 direct or indirect, in a contract to which the authority is,
11 or is to be, a party, or in a mortgage lender requesting a loan
12 from, or offering to sell mortgage loans to, the authority,
13 the interest shall be disclosed to the authority in writing
14 and shall be set forth in the minutes of the authority. The
15 member or employee having the interest shall not participate
16 in any action of the authority with respect to that contract
17 or mortgage lender.

18 *b.* A violation of a provision of this subsection is
19 misconduct in office under section 721.2. However, a
20 resolution of the authority is not invalid because of a vote
21 cast by a member in violation of this subsection unless the
22 vote was decisive in the passage of the resolution.

23 *c.* For the purposes of this subsection, "*action of the*
24 *authority with respect to that contract or mortgage lender*"
25 means only an action directly affecting a separate contract or
26 mortgage lender, and does not include an action which benefits
27 the general public or which affects all or a substantial
28 portion of the contracts or mortgage lenders included in a
29 program of the authority.

30 2. Nothing in this section shall be deemed to limit the
31 right of a member, officer, or employee of the authority to
32 acquire an interest in bonds or notes of the authority or to
33 limit the right of a member, officer, or employee other than
34 the executive director to have an interest in a financial
35 institution, including a lending institution, in which the

1 funds of the authority are, or are to be, deposited or which
2 is, or is to be, acting as trustee or paying agent under a trust
3 indenture to which the authority is a party.

4 3. The executive director shall not have an interest in
5 a financial institution, including a lending institution, in
6 which the funds of the authority are, or are to be, deposited
7 or which is, or is to be, acting as trustee or paying agent
8 under a trust indenture to which the authority is a party. The
9 executive director shall not receive, in addition to fixed
10 salary or compensation, any money or valuable thing, either
11 directly or indirectly, or through any substantial interest
12 in any other corporation or business unit, for negotiating,
13 procuring, recommending, or aiding in any purchase or sale
14 of property, or loan, made by the authority, nor shall the
15 executive director be pecuniarily interested, either as
16 principal, coprincipal, agent, or beneficiary, either directly
17 or indirectly, or through any substantial interest in any other
18 corporation or business unit, in any such purchase, sale, or
19 loan.

20 Sec. 25. NEW SECTION. 16.16 Liability.

21 1. A member of the authority, or a person acting on behalf
22 of the authority while acting within the scope of the member's
23 or person's agency or employment, is not subject to personal
24 liability resulting from carrying out the powers and duties in
25 this chapter.

26 2. The United States and the secretary of agriculture of
27 the United States are not subject to liability by virtue of the
28 transfer of the assets to the authority under this chapter.

29 3. The treasurer of state shall not be subject to personal
30 liability resulting from carrying out the powers and duties
31 of the authority or the treasurer of state, as applicable, in
32 subchapter X, part 15.

33 Sec. 26. NEW SECTION. 16.17 Further definitions.

34 The authority may establish by rule further definitions
35 applicable to this chapter, and clarification of the

1 definitions in this chapter, as it deems convenient and
2 necessary to carry out the public purposes of this chapter
3 including all the following:

4 1. Any rules necessary to assure eligibility for funds
5 available under federal housing laws, or to assure compliance
6 with federal tax laws relating to the issuance of tax exempt
7 bonds pursuant to the Internal Revenue Code or relating to the
8 allowance of low-income credits under Internal Revenue Code
9 §42.

10 2. Any rule as necessary to assure eligibility for funds,
11 insurance, or guaranties available under federal laws and to
12 carry out the public purposes of subchapter VIII.

13 Sec. 27. NEW SECTION. 16.18 **Inconsistent provisions.**

14 This chapter takes precedence over any conflicting
15 provisions contained in section 535.8, subsection 2, with
16 respect to the use or enforcement of a due-on-sale or similar
17 clause in a mortgage loan agreement, and takes precedence over
18 any conflicting provisions contained in laws enacted after
19 July 1, 1981, with respect to the use or enforcement of a
20 due-on-sale or similar clause in a mortgage loan agreement
21 unless those laws expressly provide that they take precedence
22 over this chapter.

23 Sec. 28. NEW SECTION. 16.19 **Liberal interpretation.**

24 This chapter, being necessary for the welfare of this state
25 and its inhabitants, shall be liberally construed to effect its
26 purposes.

27 Sec. 29. NEW SECTION. 16.22 **Application of funds from sales
28 of obligations.**

29 All moneys received by or on behalf of the authority, whether
30 as proceeds from the sale of obligations or as revenues, are
31 trust funds to be held and applied solely for the purposes
32 specified in the appropriation, bond resolution, or other
33 document authorizing receipt of the moneys by the authority.
34 A person with which the moneys are deposited shall act as
35 trustee of the moneys and shall hold and apply the moneys for

1 the purposes specified in this chapter subject to limitations
2 specified in this chapter and in the bond resolution
3 authorizing the issuance of the obligations.

4 Sec. 30. Section 16.26, subsection 4, paragraph a, Code
5 2014, is amended to read as follows:

6 a. State the date and series of the issue, ~~be consecutively~~
7 ~~numbered,~~ and state ~~on their face~~ that they are payable both
8 as to principal and interest solely out of the assets of the
9 authority and do not constitute an indebtedness of this state
10 or any political subdivision of this state other than the
11 authority within the meaning of any constitutional or statutory
12 debt limit.

13 Sec. 31. Section 16.26, subsections 5 and 6, Code 2014, are
14 amended to read as follows:

15 5. The authority may issue its bonds for the purpose of
16 refunding any bonds or notes ~~of the authority~~ then outstanding,
17 including the payment of any redemption premiums thereon and
18 any interest accrued or to accrue to the date of redemption
19 of the outstanding bonds or notes. Until the proceeds
20 of bonds issued for the purpose of refunding outstanding
21 bonds or notes are applied to the purchase or retirement of
22 outstanding bonds or notes or the redemption of outstanding
23 bonds or notes, the proceeds may be placed in escrow and be
24 invested and reinvested in accordance with the provisions of
25 this chapter. The interest, income, and profits earned or
26 realized on an investment may also be applied to the payment
27 of the outstanding bonds or notes to be refunded by purchase,
28 retirement, or redemption. After the terms of the escrow have
29 been fully satisfied and carried out, any balance of proceeds
30 and interest earned or realized on the investments may be
31 returned to the authority for use by it in any lawful manner.
32 All refunding bonds shall be issued and secured and subject to
33 the provisions of this chapter in the same manner and to the
34 same extent as other bonds issued pursuant to this chapter.

35 6. The authority may issue negotiable bond anticipation

1 notes and may renew them from time to time but the maximum
2 maturity of the notes, including renewals, shall not exceed
3 ten years from the date of issue of the original notes. ~~Notes~~
4 Bond anticipation notes are payable from any available moneys
5 of the authority not otherwise pledged, or from the proceeds
6 of the sale of bonds of the authority in anticipation of
7 which the bond anticipation notes were issued. ~~Notes~~ Bond
8 anticipation notes may be issued for any corporate purpose
9 of the authority. ~~Notes~~ Bond anticipation notes shall be
10 issued in the same manner as bonds, and bond anticipation
11 notes, and the resolution authorizing them may contain any
12 provisions, conditions, or limitations, not inconsistent
13 with the provisions of this subsection, which the bonds or
14 a bond resolution of the authority may contain. ~~Notes~~ Bond
15 anticipation notes may be sold at public or private sale. In
16 case of default on its bond anticipation notes or violation
17 of any obligations of the authority to the noteholders, the
18 noteholders shall have all the remedies provided in this
19 chapter for bondholders. ~~Notes~~ Bond anticipation notes shall
20 be as fully negotiable as bonds of the authority.

21 Sec. 32. Section 16.26, subsection 7, Code 2014, is amended
22 by striking the subsection and inserting in lieu thereof the
23 following:

24 7. It is the intention of the general assembly that a pledge
25 made in respect of bonds or notes shall be valid and binding
26 from the time the pledge is made, that the money or property
27 so pledged and received after the pledge by the authority
28 shall immediately be subject to the lien of the pledge without
29 physical delivery or further act, and that the lien of the
30 pledge shall be valid and binding as against all parties having
31 claims of any kind in tort, contract, or otherwise against
32 the authority whether or not the parties have notice of the
33 lien. Neither the resolution, trust agreement, nor any other
34 instrument by which a pledge is created needs to be recorded or
35 filed under the Iowa uniform commercial code, chapter 554, to

1 be valid, binding, or effective against the parties.

2 Sec. 33. Section 16.26, Code 2014, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 10. It is the intention of the general
5 assembly that a pledge made in respect of bonds or notes shall
6 be valid and binding from the time the pledge is made, that
7 the money or property so pledged and received after the pledge
8 by the authority shall immediately be subject to the lien of
9 the pledge without physical delivery or further act, and that
10 the lien of the pledge shall be valid and binding as against
11 all parties having claims of any kind in tort, contract, or
12 otherwise against the authority whether or not the parties have
13 notice of the lien. Neither the resolution, trust agreement,
14 nor any other instrument by which a pledge is created needs to
15 be recorded or filed under the Iowa uniform commercial code,
16 chapter 554, to be valid, binding, or effective against the
17 parties.

18 Sec. 34. Section 16.27, Code 2014, is amended by adding the
19 following new subsections:

20 NEW SUBSECTION. 3A. To assure the continued operation
21 and solvency of the authority for the carrying out of its
22 corporate purposes, provision is made in subsection 1 for the
23 accumulation in each bond reserve fund of an amount equal to
24 the bond reserve fund requirement for the fund. In order
25 further to assure maintenance of the bond reserve funds, the
26 chairperson of the authority shall, on or before July 1 of each
27 calendar year, make and deliver to the governor a certificate
28 stating the sum, if any, required to restore each bond reserve
29 fund to its bond reserve fund requirement. Within thirty days
30 after the beginning of the session of the general assembly
31 next following the delivery of the certificate, the governor
32 may submit to both houses printed copies of a budget including
33 any sum required to restore each bond reserve fund to its bond
34 reserve fund requirement. Sums appropriated by the general
35 assembly and paid to the authority under this section shall be

1 deposited by the authority in the applicable bond reserve fund.
2 NEW SUBSECTION. 3B. Amounts paid over to the authority
3 by the state pursuant to the provisions of this section shall
4 constitute and be accounted for as advances by the state to
5 the authority and, subject to the rights of the holders of any
6 bonds or notes of the authority, shall be repaid to the state
7 without interest from all available operating revenues of the
8 authority in excess of amounts required for the payment of
9 bonds, notes, or obligations of the authority, the bond reserve
10 fund, and operating expenses.

11 NEW SUBSECTION. 3C. In the event that the principal amount
12 of any bonds or notes deposited in a bond reserve fund is
13 withdrawn for payment of principal or interest thereby reducing
14 the amount of that fund to less than the bond reserve fund
15 requirement, the authority shall immediately notify the general
16 assembly of this event and shall take steps to restore the
17 fund to its bond reserve fund requirement from any amounts
18 available, other than principal of a bond issue, which are not
19 pledged to the payment of other bonds or notes.

20 Sec. 35. NEW SECTION. 16.27A Powers relating to loans.

21 Subject to any agreement with bondholders or noteholders,
22 the authority may renegotiate a mortgage or secured loan or
23 a loan to a lending institution in default, waive a default
24 or consent to the modification of the terms of a mortgage or
25 secured loan or a loan to a lending institution, forgive or
26 forbear all or part of a mortgage or secured loan or a loan to
27 a lending institution, and commence, prosecute, and enforce
28 a judgment in any action, including but not limited to a
29 foreclosure action, to protect or enforce any right conferred
30 upon it by law, mortgage or secured loan agreement, contract
31 or other agreement, and in connection with any action, bid for
32 and purchase the property or acquire or take possession of it,
33 complete, administer, pay the principal of and interest on
34 any obligations incurred in connection with the property, and
35 dispose of and otherwise deal with the property in a manner the

1 authority deems advisable to protect its interests.

2 Sec. 36. NEW SECTION. 16.29 **Agreement of the state.**

3 The state pledges and agrees with the holders of any bonds or
4 notes that the state will not limit or alter the rights vested
5 in the authority to fulfill the terms of agreements made with
6 the holders or in any way to impair the rights and remedies of
7 the holders until the bonds or notes together with the interest
8 on them, plus interest on unpaid installments of interest,
9 and all costs and expenses in connection with an action by or
10 on behalf of the holders are fully met and discharged. The
11 authority may include this pledge and agreement of the state in
12 any agreement with the holders of bonds or notes.

13 Sec. 37. NEW SECTION. 16.32 **Surplus moneys — loan and**
14 **grant fund.**

15 1. Moneys declared by the authority to be surplus moneys
16 which are not required to service bonds and notes issued by the
17 authority, to pay administrative expenses of the authority,
18 or to accumulate necessary operating or loss reserves, shall
19 be used by the authority to provide grants, loans, subsidies,
20 and services or assistance through programs authorized in this
21 chapter.

22 2. The authority may establish a loan and grant fund which
23 may be comprised of the proceeds of appropriations, grants,
24 contributions, surplus moneys transferred as provided in this
25 section, and repayment of authority loans made from such fund.

26 Sec. 38. NEW SECTION. 16.34A **Special definition.**

27 As used in this subchapter, unless the context otherwise
28 requires, "*state housing credit ceiling*" means the state
29 housing credit ceiling as defined in Internal Revenue Code
30 §42(h)(3)(C).

31 Sec. 39. NEW SECTION. 16.35 **State housing credit ceiling**
32 **allocation.**

33 1. The authority is designated the housing credit agency
34 for the allowance of low-income housing credits under the state
35 housing credit ceiling.

1 2. The authority shall adopt rules and allocation
2 procedures which will ensure the maximum use of available tax
3 credits in order to encourage development of low-income housing
4 in the state. The authority shall consider the following
5 factors in the adoption and application of the allocation
6 rules:

7 *a.* Timeliness of the application.

8 *b.* Location of the proposed housing project.

9 *c.* Relative need in the proposed area for low-income
10 housing.

11 *d.* Availability of low-income housing in the proposed area.

12 *e.* Economic feasibility of the proposed project.

13 *f.* Ability of the applicant to proceed to completion of the
14 project in the calendar year for which the credit is sought.

15 3. *a.* The authority shall adopt rules specifying the
16 application procedure and the allowance of low-income housing
17 credits under the state housing credit ceiling.

18 *b.* The authority shall not allow more than ninety percent of
19 the low-income housing credits under the state housing credit
20 ceiling to projects other than qualified low-income housing
21 projects as defined in Internal Revenue Code §42(h)(5)(B).

22 Sec. 40. NEW SECTION. **16.36 Participation in federal**
23 **housing assistance payments program.**

24 The authority shall participate in the housing assistance
25 payments program under section 8 of the United States Housing
26 Act of 1937, as amended by §201 of the Housing and Community
27 Development Act of 1974, Pub. L. No. 93-383, codified at 42
28 U.S.C. §1437 et seq.

29 Sec. 41. NEW SECTION. **16.38 Loans to lending institutions.**

30 1. The authority may make, and contract to make, loans to
31 lending institutions on terms and conditions as the authority
32 determines which are reasonably related to protecting the
33 security of the authority's investment and to implementing the
34 purposes of this chapter, and subject to this section, and
35 all lending institutions are authorized to borrow from the

1 authority in accordance with the provisions of this section and
2 the rules of the authority.

3 2. The authority shall require as a condition of each
4 loan to a lending institution that the lending institution,
5 within a reasonable period after receipt of the loan proceeds
6 as the authority prescribes by rule, shall have entered into
7 written commitments to make, and, within a reasonable period
8 thereafter as the authority prescribes by rule, shall have
9 disbursed the loan proceeds in new mortgage loans to low or
10 moderate income families in an aggregate principal amount equal
11 to the amount of the loan. New mortgage loans shall have terms
12 and conditions as the authority prescribes by rules which
13 are reasonably related to implementing the purposes of this
14 chapter.

15 3. The authority shall require the submission to the
16 authority by each lending institution to which the authority
17 has made a loan, of evidence satisfactory to the authority of
18 the making of new mortgage loans to low or moderate income
19 families as required by this section, and in that connection
20 may, through its members, employees, or agents, inspect the
21 books and records of a lending institution.

22 4. Compliance by a lending institution with the terms of
23 its agreement with the authority with respect to the making
24 of new mortgage loans to low or moderate income families may
25 be enforced by decree of any district court of this state.
26 The authority may require as a condition of a loan to a
27 national banking association or a federally chartered savings
28 and loan association, the consent of the association to the
29 jurisdiction of courts of this state over any such proceeding.
30 The authority may also require, as a condition of a loan to
31 a lending institution, agreement by the lending institution
32 to the payment of penalties to the authority for violation by
33 the lending institution of its agreement with the authority,
34 and the penalties shall be recoverable at the suit of the
35 authority.

1 5. The authority shall require that each lending
2 institution receiving a loan pursuant to this section
3 shall issue and deliver to the authority an evidence of its
4 indebtedness to the authority which shall constitute a general
5 obligation of the lending institution and shall bear a date,
6 mature at a time, be subject to prepayment, and contain other
7 provisions consistent with this section and reasonably related
8 to protecting the security of the authority's investment, as
9 the authority determines.

10 6. Notwithstanding any other provision of this section to
11 the contrary, the interest rate and other terms of loans to
12 lending institutions made from the proceeds of an issue of
13 bonds or notes of the authority shall be at least sufficient
14 to assure the payment of the bonds or notes and the interest on
15 them as they become due.

16 7. The authority shall require that loans to lending
17 institutions are additionally secured as to payment of both
18 principal and interest by a pledge of and lien upon collateral
19 security by special escrow funds or other forms of guaranty and
20 in such amounts and forms as the authority shall by resolution
21 determine to be necessary to assure the payment of the loans
22 and the interest thereon as they become due. Collateral
23 security shall consist of direct obligations of, or obligations
24 guaranteed by, the United States or one of its agencies,
25 obligations satisfactory to the authority which are issued by
26 other federal agencies, direct obligations of or obligations
27 guaranteed by a state or a political subdivision of a state, or
28 investment quality obligations approved by the authority.

29 8. The authority may require that collateral for loans
30 be deposited with a bank, trust company, or other financial
31 institution acceptable to the authority located in this state
32 and designated by the authority as custodian. In the absence
33 of such a requirement, each lending institution shall enter
34 into an agreement with the authority containing provisions
35 as the authority deems necessary to adequately identify and

1 maintain the collateral, service the collateral, and require
2 the lending institution to hold the collateral as an agent
3 for the authority and be accountable to the authority as the
4 trustee of an express trust for the application and disposition
5 of the collateral and the income from it. The authority may
6 also establish additional requirements as the authority deems
7 necessary with respect to the pledging, assigning, setting
8 aside, or holding of collateral and the making of substitutions
9 for it or additions to it and the disposition of income and
10 receipts from it.

11 9. The authority may require as a condition of loans to
12 lending institutions, any representations and warranties the
13 authority determines are necessary to secure the loans and
14 carry out the purposes of this section.

15 10. If a provision of this section is inconsistent with a
16 provision of law of this state governing lending institutions,
17 the provision of this section controls for the purposes of this
18 section.

19 Sec. 42. NEW SECTION. 16.39 **Purchase of mortgage loans.**

20 1. The authority may purchase, and make advance commitments
21 to purchase, mortgage loans from lending institutions at prices
22 and upon terms and conditions as the authority determines
23 subject to this section. However, the total purchase price
24 for all mortgage loans which the authority commits to purchase
25 from a lending institution at any one time shall not exceed
26 the total of the unpaid principal balances of the mortgage
27 loans purchased. Lending institutions are authorized to
28 sell mortgage loans to the authority in accordance with the
29 provisions of this section and the rules of the authority.

30 2. The authority shall require as a condition of purchase
31 of mortgage loans from lending institutions that the lending
32 institutions, within a reasonable period after receipt of the
33 purchase price as the authority prescribes by rule, shall enter
34 into written commitments to loan and, within a reasonable
35 period thereafter as the authority prescribes by rule, shall

1 loan an amount equal to the entire purchase price of the
2 mortgage loans, on new mortgage loans to low or moderate
3 income families or certify that mortgage loans purchased are
4 mortgage loans made to low or moderate income families. New
5 mortgage loans to be made by lending institutions shall have
6 terms and conditions as the authority prescribes by rule. The
7 authority may make a commitment to purchase mortgage loans
8 from lending institutions in advance of the time such loans
9 are made by lending institutions. The authority shall require
10 as a condition of such commitment that lending institutions
11 certify in writing that all mortgage loans represented by the
12 commitment will be made to low or moderate income families, and
13 that other authority specifications will be complied with.

14 3. The authority shall require the submission to the
15 authority by each lending institution from which the authority
16 has purchased mortgages, of evidence satisfactory to the
17 authority of the making of new mortgage loans to low or
18 moderate income families as required by this section and in
19 that connection may, through its members, employees, or agents,
20 inspect the books and records of a lending institution.

21 4. Compliance by a lending institution with the terms of
22 its agreement with the authority with respect to the making of
23 new mortgage loans to low or moderate income families may be
24 enforced by decree of any district court of this state. The
25 authority may require as a condition of purchase of mortgage
26 loans from any national banking association or federally
27 chartered savings and loan association, the consent of the
28 association to the jurisdiction of courts of this state over
29 any such proceeding. The authority may also require as a
30 condition of the authority's purchase of mortgage loans from
31 a lending institution, agreement by the lending institution
32 to the payment of penalties to the authority for violation by
33 the lending institution of its agreement with the authority,
34 and the penalties shall be recoverable at the suit of the
35 authority.

1 5. The authority may require as a condition of purchase of
2 a mortgage loan from a lending institution that the lending
3 institution represent and warrant to the authority that:

4 a. The unpaid principal balance of the mortgage loan and
5 the interest rate on it have been accurately stated to the
6 authority.

7 b. The amount of the unpaid principal balance is justly due
8 and owing.

9 c. The lending institution has no notice of the existence of
10 any counterclaim, offset, or defense asserted by the mortgagor
11 or the mortgagor's successor in interest.

12 d. The mortgage loan is evidenced by a bond or promissory
13 note and a mortgage which has been properly recorded with the
14 appropriate public official.

15 e. The mortgage constitutes a valid first lien on the
16 real property described to the authority subject only to real
17 property taxes not yet due, installments of assessments not
18 yet due, and easements and restrictions of record which do not
19 adversely affect, to a material degree, the use or value of the
20 real property or improvements on it.

21 f. The mortgagor is not now in default in the payment of
22 any installment of principal or interest, escrow funds, or real
23 property taxes, or otherwise in the performance of obligations
24 under the mortgage documents and has not to the knowledge of
25 the lending institution been in default in the performance of
26 any obligation under the mortgage for a period of longer than
27 sixty days during the life of the mortgage.

28 g. The improvements to the mortgaged real property are
29 covered by a valid and subsisting policy of insurance issued
30 by a company authorized to issue such policies in this state
31 and providing fire and extended coverage in amounts as the
32 authority prescribes by rule.

33 h. The mortgage loan meets the prevailing investment quality
34 standards for mortgage loans in this state.

35 6. A lending institution is liable to the authority for

1 damages suffered by the authority by reason of the untruth
2 of a representation or the breach of a warranty and, in the
3 event that a representation proves to be untrue when made or
4 in the event of a breach of warranty, the lending institution
5 shall, at the option of the authority, repurchase the mortgage
6 loan for the original purchase price adjusted for amounts
7 subsequently paid on it, as the authority determines.

8 7. The authority shall require the recording of an
9 assignment of a mortgage loan purchased by the authority from
10 a lending institution and shall not be required to notify
11 the mortgagor of the authority's purchase of the mortgage
12 loan. The authority shall not be required to inspect or take
13 possession of the mortgage documents if the mortgage lender
14 from which the mortgage loan is purchased by the authority
15 enters into a contract to service the mortgage loan and account
16 to the authority for it.

17 8. If a provision of this section is inconsistent with
18 another provision of law of this state governing lending
19 institutions, the provision of this section controls for the
20 purposes of this section.

21 Sec. 43. Section 16.40, subsection 3, Code 2014, is amended
22 to read as follows:

23 3. The authority may use moneys in the fund to provide
24 financial assistance to a housing sponsor or an individual in
25 the form of a loan, loan ~~guarantee~~ guaranty, grant, or interest
26 subsidy, or by other means under the general powers of the
27 authority.

28 Sec. 44. NEW SECTION. 16.43 **Housing improvement fund**
29 **program.**

30 1. A housing improvement fund is created within the
31 authority. The moneys in the housing improvement fund are
32 annually appropriated to the authority which shall allocate
33 the available funds among and within the programs authorized
34 by this section. Notwithstanding section 8.33, unencumbered
35 or unobligated moneys remaining in the fund on June 30 of

1 any fiscal year shall not revert to any other fund but shall
2 be available for expenditure for subsequent fiscal years.
3 Notwithstanding section 12C.7, interest or earnings on moneys
4 in the fund or appropriated to the fund shall be credited to
5 the fund. The authority may expend up to four percent of
6 the moneys appropriated for the programs in this section for
7 administrative costs of the authority for those programs.
8 The authority may provide financial assistance to a housing
9 sponsor or an individual in the form of loans, guaranties,
10 grants, interest subsidies, or by other means for the programs
11 authorized by this section.

12 2. By rule, the authority shall establish the following
13 financial assistance programs and provide the requirements for
14 their proper administration:

15 a. A home maintenance and repair program providing repair
16 services to families which include persons who are elderly or
17 persons with disabilities and which qualify as lower income or
18 very low income families.

19 b. A rental rehabilitation program for the construction
20 or rehabilitation of single or multifamily rental properties
21 leased to lower income or very low income families.

22 c. (1) A home ownership incentive program to help lower
23 income and very low income families achieve single family home
24 ownership. Funds provided under this program shall not be
25 restricted to first-time home buyers but shall be limited to
26 mortgages under fifty-five thousand dollars, except in those
27 areas of the state where the median price of homes exceeds the
28 state average. The assistance provided shall include at least
29 one of the following kinds of assistance:

30 (a) Closing costs assistance.

31 (b) Down payment assistance.

32 (c) Home maintenance and repair assistance.

33 (d) Loan processing assistance through a loan endorser
34 review contractor who acts on behalf of the authority in
35 assisting lenders in processing loans that will qualify for

1 government insurance or guaranty or for financing under the
2 authority's mortgage revenue bond program.

3 (e) Mortgage insurance program.

4 (2) Five percent of the moneys expended under this program
5 shall be used to finance the purchase or acquisition, in
6 communities with a population of less than ten thousand, of
7 manufactured homes as defined in 42 U.S.C. §5403. Moneys
8 available for this purpose which are unencumbered or
9 unobligated at the end of the fiscal year shall revert to the
10 housing improvement fund for reallocation for the next fiscal
11 year.

12 (3) Not more than fifty percent of the assistance provided
13 under this program shall be provided under subparagraph (1),
14 subparagraph divisions (d) and (e). So long as at least one
15 of the kinds of assistance described in subparagraph (1),
16 subparagraph divisions (a) through (e) is provided, additional
17 assistance not described in subparagraph (1), subparagraph
18 divisions (a) through (e) may also be provided.

19 3. The authority shall coordinate the programs authorized
20 by this section with the other programs under the jurisdiction
21 of the authority.

22 4. Each application for financial assistance shall
23 be rated based on local, housing sponsor, and recipient
24 financial commitment, proposals for leveraging other financial
25 assistance, experience with the recipient group involved,
26 consideration for the housing project in the context of overall
27 community needs, including vacancy rate of rental property
28 and ratio of subsidized rental housing to nonsubsidized
29 housing, ability to provide a counseling support system to
30 the recipients, and a demonstrated capability by the housing
31 sponsor to provide follow-up monitoring of recipients to
32 determine if identifiable results have been achieved.

33 5. For the purposes of this section, "housing sponsor" is
34 a for-profit entity, nonprofit corporation, local government,
35 or a joint venture involving a for-profit entity, nonprofit

1 corporation, or local government.

2 6. None of the funds provided to a housing sponsor under
3 this section shall be used for the costs of administration.

4 7. During each regular session of the general assembly,
5 the authority shall present, to the appropriate appropriations
6 subcommittee, a report concerning the total estimated resources
7 to be available for expenditure under this section for the next
8 fiscal year and the amount the authority proposes to allocate
9 to each program under this section.

10 8. A homelessness advisory committee is created consisting
11 of the executive director or the executive director's designee,
12 the directors or their designees from the departments of human
13 services and human rights, the economic development authority,
14 the director of the department on aging or the director's
15 designee, and at least three individuals from the private
16 sector to be selected by the executive director. The advisory
17 committee shall advise the authority in coordinating programs
18 that provide for the homeless.

19 9. Notwithstanding any provision to the contrary,
20 all assets held in the housing improvement fund shall be
21 transferred to the housing trust fund created in section 16.45.
22 Any moneys or assets received for deposit in the housing
23 improvement fund shall be transferred to the housing trust
24 fund.

25 Sec. 45. NEW SECTION. 16.45 Housing trust fund.

26 1. a. A housing trust fund is created within the
27 authority. The moneys in the housing trust fund are annually
28 appropriated to the authority to be used for the development
29 and preservation of affordable housing for low-income people
30 in the state and for the Iowa mortgage help initiative.
31 Payment of interest, recaptures of awards, or other repayments
32 to the housing trust fund shall be deposited in the fund.
33 Notwithstanding section 12C.7, interest or earnings on moneys
34 in the housing trust fund or appropriated to the fund shall
35 be credited to the fund. Notwithstanding section 8.33,

1 unencumbered and unobligated moneys remaining in the fund
2 at the close of each fiscal year shall not revert but shall
3 remain available for expenditure for the same purposes in the
4 succeeding fiscal year.

5 *b.* Assets in the housing trust fund shall consist of all of
6 the following:

7 (1) Any moneys received by the authority from the national
8 housing trust fund created pursuant to the federal Housing and
9 Economic Recovery Act of 2008, Pub. L. No. 110-289.

10 (2) Any assets transferred by the authority for deposit in
11 the housing trust fund.

12 (3) Any other moneys appropriated by the general assembly
13 and any other moneys available to and obtained or accepted by
14 the authority for placement in the housing trust fund.

15 *c.* The authority shall create the following programs within
16 the housing trust fund:

17 (1) Local housing trust fund program. At least sixty
18 percent of available moneys in the housing trust fund shall be
19 allocated for the local housing trust fund program.

20 (2) Project-based housing program. Moneys remaining in
21 the housing trust fund after the allocation in subparagraph
22 (1) shall be used to make awards to project-based housing
23 programs located in areas where a local housing trust fund does
24 not exist or for a project-based housing program that is not
25 eligible for funding through a local housing trust fund.

26 2. *a.* In order to be eligible to apply for funding from
27 the local housing trust fund program, a local housing trust
28 fund must be approved by the authority and have all of the
29 following:

30 (1) A local governing board recognized by the city, county,
31 council of governments, or regional officials as the board
32 responsible for coordinating local housing programs.

33 (2) A housing assistance plan approved by the authority.

34 (3) Sufficient administrative capacity in regard to housing
35 programs.

1 (4) A local match requirement approved by the authority.

2 b. An award from the local housing trust fund program shall
3 not exceed ten percent of the balance in the program at the
4 beginning of the fiscal year plus ten percent of any deposits
5 made during the fiscal year.

6 c. By December 31 of each year, a local housing trust fund
7 receiving moneys from the local housing trust fund program
8 shall submit a report to the authority itemizing expenditures
9 of the awarded moneys.

10 Sec. 46. NEW SECTION. 16.45A Housing trust fund —
11 appropriations.

12 There is appropriated from the rebuild Iowa infrastructure
13 fund to the Iowa finance authority for deposit in the housing
14 trust fund created in section 16.45, for the fiscal year
15 beginning July 1, 2014, and for each succeeding fiscal year,
16 the sum of three million dollars.

17 Sec. 47. NEW SECTION. 16.46 Senior living revolving loan
18 program fund.

19 1. A senior living revolving loan program fund is created
20 within the authority. The moneys in the senior living
21 revolving loan program fund shall be used by the authority for
22 the development and operation of a revolving loan program to
23 provide financing to construct affordable assisted living and
24 service-enriched affordable housing for seniors and persons
25 with disabilities, including through new construction or
26 acquisition and rehabilitation.

27 2. Moneys transferred by the authority for deposit in the
28 senior living revolving loan program fund, moneys appropriated
29 to the senior living revolving loan program, and any other
30 moneys available to and obtained or accepted by the authority
31 for placement in the senior living revolving loan program fund
32 shall be deposited in the fund. Additionally, payment of
33 interest, recaptures of awards, and other repayments to the
34 senior living revolving loan program fund shall be deposited
35 in the fund. Notwithstanding section 12C.7, subsection

1 2, interest or earnings on moneys in the senior living
2 revolving loan program fund shall be credited to the fund.
3 Notwithstanding section 8.33, moneys that remain unencumbered
4 or unobligated at the end of the fiscal year shall not
5 revert but shall remain available for the same purpose in the
6 succeeding fiscal year.

7 3. The authority shall annually allocate moneys available
8 in the senior living revolving loan program fund for the
9 development of affordable assisted living and service-enriched
10 affordable housing for seniors and persons with disabilities.
11 The authority shall develop a joint application process for
12 the allocation of federal low-income housing tax credits and
13 funds available under this section. Moneys allocated to
14 such developments may be in the form of loans, grants, or a
15 combination of loans and grants.

16 Sec. 48. NEW SECTION. 16.47 **Home and community-based**
17 **services revolving loan program fund.**

18 1. A home and community-based services revolving loan
19 program fund is created within the authority to further the
20 goals specified in section 231.3, adult day services, respite
21 services, congregate meals, health and wellness, health
22 screening, and nutritional assessments. The moneys in the home
23 and community-based services revolving loan program fund shall
24 be used by the authority for the development and operation
25 of a revolving loan program to develop and expand facilities
26 and infrastructure that provide adult day services, respite
27 services, congregate meals, and programming space for health
28 and wellness, health screening, and nutritional assessments
29 that address the needs of persons with low incomes.

30 2. Moneys transferred by the authority for deposit in the
31 home and community-based services revolving loan program fund,
32 moneys appropriated to the home and community-based services
33 revolving loan program, and any other moneys available to
34 and obtained or accepted by the authority for placement in
35 the home and community-based services revolving loan program

1 fund shall be deposited in the fund. Additionally, payment of
2 interest, recaptures of awards, and other repayments to the
3 home and community-based services revolving loan program fund
4 shall be deposited in the fund. Notwithstanding section 12C.7,
5 subsection 2, interest or earnings on moneys in the home and
6 community-based services revolving loan program fund shall be
7 credited to the fund. Notwithstanding section 8.33, moneys
8 that remain unencumbered or unobligated at the end of the
9 fiscal year shall not revert but shall remain available for the
10 same purpose in the succeeding fiscal year.

11 3. The authority, in cooperation with the department on
12 aging, shall annually allocate moneys available in the home
13 and community-based services revolving loan program fund to
14 develop and expand facilities and infrastructure that provide
15 adult day services, respite services, congregate meals, and
16 programming space for health and wellness, health screening,
17 and nutritional assessments that address the needs of persons
18 with low incomes.

19 Sec. 49. NEW SECTION. 16.48 **Transitional housing revolving**
20 **loan program fund.**

21 1. A transitional housing revolving loan program fund is
22 created within the authority to further the availability of
23 affordable housing for parents that are reuniting with their
24 children while completing or participating in substance abuse
25 treatment. The moneys in the fund are annually appropriated
26 to the authority to be used for the development and operation
27 of a revolving loan program to provide financing to construct
28 affordable transitional housing, including through new
29 construction or acquisition and rehabilitation of existing
30 housing. The housing provided shall be geographically located
31 in close proximity to licensed substance abuse treatment
32 programs. Preference in funding shall be given to projects
33 that reunite mothers with the mothers' children.

34 2. Moneys transferred by the authority for deposit in
35 the transitional housing revolving loan program fund, moneys

1 appropriated to the transitional housing revolving loan
2 program, and any other moneys available to and obtained or
3 accepted by the authority for placement in the fund shall be
4 deposited in the fund. Additionally, payment of interest,
5 recaptures of awards, and other repayments to the transitional
6 housing revolving loan program fund shall be credited to the
7 fund. Notwithstanding section 12C.7, subsection 2, interest or
8 earnings on moneys in the transitional housing revolving loan
9 program fund shall be credited to the fund. Notwithstanding
10 section 8.33, moneys that remain unencumbered or unobligated at
11 the close of the fiscal year shall not revert but shall remain
12 available for the same purpose in the succeeding fiscal year.

13 3. The authority shall annually allocate moneys available
14 in the transitional housing revolving loan program fund for
15 the development of affordable transitional housing for parents
16 that are reuniting with the parents' children while completing
17 or participating in substance abuse treatment. The authority
18 shall develop a joint application process for the allocation of
19 federal low-income housing tax credits and the funds available
20 under this section. Moneys allocated to such projects may be
21 in the form of loans, grants, or a combination of loans and
22 grants.

23 **Sec. 50. NEW SECTION. 16.49 Community housing and services**
24 **for persons with disabilities revolving loan program fund.**

25 1. A community housing and services for persons with
26 disabilities revolving loan program fund is created within the
27 authority to further the availability of affordable housing and
28 supportive services for Medicaid waiver-eligible individuals
29 with behaviors that provide significant barriers to accessing
30 traditional rental and supportive services opportunities. The
31 moneys in the fund are annually appropriated to the authority
32 to be used for the development and operation of a revolving
33 loan program to provide financing to construct affordable
34 permanent supportive housing or develop infrastructure in
35 which to provide supportive services, including through new

1 construction, acquisition and rehabilitation of existing
2 housing or infrastructure, or conversion or adaptive reuse.

3 2. Moneys transferred by the authority for deposit in the
4 community housing and services for persons with disabilities
5 revolving loan program fund, moneys appropriated to the
6 community housing and services for persons with disabilities
7 revolving loan program, and any other moneys available to and
8 obtained or accepted by the authority for placement in the
9 fund shall be credited to the fund. Additionally, payment of
10 interest, recaptures of awards, and other repayments to the
11 community housing and services for persons with disabilities
12 revolving loan program fund shall be credited to the fund.

13 Notwithstanding section 12C.7, subsection 2, interest or
14 earnings on moneys in the fund shall be credited to the fund.
15 Notwithstanding section 8.33, moneys credited to the fund from
16 any other fund that remain unencumbered or unobligated at the
17 close of the fiscal year shall not revert to the other fund.

18 3. a. The authority shall annually allocate moneys
19 available in the fund for the development of permanent
20 supportive housing for Medicaid waiver-eligible individuals.
21 The authority shall develop a joint application process for the
22 allocation of United States housing and urban development HOME
23 investment partnerships program funding and the funds available
24 under this section. Moneys allocated to such projects may be
25 in the form of loans, forgivable loans, or a combination of
26 loans and forgivable loans.

27 b. The authority shall annually allocate moneys available
28 in the fund for the development of infrastructure in which
29 to provide supportive services for Medicaid waiver-eligible
30 individuals who meet the psychiatric medical institution for
31 children level of care. Moneys allocated to such projects may
32 be in the form of loans, forgivable loans, or a combination of
33 loans and forgivable loans.

34 4. a. A project shall demonstrate written approval of the
35 project by the department of human services to the authority

1 prior to application for funding under this section.

2 *b.* In order to be approved by the department of human
3 services for application for funding for development of
4 permanent supportive housing under this section, a project
5 shall include all of the following components:

6 (1) Provision of services to any of the following Medicaid
7 waiver-eligible individuals:

8 (a) Individuals who are currently underserved in community
9 placements, including individuals who are physically aggressive
10 or have behaviors that are difficult to manage or individuals
11 who meet the psychiatric medical institution for children level
12 of care.

13 (b) Individuals who are currently residing in out-of-state
14 facilities.

15 (c) Individuals who are currently receiving care in a
16 licensed health care facility.

17 (2) A plan to provide each individual with crisis
18 stabilization services to ensure that the individual's
19 behavioral issues are appropriately addressed by the provider.

20 (3) Policies and procedures that prohibit discharge of the
21 individual from the waiver services provided by the project
22 provider unless an alternative placement that is acceptable to
23 the client or the client's guardian is identified.

24 *c.* In order to be approved by the department of human
25 services for application for funding for development of
26 infrastructure in which to provide supportive services under
27 this section, a project shall include all of the following
28 components:

29 (1) Provision of services to Medicaid waiver-eligible
30 individuals who meet the psychiatric medical institution for
31 children level of care.

32 (2) Policies and procedures that prohibit discharge of the
33 individual from the waiver services provided by the project
34 provider unless an alternative placement that is acceptable to
35 the client or the client's guardian is identified.

1 *d.* Housing provided through a project under this section is
2 exempt from the requirements of chapter 1350.

3 Sec. 51. NEW SECTION. 16.50 Workforce housing assistance
4 grant fund.

5 1. A workforce housing assistance grant fund is created
6 under the authority of the Iowa finance authority. The fund
7 shall consist of appropriations made to the fund. The fund
8 shall be separate from the general fund of the state and the
9 balance in the fund shall not be considered part of the balance
10 of the general fund of the state. However, the fund shall be
11 considered a special account for the purposes of section 8.53,
12 relating to generally accepted accounting principles.

13 2. Notwithstanding section 12C.7, subsection 2, interest or
14 earnings on moneys in the fund shall be credited to the fund.

15 3. *a.* Moneys in the fund in a fiscal year are appropriated
16 to the Iowa finance authority to be used for grants for
17 projects that create workforce housing or for projects that
18 include adaptive reuse of buildings for workforce housing. For
19 purposes of this section, "*workforce housing*" means housing that
20 is affordable for a household whose income does not exceed one
21 hundred twenty percent of the median income for the area.

22 *b.* Priority shall be given to the following types of
23 projects:

24 (1) Projects that are eligible for historic preservation
25 and cultural and entertainment district tax credits under
26 section 404A.1.

27 (2) Projects for the construction of new single-family
28 dwellings that incorporate one or more energy-efficient
29 measures. The authority shall by rule identify the types of
30 energy-efficient measures that will qualify a project for
31 priority under this subparagraph.

32 (3) Projects that utilize new markets tax credits,
33 established under the federal Community Renewal Tax Relief Act
34 of 2000, Pub. L. No. 106-554, 114 Stat. 2763A, and undertaken
35 by a qualified community development entity, as defined in the

1 federal Act.

2 (4) Projects that are located in an area where other state
3 funding has been used to support the creation of new jobs.

4 c. In any fiscal year, an area shall not receive grants
5 totaling more than twenty-five percent of the moneys expended
6 from the fund in that fiscal year. For purposes of this
7 paragraph, "area" means the same area used to determine the
8 median income under paragraph "a".

9 4. Annually, on or before January 15 of each year, the
10 authority shall report to the legislative services agency and
11 the department of management the status of all projects that
12 received moneys from the workforce housing assistance grant
13 fund. The report shall include a description of each project,
14 the progress of work completed, the total estimated cost of
15 each project, a list of all revenue sources being used to fund
16 each project, the amount of funds expended, the amount of
17 funds obligated, and the date each project was completed or an
18 estimated completion date of each project, where applicable.

19 5. Payment of moneys from appropriations from the fund shall
20 be made in a manner that does not adversely affect the tax
21 exempt status of any outstanding bonds issued by the treasurer
22 of state pursuant to section 12.87.

23 Sec. 52. NEW SECTION. 16.55 **Solar and renewable energy**
24 **systems loans.**

25 The authority may make loans to lending institutions or
26 purchase loans from lending institutions under part 3 to be
27 used to finance property improvement loans for solar and other
28 renewable energy systems. These loans shall be limited to low
29 or moderate income families.

30 Sec. 53. NEW SECTION. 16.56 **Jumpstart housing assistance**
31 **program.**

32 1. As used in this section, unless the context otherwise
33 requires:

34 a. "*Disaster-affected home*" means a primary residence that
35 was destroyed or damaged due to a natural disaster occurring

1 after May 24, 2008, and before August 14, 2008.

2 *b.* "Local government participant" means the cities of Ames,
3 Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des
4 Moines, Dubuque, Iowa City, Waterloo, and West Des Moines; a
5 council of governments whose territory includes at least one
6 county that was declared a disaster area by the president
7 of the United States after May 24, 2008, and before August
8 14, 2008; and any county that is not part of any council of
9 governments and was declared a disaster area by the president
10 of the United States after May 24, 2008, and before August 14,
11 2008.

12 2. The Iowa finance authority shall establish and
13 administer a jumpstart housing assistance program. Under
14 the program, the authority shall provide grants to local
15 government participants for purposes of distributing the moneys
16 to eligible residents for eligible purposes which relate to
17 disaster-affected homes.

18 3. An eligible resident is a person residing in a
19 disaster-affected home who is the owner of record of a right,
20 title, or interest in the disaster-affected home and who has
21 been approved by the federal emergency management agency for
22 housing assistance. An eligible resident must have a family
23 income equal to or less than one hundred fifty percent of the
24 area median family income.

25 4. Eligible purposes include forgivable loans for down
26 payment assistance, emergency housing repair or rehabilitation,
27 and interim mortgage assistance. An eligible resident who
28 receives a forgivable loan may also receive energy efficiency
29 assistance which shall be added to the principal of the
30 forgivable loan.

31 5. A local government participant may retain a portion of
32 the grant moneys for administrative purposes as provided in a
33 grant agreement between the authority and the local government
34 participant.

35 6. Any money paid to a local government participant by

1 an eligible resident shall be remitted to the authority for
2 deposit in the housing assistance fund created in section
3 16.40.

4 7. As determined by the authority, unused or unobligated
5 moneys may be reclaimed and reallocated by the authority to
6 other local government participants.

7 Sec. 54. NEW SECTION. 16.57 Residential treatment
8 facilities.

9 1. The authority may issue its bonds and notes and loan the
10 proceeds of the bonds or notes to a nonprofit corporation for
11 the purpose of financing the acquisition or construction of
12 residential housing or treatment facilities serving juveniles
13 or persons with disabilities.

14 2. The authority may enter into a loan agreement with
15 a nonprofit corporation for the purpose of financing the
16 acquisition or construction of residential housing or treatment
17 facilities serving juveniles or persons with disabilities and
18 shall provide for payment of the loan and security for the loan
19 as the authority deems advisable.

20 3. In the resolution authorizing the issuance of the
21 bonds or notes pursuant to this section, the authority may
22 provide that the related principal and interest are limited
23 obligations payable solely out of the revenues derived from the
24 debt obligation, collateral, or other security furnished by or
25 on behalf of the nonprofit corporation, and the principal or
26 interest does not constitute an indebtedness of the authority
27 or a charge against the authority's general credit or general
28 fund.

29 4. The powers granted the authority under this section are
30 in addition to the authority's other powers under this chapter.
31 All other provisions of this chapter, except section 16.28,
32 subsection 4, apply to bonds or notes issued pursuant to, and
33 powers granted to the authority under this section, except to
34 the extent the provisions are inconsistent with this section.

35 Sec. 55. NEW SECTION. 16.58 Definitions.

1 As used in this subchapter, unless the context otherwise
2 requires:

3 1. "*Agricultural assets*" means agricultural land,
4 depreciable agricultural property, crops, or livestock.

5 2. "*Agricultural improvements*" means any improvements,
6 buildings, structures, or fixtures suitable for use in farming
7 which are located on agricultural land.

8 3. "*Agricultural land*" means land suitable for use in
9 farming.

10 4. "*Agricultural producer*" means a person that engages
11 or wishes to engage or intends to engage in the business of
12 producing and marketing agricultural produce in this state.

13 5. "*Bankhead-Jones Farm Tenant Act*" means the Act cited as
14 50 Stat. 522 (1937), formerly codified as 7 U.S.C. §1000 et
15 seq., repealed by Pub. L. No. 87-128 (1961).

16 6. "*Beginning farmer*" means an individual, partnership,
17 family farm corporation, or family farm limited liability
18 company, with a low or moderate net worth that engages in
19 farming or wishes to engage in farming.

20 7. "*Beginning farmer tax credit program*" means all of the
21 following:

22 a. The agricultural assets transfer tax credit as provided
23 in section 16.80.

24 b. The custom farming contract tax credit as provided in
25 section 16.81.

26 8. "*Family farm corporation*" means the same as defined in
27 section 9H.1.

28 9. "*Family farm limited liability company*" means the same as
29 defined in section 9H.1.

30 10. "*Farming*" means the cultivation of land for the
31 production of agricultural crops, the raising of poultry, the
32 production of eggs, the production of milk, the production of
33 fruit or other horticultural crops, grazing, the production of
34 livestock, aquaculture, hydroponics, the production of forest
35 products, or other activities designated by the authority by

1 rules subject to chapter 17A.

2 11. "*Low or moderate net worth*" means a net worth that does
3 not exceed the maximum allowable net worth established by the
4 authority. The authority shall establish the maximum allowable
5 net worth in accordance with the prices paid by farmers index
6 as compiled by the United States department of agriculture.

7 12. "*Production item*" includes tools, machinery, or
8 equipment principally used to produce crops or livestock.

9 13. "*Qualified beginning farmer*" means a beginning farmer
10 who meets the requirements to participate in a beginning farmer
11 tax credit program as provided in part 5, subpart B.

12 Sec. 56. NEW SECTION. 16.59 **Special financing —**
13 **calculations.**

14 A low or moderate net worth requirement provided in this
15 subchapter applies to an individual, partnership, family farm
16 corporation, or family farm limited liability company. The
17 requirement as applied to each such person is calculated as
18 follows:

19 1. For an individual, an aggregate net worth of the
20 individual and the individual's spouse and minor children not
21 greater than the low or moderate net worth.

22 2. For a partnership, an aggregate net worth of all
23 partners, including each partner's net capital in the
24 partnership, and each partner's spouse and minor children not
25 greater than twice the low or moderate net worth. However, the
26 aggregate net worth of each partner and that partner's spouse
27 and minor children shall not exceed the low or moderate net
28 worth.

29 3. For a family farm corporation, an aggregate net worth
30 of all shareholders, including the value of each shareholder's
31 share in the family farm corporation, and each shareholder's
32 spouse and minor children not greater than twice the low or
33 moderate net worth. However, the aggregate net worth of each
34 shareholder and that shareholder's spouse and minor children
35 shall not exceed the low or moderate net worth.

1 4. For a family farm limited liability company, an aggregate
2 net worth of all members, including each member's ownership
3 interest in the family farm limited liability company, and each
4 member's spouse and minor children of not greater than the low
5 or moderate net worth. However, the aggregate net worth of
6 each member and that member's spouse and minor children shall
7 not exceed the low or moderate net worth.

8 Sec. 57. NEW SECTION. 16.60 **Combination programs.**

9 Programs authorized in this subchapter may be combined with
10 any other programs authorized in this chapter or any other
11 public or private programs.

12 Sec. 58. NEW SECTION. 16.62 **Trust assets.**

13 The authority shall make application to and receive from the
14 United States secretary of agriculture, or any other proper
15 federal official, pursuant and subject to the provisions of
16 Pub. L. No. 81-499, 64 Stat. 152 (1950), formerly codified at
17 40 U.S.C. §440 et seq. (1976), all of the trust assets held by
18 the United States in trust for the Iowa rural rehabilitation
19 corporation now dissolved.

20 Sec. 59. NEW SECTION. 16.63 **Agreements.**

21 The authority may enter into agreements with the United
22 States secretary of agriculture pursuant to Pub. L. No. 81-499
23 §2(f) (1950) upon terms and conditions and for periods of
24 time as mutually agreeable, authorizing the authority to
25 accept, administer, expend, and use in the state of Iowa all
26 or any part of the trust assets or other funds in the state
27 of Iowa which have been appropriated for use in carrying out
28 the purposes of the Bankhead-Jones Farm Tenant Act and to do
29 any and all things necessary to effectuate and carry out the
30 purposes of such agreements.

31 Sec. 60. NEW SECTION. 16.64 **Bonds and notes — tax
32 exemption.**

33 1. An action shall not be brought questioning the legality
34 of any bonds or notes or the power of the authority to issue
35 any bonds or notes or to the legality of any proceedings in

1 connection with the authorization or issuance of the bonds or
2 notes after determination by the board of the authority to
3 proceed with the issuance of the bonds or notes sixty days from
4 the date of publication of the notice.

5 2. Bonds and notes issued by the authority for purposes of
6 financing the beginning farmer loan program provided in section
7 16.75 are exempt from taxation by the state, and interest
8 earned on the bonds and notes is deductible in determining
9 net income for purposes of the state individual and corporate
10 income tax under divisions II and III of chapter 422.

11 Sec. 61. NEW SECTION. 16.68 **Surplus moneys.**

12 Moneys declared by the authority to be surplus moneys
13 which are not required to service bonds and notes, to pay
14 administrative expenses of the authority, or to accumulate
15 necessary operating or loss reserves, shall be used by the
16 authority to provide loans, grants, subsidies, and other
17 services or assistance to beginning farmers or agricultural
18 producers through any of the programs authorized in this
19 subchapter.

20 Sec. 62. NEW SECTION. 16.70 **Loans to lending institutions.**

21 1. The authority may make and contract to make loans to
22 lending institutions on terms and conditions the authority
23 determines are reasonably related to protecting the security of
24 the authority's investment and to implementing the purposes of
25 this subchapter. Lending institutions are authorized to borrow
26 from the authority in accordance with the provisions of this
27 section and the rules of the authority.

28 2. The authority shall require as a condition of each loan
29 to a lending institution that the lending institution, within
30 a reasonable period after receipt of the loan proceeds as the
31 authority prescribes by rule, shall have entered into written
32 commitments to make and, within a reasonable period thereafter
33 as the authority prescribes by rule, shall have disbursed the
34 loan proceeds in new mortgage or secured loans to beginning
35 farmers in an aggregate principal amount of not less than the

1 amount of the loan. New mortgage or secured loans shall have
2 terms and conditions as the authority prescribes by rules which
3 are reasonably related to implementing the purposes of this
4 subchapter as provided in subchapter III.

5 3. The authority shall require the submission by each
6 lending institution to which the authority has made a loan, of
7 evidence satisfactory to the authority of the making of new
8 mortgage or secured loans to beginning farmers as required by
9 this section, and in that connection may, through its members,
10 employees, or agents, inspect the books and records of a
11 lending institution.

12 4. Compliance by a lending institution with the terms of
13 its agreement with the authority with respect to the making
14 of new mortgage or secured loans to beginning farmers may be
15 enforced by decree of any district court of this state. The
16 authority may require as a condition of a loan to a national
17 banking association or a federally chartered savings and loan
18 association, the consent of the association to the jurisdiction
19 of the courts of this state over any enforcement proceeding.
20 The authority may also require, as a condition of a loan to
21 a lending institution, agreement by the lending institution
22 to the payment of penalties to the authority for violation by
23 the lending institution of its agreement with the authority,
24 and the penalties shall be recoverable at the suit of the
25 authority.

26 5. The authority shall require that each lending
27 institution receiving a loan pursuant to this section shall
28 issue and deliver to the authority evidence of its indebtedness
29 to the authority which shall constitute a general obligation
30 of the lending institution and shall bear a date, mature at a
31 time, be subject to prepayment, and contain other provisions
32 consistent with this section and reasonably related to
33 protecting the security of the authority's investment, as the
34 authority determines.

35 6. Notwithstanding any other provision of this section, the

1 interest rate and other terms of loans to lending institutions
2 made from the proceeds of an issue of bonds or notes of the
3 authority shall be at least sufficient to assure the payment of
4 the bonds or notes and the interest on them as they become due.

5 7. The authority may require that loans to lending
6 institutions are additionally secured as to payment of both
7 principal and interest by a pledge of and lien upon collateral
8 security by special escrow funds or other forms of guaranty and
9 in amounts and forms as the authority by resolution determines
10 to be necessary to assure the payment of the loans and the
11 interest as they become due. Collateral security shall consist
12 of direct obligations of or obligations guaranteed by the
13 United States or one of its agencies, obligations satisfactory
14 to the authority which are issued by other federal agencies,
15 direct obligations of or obligations guaranteed by a state
16 or a political subdivision of a state, or investment quality
17 obligations approved by the authority.

18 8. The authority may require that collateral for loans
19 be deposited with a bank, trust company, or other financial
20 institution acceptable to the authority located in this state
21 and designated by the authority as custodian. In the absence
22 of that requirement, each lending institution shall enter
23 into an agreement with the authority containing provisions
24 the authority deems necessary to adequately identify and
25 maintain the collateral, service the collateral and require the
26 lending institution to hold the collateral as an agent for the
27 authority, and be accountable to the authority as the trustee
28 of an express trust for the application and disposition of the
29 collateral and the income from it. The authority may also
30 establish additional requirements the authority deems necessary
31 with respect to the pledging, assigning, setting aside, or
32 holding of collateral and the making of substitutions for it or
33 additions to it and the disposition of income and receipts from
34 it.

35 9. The authority may require as a condition of loans to

1 lending institutions any representations and warranties the
2 authority determines are necessary to secure the loans and
3 carry out the purposes of this section.

4 10. The authority may require the beginning farmer to
5 satisfy conditions and requirements normally imposed by lending
6 institutions in making similar loans, including but not limited
7 to the purchase of capital stock in the federal land bank.

8 11. If a provision of this section is inconsistent with a
9 provision of law of this state governing lending institutions,
10 the provision of this section controls for the purposes of this
11 section.

12 Sec. 63. NEW SECTION. 16.71 Purchase of loans.

13 1. The authority may purchase and make advance commitments
14 to purchase mortgage or secured loans from lending institutions
15 at prices and upon terms and conditions as the authority
16 determines. However, the total purchase price for all mortgage
17 or secured loans which the authority commits to purchase from a
18 lending institution at any one time shall not exceed the total
19 of the unpaid principal balances of the mortgage or secured
20 loans purchased. Lending institutions are authorized to sell
21 mortgage or secured loans to the authority in accordance with
22 the provisions of this section and the rules of the authority.

23 2. The authority shall require as a condition of purchase
24 of mortgage or secured loans from lending institutions that
25 the lending institutions certify that the mortgage or secured
26 loans purchased are loans made to beginning farmers. Mortgage
27 or secured loans to be made by lending institutions shall have
28 terms and conditions as the authority prescribes by rule.
29 The authority may make a commitment to purchase mortgage or
30 secured loans from lending institutions in advance of the time
31 the loans are made by lending institutions. The authority
32 shall require as a condition of a commitment that lending
33 institutions certify in writing that all mortgage or secured
34 loans represented by the commitment will be made to beginning
35 farmers and that the lending institution will comply with other

1 authority specifications.

2 3. The authority shall require the submission to it by each
3 lending institution from which the authority has purchased
4 loans of evidence satisfactory to the authority of the making
5 of mortgage or secured loans to beginning farmers as required
6 by this section and in that connection may, through its
7 members, employees, or agents, inspect the books and records of
8 a lending institution.

9 4. Compliance by a lending institution with the terms of
10 its agreement with the authority with respect to the making
11 of mortgage or secured loans to beginning farmers may be
12 enforced by decree of any district court of this state. The
13 authority may require as a condition of purchase of mortgage
14 or secured loans from any national banking association or
15 federally chartered savings and loan association the consent
16 of the association to the jurisdiction of the courts of this
17 state over any enforcement proceeding. The authority may also
18 require as a condition of the purchase of mortgage or secured
19 loans from a lending institution agreement by the lending
20 institution to the payment of penalties to the authority for
21 violation by the lending institution of its agreement with the
22 authority and the penalties shall be recoverable at the suit
23 of the authority.

24 5. The authority may require as a condition of purchase of
25 a mortgage or secured loan from a lending institution that the
26 lending institution make representations and warranties the
27 authority requires. A lending institution is liable to the
28 authority for damages suffered by the authority by reason of
29 the untruth of a representation or the breach of a warranty
30 and, in the event that a representation proves to be untrue
31 when made or in the event of a breach of warranty, the lending
32 institution shall, at the option of the authority, repurchase
33 the mortgage or secured loan for the original purchase price
34 adjusted for amounts subsequently paid on it, as the authority
35 determines.

1 6. The authority shall require the recording of an
2 assignment of a mortgage loan purchased by the authority
3 from a lending institution and is not required to notify the
4 mortgagor of the authority's purchase of the mortgage loan.
5 The authority is not required to inspect or take possession
6 of the mortgage documents if the lending institution from
7 which the mortgage loan is purchased enters into a contract to
8 service the mortgage loan and account to the authority for it.

9 7. If a provision of this section is inconsistent with
10 another provision of law of this state governing lending
11 institutions, the provision of this section controls for the
12 purposes of this section.

13 **Sec. 64. NEW SECTION. 16.75 Beginning farmer loan program.**

14 1. The authority shall develop a beginning farmer loan
15 program to facilitate the acquisition of agricultural land and
16 improvements and depreciable agricultural property by beginning
17 farmers. The authority shall exercise the powers granted to
18 the authority in this chapter in order to fulfill the goal of
19 providing financial assistance to beginning farmers in the
20 acquisition of agricultural land and agricultural improvements
21 and depreciable agricultural property. The authority may
22 participate in and cooperate with programs of the United States
23 department of agriculture consolidated farm service agency,
24 federal land bank, or any other agency or instrumentality of
25 the federal government or with any program of any other state
26 agency in the administration of the beginning farmer loan
27 program and in the making of loans or purchasing of mortgage or
28 secured loans pursuant to this subchapter.

29 2. The authority may participate in any federal programs
30 designed to assist beginning farmers or in any related federal
31 or state programs.

32 3. The authority shall provide in a beginning farmer loan
33 program that a loan to or on behalf of a beginning farmer shall
34 be provided only if the following criteria are satisfied:

35 a. The beginning farmer is a resident of the state.

1 *b.* The agricultural land and agricultural improvements or
2 depreciable agricultural property the beginning farmer proposes
3 to purchase will be located in the state.

4 *c.* The beginning farmer has sufficient education, training,
5 or experience in the type of farming for which the beginning
6 farmer requests the loan.

7 *d.* If the loan is for the acquisition of agricultural
8 land, the beginning farmer has or will have access to adequate
9 working capital, farm equipment, machinery, or livestock. If
10 the loan is for the acquisition of depreciable agricultural
11 property, the beginning farmer has or will have access to
12 adequate working capital or agricultural land.

13 *e.* The beginning farmer shall materially and substantially
14 participate in farming.

15 *f.* The agricultural land and agricultural improvements shall
16 only be used for farming by the beginning farmer, the beginning
17 farmer's spouse, or the beginning farmer's minor children.

18 *g.* Other criteria as the authority prescribes by rule.

19 4. The authority may provide in a loan made or purchased
20 pursuant to this subchapter that the loan shall not be assumed
21 or any interest in the agricultural land or improvements or
22 depreciable agricultural property may not be leased, sold, or
23 otherwise conveyed without its prior written consent and may
24 provide a due-on-sale clause with respect to the occurrence
25 of any of the foregoing events without its prior written
26 consent. The authority may provide by rule the grounds for
27 permitted assumptions of a mortgage or for the leasing, sale,
28 or other conveyance of any interest in the agricultural land
29 or improvements. However, the authority shall provide and
30 state in a loan that the authority has the power to raise the
31 interest rate of the loan to the prevailing market rate if
32 the loan is assumed by a farmer who is already established in
33 that field at the time of the assumption of the loan. This
34 provision controls with respect to a loan made or purchased
35 pursuant to this subchapter notwithstanding the provisions of

1 chapter 535.

2 5. The authority may participate in any interest in any
3 loan made or purchased pursuant to this subchapter with a
4 lending institution. The participation interest may be on a
5 parity with the interest in the loan retained by the authority,
6 equally and ratably secured by a mortgage or security agreement
7 securing the loan.

8 Sec. 65. NEW SECTION. **16.76 Loans to beginning farmers.**

9 1. As used in this section, "loan" includes financing
10 pursuant to an installment contract or contract for purchase
11 arrangement.

12 2. The authority may make loans, including but not limited
13 to mortgage or secured loans, or loans insured, guaranteed,
14 or otherwise secured by the federal government or a federal
15 governmental agency or instrumentality, or a state agency or
16 private mortgage insurers, to beginning farmers to provide
17 financing for agricultural land and agricultural improvements
18 or depreciable agricultural property.

19 3. A loan shall contain terms and provisions, including
20 interest rates, and be in a form established by rules of the
21 authority. The authority may require the beginning farmer
22 to execute a note, loan, or financing agreement, or other
23 evidence of indebtedness and furnish additional assurances
24 and guaranties, including insurance, reasonably related to
25 protecting the security of the loan, as the authority deems
26 necessary.

27 Sec. 66. NEW SECTION. **16.78 Administration of beginning
28 farmer tax credit program.**

29 1. To every extent practicable, the authority shall
30 administer tax credits under the beginning farmer tax credit
31 program in a uniform manner that encourages participation by
32 qualified beginning farmers. The authority shall determine a
33 qualified beginning farmer's low or moderate net worth by using
34 a single method applicable to all its programs, including the
35 beginning farmer tax credit program.

1 2. The authority shall establish a due date to receive
2 applications to participate in the beginning farmer tax credit
3 program. The authority may establish different due dates for
4 applications to qualify for each beginning farmer tax credit.

5 3. The department of revenue shall cooperate with the
6 authority in administering the beginning farmer tax credit
7 program.

8 Sec. 67. NEW SECTION. **16.79 Criteria for beginning farmers**
9 **qualifying to participate in the beginning farmer tax credit**
10 **program.**

11 A beginning farmer qualifies to participate in the beginning
12 farmer tax credit program as provided in this subchapter by
13 meeting all of the following criteria:

14 1. Is a resident of the state. If the beginning farmer is a
15 partnership, all partners must be residents of the state. If a
16 beginning farmer is a family farm corporation, all shareholders
17 must be residents of the state. If the beginning farmer is
18 a family farm limited liability company, all members must be
19 residents of the state.

20 2. Has sufficient education, training, or experience in
21 farming. If the beginning farmer is a partnership, each
22 partner who is not a minor must have sufficient education,
23 training, or experience in farming. If the beginning farmer
24 is a family farm corporation, each shareholder who is not a
25 minor must have sufficient education, training, or experience
26 in farming. If the beginning farmer is a family farm limited
27 liability company, each member who is not a minor must have
28 sufficient education, training, or experience in farming.

29 3. Has access to adequate working capital and production
30 items.

31 4. Will materially and substantially participate in
32 farming. If the beginning farmer is a partnership, family
33 farm corporation, or family farm limited liability company,
34 each partner, shareholder, or member who is not a minor must
35 materially and substantially participate in farming.

1 5. Is not responsible for managing or maintaining
2 agricultural land and other agricultural assets that are
3 greater than necessary to adequately support a beginning farmer
4 as determined by the authority according to rules which shall
5 be adopted by the authority.

6 Sec. 68. NEW SECTION. 16.80 **Agricultural assets transfer**
7 **tax credit — agreement.**

8 1. An agricultural assets transfer tax credit is allowed
9 under this section. The tax credit is allowed against the
10 taxes imposed in chapter 422, division II, as provided in
11 section 422.11M, and in chapter 422, division III, as provided
12 in section 422.33, to facilitate the transfer of agricultural
13 assets from a taxpayer to a qualified beginning farmer.

14 2. In order to qualify for the tax credit, the taxpayer
15 must meet qualifications established by rules adopted by the
16 authority. At a minimum, the taxpayer must comply with all of
17 the following:

18 a. Be a person who may acquire or otherwise obtain or lease
19 agricultural land in this state pursuant to chapter 9H or 9I.
20 However, the taxpayer must not be a person who may acquire
21 or otherwise obtain or lease agricultural land exclusively
22 because of an exception provided in one of those chapters or in
23 a provision of another chapter of this Code including but not
24 limited to chapter 10, 10D, or 501, or section 15E.207.

25 b. Execute an agricultural assets transfer agreement with a
26 qualified beginning farmer as provided in this section.

27 3. An individual may claim a tax credit under this section
28 of a partnership, limited liability company, S corporation,
29 estate, or trust electing to have income taxed directly to
30 the individual. The amount claimed by the individual shall
31 be based upon the pro rata share of the individual's earnings
32 from the partnership, limited liability company, S corporation,
33 estate, or trust.

34 4. The tax credit is allowed only for agricultural assets
35 that are subject to an agricultural assets transfer agreement.

1 The agreement shall provide for the lease of agricultural land
2 located in this state, including any improvements and may
3 provide for the rental of agricultural equipment as defined in
4 section 322F.1.

5 *a.* The agreement shall include a lease made on a cash basis
6 or on a commodity share basis which includes a share of the
7 crops or livestock produced on the agricultural land. The
8 agreement must be in writing.

9 *b.* The agreement shall be for at least two years, but
10 not more than five years. The agreement or that part of
11 the agreement providing for the lease may be renewed by the
12 qualified beginning farmer for a term of at least two years,
13 but not more than five years. An agreement does not include a
14 lease or the rental of equipment intended as a security.

15 *c.* The agricultural transfer agreement cannot be assigned
16 and the land subject to the agreement cannot be subleased.

17 5. The tax credit shall be based on the agricultural assets
18 transfer agreement. The agreement shall be based on a cash
19 basis or a commodity share basis or both.

20 *a.* For an agreement that includes a lease on a cash basis,
21 the tax credit shall be computed as follows:

22 (1) If the qualified beginning farmer is not a veteran, the
23 taxpayer may claim a tax credit equal to seven percent of the
24 gross amount paid to the taxpayer under the agreement for each
25 tax year that the tax credit is allowed.

26 (2) If the qualified beginning farmer is a veteran, the
27 taxpayer may claim eight percent of the gross amount paid to
28 the taxpayer under the agreement for the first year that the
29 tax credit is allowed and seven percent of the gross amount
30 paid to the taxpayer for each subsequent tax year that the
31 tax credit is allowed. However, the taxpayer may only claim
32 seven percent of the gross amount paid to the taxpayer under
33 a renewed agreement or a new agreement executed by the same
34 parties.

35 *b.* For an agreement that includes a lease on a commodity

1 share basis, the tax credit shall be computed as follows:

2 (1) (a) If the qualified beginning farmer is not a veteran,
3 the taxpayer may claim a tax credit equal to seventeen percent
4 of the amount paid to the taxpayer from crops or animals sold
5 under the agreement in which the payment is exclusively made
6 from the sale of crops or animals.

7 (b) If the qualified beginning farmer is a veteran, the
8 taxpayer may claim a tax credit equal to eighteen percent of
9 the amount paid to the taxpayer from crops or animals sold
10 under the agreement for the first tax year that the taxpayer
11 is allowed the tax credit and seventeen percent of the amount
12 paid to the taxpayer for each subsequent tax year that the
13 taxpayer is allowed the tax credit. However, the taxpayer may
14 only claim seventeen percent of the amount paid to the taxpayer
15 from crops or animals sold for any tax year under a renewed
16 agreement or a new agreement executed by the same parties.

17 (2) Notwithstanding subparagraph (1), the authority may
18 elect an alternative method to compute a tax credit for a lease
19 based on a crop share basis. The alternative method shall
20 utilize a formula which uses data compiled by the United States
21 department of agriculture. The formula shall calculate the
22 amount of the tax credit by multiplying the average per bushel
23 yield for the same type of grain as produced under the lease
24 in the same county where the leased land is located by a per
25 bushel state price established for such type of grain harvested
26 the previous fall.

27 6. A tax credit in excess of the taxpayer's liability for
28 the tax year may be credited to the tax liability for the
29 following five years or until depleted, whichever is earlier.
30 A tax credit shall not be carried back to a tax year prior to
31 the tax year in which the taxpayer redeems the tax credit. A
32 tax credit shall not be transferable to any other person other
33 than the taxpayer's estate or trust upon the taxpayer's death.

34 7. A taxpayer shall not claim a tax credit under this
35 section unless a tax credit certificate issued by the authority

1 is attached to the taxpayer's tax return for the tax year for
2 which the tax credit is claimed. The authority must review
3 and approve an application for a tax credit as provided by
4 rules adopted by the authority. The application must include
5 a copy of the agricultural assets transfer agreement. The
6 authority may approve an application and issue a tax credit
7 certificate to a taxpayer who has previously been allowed a
8 tax credit under this section. The authority may require
9 that the parties to an agricultural assets transfer agreement
10 provide additional information as determined relevant by the
11 authority. The authority shall review an application for
12 a tax credit which includes the renewal of an agricultural
13 assets transfer agreement to determine that the parties to the
14 renewed agreement meet the same qualifications as required for
15 an original application. The authority shall not approve an
16 application or issue a tax credit certificate to a taxpayer for
17 an amount in excess of fifty thousand dollars. In addition,
18 the authority shall not approve an application or issue a
19 certificate to a taxpayer if any of the following applies:
20 *a.* The taxpayer is at fault for terminating a prior
21 agricultural assets transfer agreement as determined by the
22 authority.
23 *b.* The taxpayer is any of the following:
24 (1) A party to a pending administrative or judicial action,
25 including a contested case proceeding under chapter 17A,
26 relating to an alleged violation involving an animal feeding
27 operation as regulated by the department of natural resources,
28 regardless of whether the pending action is brought by the
29 department or the attorney general.
30 (2) Classified as a habitual violator for a violation of
31 state law involving an animal feeding operation as regulated by
32 the department of natural resources.
33 *c.* The agricultural assets are being leased or rented at
34 a rate which is substantially higher or lower than the market
35 rate for similar agricultural assets leased or rented within

1 the same community, as determined by the authority.

2 8. A taxpayer or the qualified beginning farmer may
3 terminate an agricultural assets transfer agreement as provided
4 in the agreement or by law. The taxpayer must immediately
5 notify the authority of the termination.

6 a. If the authority determines that the taxpayer is not
7 at fault for the termination, the authority shall not issue a
8 tax credit certificate to the taxpayer for a subsequent tax
9 year based on the approved application. Any prior tax credit
10 is allowed as provided in this section. The taxpayer may
11 apply for and be issued another tax credit certificate for the
12 same agricultural assets as provided in this section for any
13 remaining tax years for which a certificate was not issued.

14 b. If the authority determines that the taxpayer is at fault
15 for the termination, any prior tax credit allowed under this
16 section is disallowed. The amount of the tax credit shall be
17 immediately due and payable to the department of revenue. If
18 a taxpayer does not immediately notify the authority of the
19 termination, the taxpayer shall be conclusively deemed at fault
20 for the termination.

21 Sec. 69. NEW SECTION. 16.81 Custom farming contract tax
22 credit.

23 1. A custom farming contract tax credit is allowed under
24 this section. The tax credit is allowed against the taxes
25 imposed in chapter 422, division II, as provided in section
26 422.11M, and in chapter 422, division III, as provided in
27 section 422.33, to encourage taxpayers who are considering
28 custom farming agricultural land located in this state to
29 negotiate with qualified beginning farmers.

30 2. In order to be eligible to claim a custom farming
31 contract tax credit, the taxpayer must meet qualifications
32 established by rules adopted by the authority. At a minimum,
33 the taxpayer must be a person who may acquire or otherwise
34 obtain or lease agricultural land in the same manner as
35 provided for a taxpayer claiming an agricultural assets

1 transfer tax credit under section 16.80.

2 3. An individual may claim a custom farming contract
3 tax credit of a partnership, limited liability company,
4 S corporation, estate, or trust electing to have income
5 taxed directly to the individual. The amount claimed by the
6 individual shall be based upon the pro rata share of the
7 individual's earnings from the partnership, limited liability
8 company, S corporation, estate, or trust.

9 4. A custom farming contract tax credit is allowed only for
10 the amount paid by the taxpayer to a qualified beginning farmer
11 under a custom farming contract as provided in rules adopted by
12 the department. The contract must provide for the production
13 of crops located on agricultural land or the production of
14 livestock principally located on agricultural land. The
15 agricultural land must be real estate and any improvements used
16 for farming in which the taxpayer holds a legal or equitable
17 interest.

18 5. The custom farming contract must provide that the
19 taxpayer pay the qualified beginning farmer on a cash basis.
20 The contract must be in writing for a term of not more than
21 twelve months. The total cash payment must equal at least one
22 thousand dollars.

23 6. The taxpayer must make all management decisions
24 substantially contributing to or affecting the production
25 of crops located on the agricultural land or the production
26 of livestock principally located on the agricultural land.
27 However, nothing in this subsection prohibits a qualified
28 beginning farmer from regularly or frequently taking part in
29 making day-to-day operational decisions affecting production.
30 The qualified beginning farmer must provide for all of the
31 following:

32 a. Production items principally used to produce crops
33 located on the agricultural land or to produce livestock
34 principally located on the agricultural land.

35 b. Labor principally used to produce crops located on the

1 agricultural land or to produce livestock principally located
2 on the agricultural land. The qualified beginning farmer must
3 personally provide such labor on a regular, continuous, and
4 substantial basis.

5 7. A custom farming contract tax credit is not allowed if
6 the taxpayer and qualified beginning farmer are related as any
7 of the following:

8 a. Persons who hold a legal or equitable interest in the
9 same agricultural land, including as individuals or as general
10 partners, limited partners, shareholders, or members in the
11 same business entity as defined in section 501A.102.

12 b. Family members related as spouse, child, stepchild,
13 brother, or sister.

14 c. Partners in the same partnership which holds agricultural
15 land, or shareholders in the same family farm corporation or
16 members in the same family farm limited liability company and
17 defined in section 9H.1.

18 8. A custom farming contract tax credit shall be calculated
19 based on the gross amount paid to the qualified beginning
20 farmer under the custom farming contract.

21 a. If the qualified beginning farmer is not a veteran, the
22 taxpayer may claim a tax credit equal to seven percent of the
23 gross amount paid to the qualified beginning farmer under the
24 contract for each tax year that the tax credit is allowed.

25 b. If the qualified beginning farmer is a veteran, the
26 taxpayer may claim a tax credit equal to eight percent of the
27 gross amount paid to the qualified beginning farmer under the
28 contract for the first year that the tax credit is allowed
29 and seven percent of the gross amount paid to the qualified
30 beginning farmer under the contract for each subsequent tax
31 year that the tax credit is allowed. However, the taxpayer
32 may only claim seven percent of the gross amount paid to the
33 qualified beginning farmer under a renewed contract or a new
34 contract executed by the same parties.

35 9. A custom farming contract tax credit in excess of the

1 taxpayer's liability for the tax year may be credited to the
2 tax liability for the following five years or until depleted,
3 whichever is earlier. A tax credit shall not be carried back
4 to a tax year prior to the tax year in which the taxpayer
5 redeems the tax credit. A tax credit shall not be transferable
6 to any other person other than the taxpayer's estate or trust
7 upon the taxpayer's death.

8 10. A taxpayer shall not claim a custom farming contract
9 tax credit unless a tax credit certificate issued by the
10 authority under this section is attached to the taxpayer's tax
11 return for the tax year for which the tax credit is claimed.
12 The authority must review and approve an application for a
13 tax credit certificate as provided by rules adopted by the
14 authority. The application must include a copy of the custom
15 farming contract. The authority may approve an application
16 and issue a tax credit certificate to a taxpayer who has
17 previously been allowed a tax credit under this section.
18 The authority may require that the parties to the contract
19 provide additional information as determined relevant by the
20 authority. The authority shall review an application for a tax
21 credit certificate which includes the renewal of a contract to
22 determine that the parties to the renewed contract meet the
23 same qualifications as required for an original application.
24 The authority shall not approve an application or issue a tax
25 credit certificate to a taxpayer for an amount in excess of
26 fifty thousand dollars. In addition, the authority shall not
27 approve an application or issue a tax credit certificate to a
28 taxpayer if any of the following applies:

29 a. The taxpayer is at fault for terminating another custom
30 farming contract, as determined by the authority.

31 b. The taxpayer is party to a pending administrative or
32 judicial action, or classified as a habitual violator in the
33 same manner as provided in section 16.80.

34 c. The contract amount is substantially higher or lower
35 than the market rate for a similar custom farming contract, as

1 determined by the authority.

2 11. A taxpayer or the qualified beginning farmer may
3 terminate a custom farming contract as provided in the contract
4 or by law. The taxpayer must immediately notify the authority
5 of the termination.

6 a. If the authority determines that the taxpayer is not
7 at fault for the termination, the authority shall not issue a
8 tax credit certificate to the taxpayer for a subsequent tax
9 year based on the approved application. Any prior tax credit
10 is allowed as provided in this section until its expiration.
11 The taxpayer may apply for and be issued another tax credit
12 certificate for the same agricultural land under a custom
13 farming contract with another qualified beginning farmer.

14 b. If the authority determines that the taxpayer is at fault
15 for the termination, any prior tax credit allowed under this
16 section is disallowed, and the amount of the tax credit shall
17 be immediately due and payable to the department of revenue.
18 If a taxpayer does not immediately notify the authority of the
19 termination, the taxpayer shall be conclusively deemed at fault
20 for the termination.

21 Sec. 70. NEW SECTION. 16.82 Tax credit certificates —
22 availability.

23 1. The amount of tax credits that may be issued to support
24 the beginning farmer tax credit program shall not in the
25 aggregate exceed twelve million dollars in any year. Of the
26 aggregate amount, eight million dollars is allocated to support
27 the agricultural assets transfer tax credit as provided in
28 section 16.80 and four million dollars is allocated to support
29 the custom farming contract tax credit as provided in section
30 16.81. However, the authority's board of directors may at
31 any time during the year adjust the allocation by adopting a
32 resolution.

33 2. The authority shall issue tax certificates to support
34 a beginning farmer tax credit on a first-come, first-served
35 basis.

1 Sec. 71. NEW SECTION. 16.83 **Additional loan program.**

2 1. The authority may enter into a loan agreement with a
3 beginning farmer to finance in whole or in part the acquisition
4 by construction or purchase of agricultural land, agricultural
5 improvements, or depreciable agricultural property. The
6 repayment obligation of the beginning farmer may be unsecured,
7 or may be secured by a mortgage or security agreement or by
8 other security as the authority deems advisable, and may
9 be evidenced by one or more notes of the beginning farmer.
10 The loan agreement may contain terms and conditions as the
11 authority deems advisable.

12 2. The authority may issue its bonds and notes for the
13 purposes set forth in subsection 1 and may enter into a lending
14 agreement or purchase agreement with one or more bondholders
15 or noteholders containing the terms and conditions of the
16 repayment of and the security for the bonds or notes. Bonds
17 and notes must be authorized by a resolution of the authority.
18 The authority and the bondholders or noteholders may enter into
19 an agreement to provide for any of the following:

20 *a.* That the proceeds of the bonds and notes and investments
21 thereon may be received, held, and disbursed by the bondholders
22 or noteholders, or by a trustee or agent designated by the
23 authority.

24 *b.* That the bondholders or noteholders or a trustee or agent
25 designated by the authority may collect, invest, and apply the
26 amounts payable under the loan agreement or any other security
27 instrument securing the debt obligation of the beginning
28 farmer.

29 *c.* That the bondholders or noteholders may enforce the
30 remedies provided in the loan agreement or security instrument
31 on their own behalf without the appointment or designation of
32 a trustee and if there is a default in the principal of or
33 interest on the bonds or notes or in the performance of any
34 agreement contained therein, the payment or performance may be
35 enforced in accordance with the provisions contained therein.

1 *d.* That if there is a default in the payment of the
2 principal or interest on a mortgage or security instrument
3 or a violation of an agreement contained in the mortgage or
4 security instrument, the mortgage or security instrument
5 may be foreclosed or enforced and any collateral sold under
6 proceedings or actions permitted by law and a trustee under the
7 mortgage or security agreement or the holder of any bonds or
8 notes secured thereby may become a purchaser if the trustee or
9 holder is the highest bidder.

10 *e.* Other terms and conditions.

11 3. The authority may provide in the resolution authorizing
12 the issuance of the bonds or notes that the principal and
13 interest shall be limited obligations payable solely out of the
14 revenues derived from the debt obligation, collateral, or other
15 security furnished by or on behalf of the beginning farmer,
16 and that the principal and interest does not constitute an
17 indebtedness of the authority or a charge against its general
18 credit or general fund.

19 4. The powers granted the authority under this section
20 are in addition to other powers granted to the authority
21 to administer this subchapter as provided in this chapter.
22 All other provisions of this chapter, except section 16.28,
23 subsection 4, apply to bonds or notes issued pursuant to and
24 powers granted to the authority under this section except to
25 the extent that they are inconsistent with this section.

26 Sec. 72. NEW SECTION. **16.84 Financial assistance for**
27 **agricultural producers.**

28 1. In addition to the other programs authorized pursuant
29 to this subchapter, the authority is authorized to provide
30 any type of economic assistance directly or indirectly to
31 agricultural producers, and may develop and implement programs
32 including but not limited to the making of loan guaranties,
33 interest buy-downs, grants, secured or unsecured direct
34 loans, secondary market purchases of loans or mortgages, loans
35 to lending institutions or other agricultural lenders as

1 designated by rule of the authority, or entities that provide
2 funds or credits to such lenders or institutions, to assist
3 agricultural producers within the state. The authority may
4 exercise any of the powers granted to the authority in this
5 chapter in order to fulfill the goal of providing financial
6 assistance to agricultural producers. The authority may
7 participate in and cooperate with programs of any agency or
8 instrumentality of the federal government or with programs of
9 any other state agency in the administration of the programs to
10 provide economic assistance to agricultural producers.

11 2. The authority shall provide in any program developed and
12 implemented pursuant to this section that assistance shall be
13 provided only if the following criteria are satisfied:

14 a. The agricultural producer is a resident of the state.

15 b. The agricultural producer's land and farm operations are
16 located within the state.

17 c. Based upon the agricultural producer's net worth, cash
18 flow, debt-to-asset ratio, and other criteria as prescribed by
19 rule of the authority, the authority determines that without
20 such assistance the agricultural producer could not reasonably
21 be expected to be able to obtain, retain, restructure, or
22 service loans or other financing for operating expenses, cash
23 flow requirements, or capital acquisition and maintenance upon
24 a reasonable and affordable basis.

25 d. Other criteria as the authority prescribes by rule.

26 3. The authority is granted all powers which are necessary
27 or useful to develop and implement programs and authorizations
28 pursuant to subsection 1. These powers include but are not
29 limited to:

30 a. All general and specific powers stated in subchapter IV
31 and this subchapter.

32 b. The power to make or enter into or to require the
33 making or entry into of agreements of any type, with or
34 by any person, that are necessary to effect the purposes
35 of this section. These agreements may include but are not

1 limited to contracts, notes, bonds, guaranties, mortgages,
2 loan agreements, trust indentures, reimbursement agreements,
3 letters of credit or other liquidity or credit enhancement
4 agreements, reserve agreements, loan or mortgage purchase
5 agreements, buy-down agreements, grants, collateral or security
6 agreements, insurance contracts, or other similar documents.
7 The agreements may contain any terms and conditions which the
8 authority determines are reasonably necessary or useful to
9 implement the purposes of this section or which are usually
10 included in agreements or documents between private or public
11 persons in similar transactions.

12 *c.* The power to require submission of evidence satisfactory
13 to the authority of the receipt by an agricultural producer
14 of the assistance intended under a program developed and
15 implemented pursuant to this section. In that connection,
16 the authority, through its members, employees, or agents,
17 may inspect the books and records of any person receiving or
18 involved in the provision of assistance in accordance with this
19 section.

20 *d.* The power to establish by rule appropriate enforcement
21 provisions in order to assure compliance with this section and
22 rules adopted pursuant to this section, to seek the enforcement
23 of such rules and the terms of any agreement or document by
24 decree of any court of competent jurisdiction, and to require
25 as a condition of providing assistance pursuant to this
26 section the consent of any person receiving or involved in the
27 provision of the assistance to the jurisdiction of the courts
28 of this state over any enforcement proceeding.

29 *e.* The power to require, as a condition of the provision
30 of assistance pursuant to this section, any representations
31 and warranties on the part of any person receiving or
32 involved in providing such assistance that the authority
33 determines are reasonably necessary or useful to carry out the
34 purposes of this section. A person receiving or involved in
35 providing assistance pursuant to this section is liable to the

1 authority for damages suffered by the authority by reason of a
2 misrepresentation or the breach of a warranty.

3 4. All persons, public and private, are authorized to
4 cooperate with the authority and to participate in the programs
5 developed and implemented pursuant to this section and in
6 accordance with the rules of the authority.

7 5. The powers granted the authority under this section
8 are in addition to other powers contained in this chapter.
9 All other provisions of this chapter, except section 16.28,
10 subsection 4, apply to bonds or notes issued pursuant to powers
11 granted to the authority under this section, to reserve funds,
12 to appropriations, and to the remedies of bondholders and
13 noteholders except to the extent that they are inconsistent
14 with this section.

15 Sec. 73. NEW SECTION. 16.90 Definition.

16 As used in this subchapter, unless the context otherwise
17 requires, "*title guaranty*" means a guaranty against loss or
18 damage caused by a defective title to real property.

19 Sec. 74. Section 16.91, subsection 1, Code 2014, is amended
20 to read as follows:

21 1. The authority through the Iowa title guaranty division
22 shall initiate and operate a program in which the division
23 shall offer guaranties of real property titles in this state.
24 The terms, conditions and form of the guaranty contract shall
25 be forms approved by the division board. The division shall
26 fix a charge for the guaranty in an amount sufficient to permit
27 the program to operate on a self-sustaining basis, including
28 payment of administrative costs and the maintenance of an
29 adequate reserve against claims under the title guaranty
30 program. A title guaranty fund is created in the office of
31 the treasurer of state. Funds collected under this program
32 shall be placed in the title guaranty fund and are available
33 to pay all claims, necessary reserves and all administrative
34 costs of the title guaranty program. Moneys in the fund shall
35 not revert to the general fund and interest on the moneys

1 in the fund shall be deposited in the housing trust fund
2 established in section ~~16.181~~ 16.45 and shall not accrue to the
3 general fund. If the authority board in consultation with the
4 division board determines that there are surplus funds in the
5 title guaranty fund after providing for adequate reserves and
6 operating expenses of the division, the surplus funds shall be
7 transferred to the housing assistance fund created pursuant to
8 section 16.40.

9 Sec. 75. Section 16.92, subsection 1, paragraph c, Code
10 2014, is amended to read as follows:

11 c. "*Division*" means the Iowa title guaranty division in
12 the Iowa finance authority, the director of the division, or a
13 designee of the director.

14 Sec. 76. Section 16.93, subsection 1, unnumbered paragraph
15 1, Code 2014, is amended to read as follows:

16 The authority through the Iowa title guaranty division
17 may issue a closing protection letter to a person to whom a
18 proposed title guaranty is to be issued, upon the request of
19 the person, if the division issues a commitment for title
20 guaranty or title guaranty certificate. The closing protection
21 letter shall conform to the terms of coverage and form of the
22 instrument as approved by the division board and may indemnify
23 a person to whom a proposed title guaranty is to be issued
24 against loss of settlement funds due to only the following acts
25 of the division's named participating attorney, participating
26 abstractor, or closer:

27 Sec. 77. Section 16.102, Code 2014, is amended to read as
28 follows:

29 **16.102 Establishment of ~~bond bank~~ economic development**
30 **program — bonds and notes — projects.**

31 The authority may assist the development and expansion
32 of family farming, ~~soil conservation~~, housing, and business
33 in the state through the establishment of the ~~Iowa~~ economic
34 development ~~bond bank~~ program. The authority may issue its
35 bonds or notes, or series of bonds or notes for the purpose of

1 defraying the cost of one or more projects and make secured
2 and unsecured loans for the acquisition and construction of
3 projects on terms the authority determines.

4 Sec. 78. Section 16.103, unnumbered paragraph 1, Code 2014,
5 is amended to read as follows:

6 In carrying out the ~~Iowa~~ economic development ~~bond bank~~
7 program, the authority may do any of the following:

8 Sec. 79. Section 16.105, subsection 1, unnumbered paragraph
9 1, Code 2014, is amended to read as follows:

10 The authority may provide in the resolution authorizing
11 the issuance of its bonds or notes for the ~~Iowa~~ economic
12 development ~~bond bank~~ program that the principal of, premium,
13 if any, and interest on the bonds or notes are payable
14 exclusively from any of the following:

15 Sec. 80. Section 16.105, subsections 10 and 13, Code 2014,
16 are amended by striking the subsections.

17 Sec. 81. Section 16.131, subsection 1, Code 2014, is amended
18 to read as follows:

19 1. The authority shall cooperate with the department
20 of natural resources in the creation, administration, and
21 financing of the ~~Iowa~~ water pollution control works and
22 drinking water facilities financing program established in
23 sections 455B.291 through 455B.299.

24 Sec. 82. Section 16.131A, subsection 8, Code 2014, is
25 amended to read as follows:

26 8. "*Program*" means the ~~Iowa~~ water pollution control works
27 and drinking water facilities financing program created
28 pursuant to section 455B.294.

29 Sec. 83. Section 16.132, subsection 6, Code 2014, is amended
30 by striking the subsection.

31 Sec. 84. Section 16.134, subsection 4, paragraph c, Code
32 2014, is amended to read as follows:

33 c. Priority shall be given to projects in which the
34 financial assistance is used to obtain financing under the ~~Iowa~~
35 water pollution control works and drinking water facilities

1 financing program pursuant to section 16.131 or other federal
2 or state financing.

3 EFFECTIVE DATE

4 Sec. 85. EFFECTIVE DATE. This division of this Act takes
5 effect January 1, 2015.

6 DIVISION II

7 COORDINATING AMENDMENTS

8 GENERAL PROVISIONS

9 Sec. 86. Section 2.48, subsection 3, paragraph c,
10 subparagraph (4), Code 2014, is amended by striking the
11 subparagraph.

12 Sec. 87. Section 2.48, subsection 3, paragraph e,
13 subparagraph (1), Code 2014, is amended to read as follows:

14 (1) (a) The agricultural assets transfer tax credit ~~under~~
15 as provided in section 175.37 and the 16.80.

16 (b) The custom farming contract tax credit as provided in
17 section ~~175.38~~ 16.81.

18 Sec. 88. Section 7C.4A, subsection 4, Code 2014, is amended
19 to read as follows:

20 4. Twenty-one percent of the state ceiling shall be
21 allocated to qualified small issue bonds issued for first-time
22 farmers under chapter ~~175~~ 16, subchapter VIII. However, at any
23 time during the calendar year the governor's designee, with the
24 approval of the Iowa finance authority, may determine that a
25 lesser amount need be allocated to qualified small issue bonds
26 for first-time farmers and on that date this lesser amount
27 shall be the amount allocated for those bonds and the excess
28 shall be allocated under subsection 7.

29 Sec. 89. Section 15F.204, subsection 8, paragraph e, Code
30 2014, is amended by striking the paragraph.

31 Sec. 90. Section 159.18, subsection 1, Code 2014, is amended
32 to read as follows:

33 1. As used in this section, "*farm programs*" includes, but
34 is not limited to, financial incentive programs established
35 within the division of soil conservation of the department of

1 agriculture and land stewardship as provided in section 161A.70
2 and the beginning farmer loan program administered by the Iowa
3 finance authority as provided in section ~~175.12~~ 16.75.

4 Sec. 91. Section 237.14, Code 2014, is amended to read as
5 follows:

6 **237.14 Enhanced foster care services.**

7 The department shall provide for enhanced foster
8 care services by establishing supplemental per diem or
9 performance-based contracts which include payment of costs
10 relating to payments of principal and interest for bonds and
11 notes issued pursuant to section ~~16.155~~ 16.57 with facilities
12 licensed under this chapter which provide special services to
13 children who would otherwise be placed in a state juvenile
14 institution or an out-of-state program. Before completion of
15 the department's budget estimate as required by section 8.23,
16 the department shall determine and include in the estimate the
17 amount which should be appropriated for enhanced foster care
18 services for the forthcoming fiscal year in order to provide
19 sufficient services.

20 Sec. 92. Section 422.7, subsection 2, paragraphs e and k,
21 Code 2014, are amended to read as follows:

22 e. ~~Iowa water~~ Water pollution control works and drinking
23 facilities financing program bonds pursuant to section 16.131,
24 subsection 5.

25 k. Iowa finance authority beginning farmer loan program
26 bonds pursuant to section ~~175.17~~ 16.64, subsection ~~10~~ 2.

27 Sec. 93. Section 422.11M, Code 2014, is amended to read as
28 follows:

29 **422.11M Beginning farmers — agricultural assets transfer
30 tax credit and custom farming contract tax credit.**

31 The taxes imposed under this division, less the credits
32 allowed under section 422.12, shall be reduced by the
33 following:

34 1. An agricultural assets transfer tax credit as allowed
35 under section ~~175.37~~ 16.80.

1 2. A custom farming contract tax credit as allowed under
2 section ~~175.38~~ 16.81.

3 Sec. 94. Section 422.33, subsection 21, Code 2014, is
4 amended to read as follows:

5 21. The taxes imposed under this division shall be reduced
6 by the following:

7 a. An agricultural assets transfer tax credit as allowed
8 under section ~~175.37~~ 16.80.

9 b. A custom farming contract tax credit as allowed under
10 section ~~175.38~~ 16.81.

11 Sec. 95. Section 422.33, subsection 27, Code 2014, is
12 amended by striking the subsection.

13 Sec. 96. Section 428A.8, subsection 2, unnumbered paragraph
14 1, Code 2014, is amended to read as follows:

15 The treasurer of state shall deposit or transfer the
16 receipts paid the treasurer of state pursuant to subsection 1
17 to either the general fund of the state, the shelter assistance
18 fund created in section 16.41, or the housing trust fund
19 created in section ~~16.181, or the shelter assistance fund~~
20 ~~created in section 16.41~~ 16.45 as follows:

21 Sec. 97. Section 455B.291, subsection 8, Code 2014, is
22 amended to read as follows:

23 8. "*Program*" means the ~~Iowa~~ water pollution control works
24 and drinking water facilities financing program created
25 pursuant to section 455B.294.

26 Sec. 98. Section 455B.294, Code 2014, is amended to read as
27 follows:

28 **455B.294 Establishment of the ~~Iowa~~ water pollution control**
29 **works and drinking water facilities financing program.**

30 The ~~Iowa~~ water pollution control works and drinking water
31 facilities financing program is established for the purpose of
32 making loans available to eligible entities to finance all or
33 part of the costs of projects. The program shall be a joint and
34 cooperative undertaking of the department and the authority.
35 The department and the authority may enter into and provide

1 any agreements, documents, instruments, certificates, data,
 2 or information necessary in connection with the operation,
 3 administration, and financing of the program consistent with
 4 this part, the Safe Drinking Water Act, the Clean Water Act,
 5 the rules of the department and the commission, the rules of
 6 the authority, and other applicable federal and state law. The
 7 authority and the department may act to conform the program to
 8 the applicable guidance and regulations adopted by the United
 9 States environmental protection agency.

10 Sec. 99. Section 456A.38, subsection 1, paragraph a, Code
 11 2014, is amended to read as follows:

12 a. "*Agricultural land*", "*authority*", "*beginning farmer*", and
 13 "*farming*" mean the same as defined in section ~~175.2~~ 16.58.

14 Sec. 100. Section 456A.38, subsection 4, Code 2014, is
 15 amended to read as follows:

16 4. The department shall execute a lease with a beginning
 17 farmer selected to participate in the program after such person
 18 has been certified by the authority as a beginning farmer who
 19 meets the requirements of the authority, which shall be based
 20 on section ~~175.12~~ 16.75, subsection 3, paragraphs "*a*", "*c*", "*f*",
 21 and "*g*".

22 Sec. 101. Section 502.201, subsection 9B, Code 2014, is
 23 amended to read as follows:

24 9B. *Iowa finance authority*. Any security issued by the
 25 Iowa finance authority under chapter ~~175~~ 16, subchapter VIII.

26 Sec. 102. Section 535B.10, subsection 6, paragraph h, Code
 27 2014, is amended to read as follows:

28 h. The administrator may furnish information to the Iowa
 29 title guaranty division of the Iowa finance authority relating
 30 to supervision of closing agent licensees whose activities
 31 relate to the issuance of title guaranty certificates issued
 32 by the title guaranty division. The Iowa title guaranty
 33 division may use this information to satisfy its reinsurance
 34 requirements and may provide the information to its reinsurer
 35 to the extent necessary to satisfy reinsurer requirements

1 provided the reinsurer agrees to maintain the confidentiality
2 of the information. The Iowa title guaranty division shall
3 maintain the confidentiality of the information provided
4 pursuant to this paragraph in all other respects.

5 Sec. 103. Section 543B.46, subsection 1, Code 2014, is
6 amended to read as follows:

7 1. Each real estate broker shall maintain a common trust
8 account in a bank, savings association, or credit union for
9 the deposit of all down payments, earnest money deposits,
10 or other trust funds received by the broker or the broker's
11 salespersons on behalf of the broker's principal, except that a
12 broker acting as a salesperson shall deposit these funds in the
13 common trust account of the broker for whom the broker acts as
14 salesperson. The account shall be an interest-bearing account.
15 The interest on the account shall be transferred quarterly to
16 the treasurer of state and transferred to the Iowa finance
17 authority for deposit in the housing trust fund established
18 in section ~~16.181~~ 16.45 unless there is a written agreement
19 between the buyer and seller to the contrary. The broker shall
20 not benefit from interest received on funds of others in the
21 broker's possession.

22 Sec. 104. Section 543D.21, subsection 3, Code 2014, is
23 amended to read as follows:

24 3. In addition to or as an alternative to making application
25 to the district court for an injunction, the board may issue
26 an order to a person who is not certified or registered under
27 this chapter to require compliance with this chapter and may
28 impose a civil penalty against such person for any violation
29 of subsection 4 in an amount up to one thousand dollars for
30 each violation. All civil penalties collected pursuant to this
31 subsection shall be deposited in the housing trust fund created
32 in section ~~16.181~~ 16.45. An order issued pursuant to this
33 section may prohibit a person from applying for certification
34 or registration under this chapter.

35 Sec. 105. Section 654.16, unnumbered paragraph 1, Code

1 2014, is amended to read as follows:

2 If a sheriff's sale is ordered on agricultural land used for
3 farming, as defined in section ~~175.2~~ 16.58, the mortgagor may,
4 by a date set by the court but not later than ten days before
5 the sale, designate to the court the portion of the land which
6 the mortgagor claims as a homestead. The homestead may be any
7 contiguous portion of forty acres or less of the real estate
8 subject to the sheriff's sale. The homestead shall contain
9 the residence of the mortgagor and shall be as compact as
10 practicable.

11 Sec. 106. Section 654.16A, subsection 1, Code 2014, is
12 amended to read as follows:

13 1. Not later than the time a sheriff's deed to agricultural
14 land used for farming, as defined in section ~~175.2~~ 16.58, is
15 recorded, the grantee recording the sheriff's deed shall notify
16 the mortgagor of the mortgagor's right of first refusal. The
17 grantee shall record the sheriff's deed within one year and
18 sixty days from the date of the sheriff's sale. A copy of
19 this section, titled "Notice of Right of First Refusal" is
20 sufficient notice.

21 EFFECTIVE DATE

22 Sec. 107. EFFECTIVE DATE. This division of this Act takes
23 effect January 1, 2015.

24 DIVISION III

25 CODIFICATION

26 GENERAL PROVISIONS

27 Sec. 108. REORGANIZATION. The Code editor shall create new
28 subchapters, parts, and subparts in chapter 16, as amended in
29 this Act, for publication in the 2015 Code as follows:

30 1. Subchapter I may include section 16.1 as amended in this
31 Act. The subchapter may be entitled "General Definitions".

32 2. Subchapter II may include sections 16.1A, 16.2, and
33 16.2A, as amended in this Act, and sections 16.2B through
34 16.2D as enacted in this Act. The subchapter may be entitled
35 "Governance". The subchapter may be divided into parts as

1 follows:

2 a. Part 1 may include sections 16.1A and 16.2 as amended in
3 this Act. The part may be entitled "General".

4 b. Part 2 may include section 16.2A as amended in this Act
5 and sections 16.2B through 16.2D as enacted in this Act. The
6 part may be entitled "Special Governing Units".

7 3. Subchapter III may include section 16.2E as enacted in
8 this Act, section 16.3 as amended by this Act, reserved section
9 16.3A as repealed in this Act, section 16.4 as amended in
10 this Act, and sections 16.4A through 16.4D as enacted in this
11 Act. The subchapter may be entitled "Legislative Findings and
12 Guiding Principles". The subchapter may be divided into parts
13 as follows:

14 a. Part 1 may include section 16.2E as enacted in this Act.
15 The part may be entitled "General".

16 b. Part 2 may include sections 16.3 as amended by this
17 Act, reserved section 16.3A as repealed in this Act, and
18 section 16.4 as amended in this Act. The part may be entitled
19 "Housing".

20 c. Part 3 may include sections 16.4A and 16.4B as enacted in
21 this Act. The part may be entitled "Agricultural Development".

22 d. Part 4 may include section 16.4C as enacted in this Act.
23 The part may be entitled "Title Guaranty".

24 e. Part 5 may include section 16.4D as enacted in this Act.
25 The part may be entitled "Economic Development".

26 4. Subchapter IV may include sections 16.5 as amended in
27 this Act, reserved sections 16.5A and 16.5B, section 16.5C
28 as amended in this Act, and section 16.5D as enacted in this
29 Act. The subchapter may be entitled "Powers and Duties". The
30 subchapter may be divided into parts as follows:

31 a. Part 1 may include section 16.5 as amended in this
32 Act, and reserved sections 16.5A and 16.5B. The part may be
33 entitled "General Powers and Duties".

34 b. Part 2 may include section 16.5C as amended in this Act
35 and section 16.5D as enacted in this Act. The part may be

1 entitled "Specific Powers".

2 5. Subchapter V may include section 16.6, section 16.7
3 as amended in this Act, reserved section 16.8, section 16.9
4 as amended in this Act, reserved section 16.10 as repealed
5 in this Act, section 16.11 as enacted in this Act, reserved
6 section 16.12, section 16.13 as enacted in this Act, reserved
7 section 16.14, reserved section 16.15 as repealed in this Act,
8 and sections 16.16 through 16.19 as enacted in this Act. The
9 subchapter may be entitled "Administration". The subchapter
10 may be divided into parts as follows:

11 a. Part 1 may include section 16.6. The part may be
12 entitled "Executive Director".

13 b. Part 2 may include section 16.7 as amended in this
14 Act, reserved section 16.8, section 16.9 as amended in this
15 Act, reserved section 16.10 as repealed in this Act, section
16 16.11 as enacted in this Act, reserved section 16.12, section
17 16.13 as enacted in this Act, reserved section 16.14, reserved
18 section 16.15 as repealed in this Act, and section 16.16 as
19 enacted in this Act. The part may be entitled "General".

20 c. Part 3 may include sections 16.17 through 16.19 as
21 enacted in this Act. The part may be entitled "Statutory
22 Construction".

23 6. Subchapter VI may include reserved sections 16.20 and
24 16.21 as repealed in this Act, section 16.22 as enacted in this
25 Act, reserved sections 16.23 through 16.25, sections 16.26
26 and 16.27 as amended in this Act, section 16.27A as enacted
27 in this Act, section 16.28, section 16.29 as enacted in this
28 Act, sections 16.30 and 16.31, section 16.32 as enacted in this
29 Act, and reserved section 16.33 as repealed in this Act. The
30 subchapter may be entitled "Financing".

31 7. Subchapter VII may include reserved section 16.34 as
32 repealed in this Act, sections 16.34A through 16.36 as enacted
33 in this Act, reserved section 16.37 as repealed in this Act,
34 sections 16.38 and 16.39 as enacted in this Act, section 16.40
35 as amended in this Act, section 16.41, reserved section 16.42

1 as repealed in this Act, section 16.43 as enacted in this Act,
2 section 16.44, sections 16.45 through 16.50 as enacted in
3 this Act, section 16.51, reserved section 16.52 as repealed
4 in this Act, sections 16.53 and 16.54, and sections 16.55
5 through 16.57 as enacted in this Act. The subchapter may be
6 entitled "Housing". The subchapter may be divided into parts
7 as follows:

8 a. Part 1 may include reserved section 16.34 as repealed in
9 this Act and section 16.34A as enacted in this Act. The part
10 may be entitled "Special Definition".

11 b. Part 2 may include sections 16.35 through 16.36 as
12 enacted in this Act, and reserved section 16.37 as repealed in
13 this Act. The part may be entitled "Administration".

14 c. Part 3 may include sections 16.38 and 16.39 as enacted in
15 this Act. The part may be entitled "Lending Institutions".

16 d. Part 4 may include section 16.40 as amended in this
17 Act, section 16.41, reserved section 16.42 as repealed in this
18 Act, section 16.43 as enacted in this Act, section 16.44, and
19 sections 16.45 through 16.50 as enacted in this Act. The part
20 may be entitled "Special Funds".

21 e. Part 5 may include section 16.51, reserved section 16.52
22 as repealed in this Act, sections 16.53 and 16.54, and sections
23 16.55 through 16.57 as enacted in this Act. The part may be
24 entitled "Additional Programs".

25 8. Subchapter VIII may include sections 16.58 through 16.64
26 as enacted in this Act, reserved sections 16.65 through 16.67,
27 section 16.68 as enacted in this Act, reserved section 16.69,
28 sections 16.70 and 16.71 as enacted in this Act, reserved
29 section 16.72, reserved section 16.73 as repealed in this Act,
30 reserved section 16.74, sections 16.75 and 16.76 as enacted
31 in this Act, reserved section 16.77, sections 16.78 through
32 16.84 as enacted in this Act, and reserved sections 16.85
33 through 16.89. The subchapter may be entitled "Agricultural
34 Development". The subchapter may be divided into parts as
35 follows:

1 a. Part 1 may include sections 16.58 and 16.59 as enacted in
2 this Act. The part may be entitled "General".

3 b. Part 2 may include sections 16.60 through 16.63
4 as enacted in this Act. The part may be entitled
5 "Administration".

6 c. Part 3 may include section 16.64 as enacted in this
7 Act, reserved sections 16.65 through 16.67, section 16.68 as
8 enacted in this Act, and reserved section 16.69. The part may
9 be entitled "Special Financing".

10 d. Part 4 may include sections 16.70 and 16.71 as enacted
11 in this Act, reserved section 16.72, reserved section 16.73 as
12 repealed in this Act, and reserved section 16.74. The part may
13 be entitled "Loans to Lending Institutions".

14 e. Part 5 may include sections 16.75 and 16.76 as enacted in
15 this Act, reserved section 16.77, and sections 16.78 through
16 16.84 as enacted in this Act, and reserved sections 16.85
17 through 16.89. The part may be entitled "Beginning Farmer
18 Programs". The part may be divided into subparts as follows:

19 (1) Subpart A may include sections 16.75 and 16.76 as
20 enacted in this Act and reserved section 16.77. The subpart
21 may be entitled "Beginning Farmer Loan Program".

22 (2) Subpart B may include sections 16.78 through 16.82 as
23 enacted in this Act. The subpart may be entitled "Beginning
24 Farmer Tax Credit Program".

25 (3) Subpart C may include sections 16.83 and 16.84 as
26 enacted in this Act, and reserved sections 16.85 through 16.89.
27 The subpart may be entitled "Agricultural Producer Programs".

28 9. Subchapter IX may include section 16.90 as enacted
29 in this Act, and section 16.91 as amended in this Act, and
30 sections 16.92 through 16.97. The subchapter may be entitled
31 "Title Guaranty". The subchapter may be divided into parts as
32 follows:

33 a. Part 1 may include section 16.90 as enacted in this Act.
34 The part may be entitled "General".

35 b. Part 2 may include section 16.91 as amended in this Act,

1 sections 16.92 and 16.93, and reserved sections 16.94 through
2 16.97. The part may be entitled "Program".

3 10. Subchapter X may include reserved sections 16.98 and
4 16.99, reserved sections 16.100 and 16.100A as repealed in
5 this Act, reserved section 16.101, section 16.102, section
6 16.103 as amended in this Act, section 16.104, section 16.105
7 as amended in this Act, section 16.106 as repealed by this
8 Act, reserved sections 16.107 through 16.130, section 16.131
9 and section 16.132 as amended in this Act, sections 16.133
10 and 16.133A, sections 16.134 as amended in this Act, section
11 16.135, reserved sections 16.136 through 16.140, section
12 16.141, reserved sections 16.142 through 16.154, reserved
13 section 16.155 as repealed in this Act, reserved sections
14 16.156 through 16.160, sections 16.161 and 16.162, reserved
15 sections 16.163 through 16.170, repealed section 16.171 as
16 repealed in this Act, reserved sections 16.172 through 16.176,
17 section 16.177, reserved sections 16.178 through 16.180,
18 reserved sections 16.181 through 16.185 as repealed in this
19 Act, reserved sections 16.186 and 16.187, reserved section
20 16.188 as repealed in this Act, reserved sections 16.189
21 through 16.192, sections 16.193 through 16.196, reserved
22 section 16.197 as repealed by this Act, reserved sections
23 16.198 through 16.200, reserved section 16.201 as repealed in
24 this Act, reserved sections 16.202 through 16.210, reserved
25 sections 16.211 and 16.212 as repealed in this Act, reserved
26 sections 16.213 through 16.220, and reserved section 16.221 as
27 repealed in this Act. The subchapter may be entitled "Special
28 Financing Programs". The subchapter may be divided into parts
29 as follows:

30 a. Part 1 may include reserved sections 16.98 and 16.99,
31 reserved sections 16.100 and 16.100A as repealed in this Act,
32 reserved section 16.101, sections 16.102 and 16.103 as amended
33 in this Act, section 16.104, section 16.105 as amended in this
34 Act, section 16.106 as repealed in this Act, and reserved
35 sections 16.107 through 16.130. The part may be entitled

1 "Economic Development Program".

2 b. Part 2 may include sections 16.131 through 16.132 as
3 amended in this Act, sections 16.133 and 16.133A, section
4 16.134 as amended in this Act, section 16.135, and reserved
5 sections 16.136 through 16.140. The part may be entitled
6 "Water Pollution Control Works and Drinking Water Facilities
7 Financing".

8 c. Part 3 may include section 16.141 and reserved sections
9 16.142 through 16.154. The part may be entitled "Unsewered
10 Community Revolving Loan Program".

11 d. Part 4 may include section 16.155 as repealed in this
12 Act, reserved sections 16.156 through 16.160, and section
13 16.161. The part may be entitled "E911 Program".

14 e. Part 5 may include section 16.162 and reserved sections
15 16.163 through 16.170. The part may be entitled "Community
16 College Dormitories".

17 f. Part 6 may include section 16.171 and reserved sections
18 16.172 through 16.176. The part may be entitled "Recovery Zone
19 Bonds".

20 g. Part 7 may include section 16.177, reserved sections
21 16.178 through 16.180, reserved sections 16.181 through 16.185
22 as repealed in this Act, reserved sections 16.186 and 16.187,
23 reserved section 16.188 as repealed in this Act, and reserved
24 sections 16.189 and 16.190. The part may be entitled "Prison
25 Infrastructure Revenue Bonds".

26 h. Part 8 may include reserved sections 16.191 and 16.192,
27 sections 16.193 through 16.196, reserved section 16.197 as
28 repealed in this Act, reserved sections 16.198 through 16.200,
29 reserved section 16.201 as repealed in this Act, reserved
30 sections 16.202 through 16.210, reserved sections 16.211 and
31 16.212 as repealed in this Act, reserved sections 16.213
32 through 16.220, and reserved section 16.221 as repealed by this
33 Act. The part may be entitled "Iowa Jobs Program".

34 CORRECTIONS AND FURTHER REORGANIZATION

35 Sec. 109. AUTHORITY TO CODE EDITOR. In reorganizing

1 chapter 16 for publication as part of the 2015 Code, all of the
2 following shall apply:

3 1. The Code editor shall correct internal references as
4 necessary.

5 2. Nothing in this Act prevents the Code editor from
6 organizing chapter 16, as provided in section 2B.13, in a
7 manner other than specified in this division. The Code editor
8 may consolidate the subchapters, parts, subparts, or sections
9 in chapter 16, including by eliminating unused section numbers
10 and renumbering sections included in chapter 16 as amended by
11 this Act, and correcting internal references in a manner that
12 enhances its readability.

13 EFFECTIVE DATE

14 Sec. 110. EFFECTIVE DATE. This division of this Act takes
15 effect upon enactment.

16 DIVISION IV

17 TRANSITIONAL PROVISIONS

18 ADMINISTRATION

19 Sec. 111. POWERS AND DUTIES OF THE IOWA FINANCE
20 AUTHORITY. This Act does not do any of the following:

21 1. Substantively affect the powers and duties of the Iowa
22 finance authority provided for in chapter 16 or 175 as either
23 chapter existed immediately prior to the effective date of this
24 division of this Act.

25 2. Restrict the Iowa finance authority from adopting a rule,
26 form, order, or directive that it could have adopted under
27 chapter 16 or 175 as either chapter existed immediately prior
28 to the effective date of this division of this Act.

29 Sec. 112. ADMINISTRATION OF ONGOING PROGRAMS. The Iowa
30 finance authority shall continue the administration of ongoing
31 programs under chapter 16 or 175, in progress on the effective
32 date of this division of this Act.

33 Sec. 113. ADMINISTRATIVE RULES AND OTHER ACTIONS AND
34 DOCUMENTS. Any rule, form, order, or directive promulgated by
35 the Iowa finance authority pursuant to chapter 16, including

1 section 16.1A, or chapter 175, as required to administer
2 and enforce the provisions of chapter 16 as amended in this
3 Act, shall continue in full force and effect until amended,
4 rescinded, or supplemented by the affirmative action of the
5 Iowa finance authority.

6 Sec. 114. GOVERNING BODIES.

7 1. This Act's repeal of section 175.3 and the enactment of
8 section 16.2C shall not affect the original appointment or term
9 of office of a member to the agricultural development board by
10 the governor pursuant to 2013 Iowa Acts, chapter 100. However,
11 such a member shall comply with any new requirement as provided
12 in this Act upon reappointment and a new member shall comply
13 with all requirements as provided in this Act upon appointment
14 or reappointment.

15 2. This Act's repeal of section 16.100 and the enactment
16 of section 16.2D shall not affect the appointment or term of
17 office of a member to the council on homelessness.

18 Sec. 115. PERSONNEL. Nothing in this Act affects personnel
19 in the state merit system of employment.

20 LEGAL OR EQUITABLE RIGHTS

21 Sec. 116. PENDING ADMINISTRATIVE OR JUDICIAL PROCEEDINGS.

22 1. An administrative or judicial proceeding arising under
23 chapter 16 or 175 prior to the effective date of this division
24 of this Act, and pending on the effective date of this division
25 of this Act, shall not be affected due to the enactment of this
26 Act.

27 2. A cause of action or statute of limitation relating to
28 an action taken by a party in a matter arising under chapter 16
29 or 175 prior to the effective date of this division of this Act
30 shall not be affected by this Act.

31 3. The Iowa finance authority or the attorney general acting
32 on behalf of the Iowa finance authority in an administrative
33 or judicial proceeding pending on the effective date of this
34 division of this Act shall not be affected as result of this
35 Act. Any statute of limitation that would have otherwise

1 applied to the parties in such proceeding shall continue to
2 apply to the parties as if this Act had not been enacted.

3 Sec. 117. EXISTING RIGHTS AND OBLIGATIONS OF THE IOWA
4 FINANCE AUTHORITY. Nothing in this Act affects any of the
5 following:

6 1. An interest in real property, tangible personal
7 property, or intangible personal property held by the Iowa
8 finance authority.

9 2. A property right, security interest, or lien held by the
10 Iowa finance authority, including but not limited to a deed,
11 contract, or endorsement.

12 3. Any debt, obligation, or liability incurred by the Iowa
13 finance authority which shall continue according to the same
14 terms and conditions as applied prior to the effective date of
15 this division of this Act.

16 Sec. 118. PRESERVATION OF EXISTING RIGHTS.

17 1. This Act shall preserve and shall neither increase nor
18 decrease a right or obligation of a party or any other person
19 connected with the issuance, holding, transfer, redemption, or
20 payment of a bond or note under chapter 16 or 175 as either
21 chapter existed prior to the effective date of this division
22 of this Act.

23 2. This Act shall not limit, modify, or otherwise affect
24 the term or condition of an agreement between the Iowa finance
25 authority and another person which was originally executed
26 under chapter 16 or 175 as either chapter existed prior to
27 the effective date of this division of this Act. This Act
28 specifically does not affect any program for beginning farmers
29 or first-time farmers as that program existed under chapter 175
30 prior to the effective date of this division of this Act.

31 3. This Act shall not limit, modify, or otherwise
32 adversely affect a taxpayer's right to claim or redeem a tax
33 credit issued, awarded, or allowed under sections 175.36A
34 through 175.39, including but not limited to any tax credit
35 carryforward amount so long as the tax credit was issued,

1 awarded, or allowed when sections 175.36A through 175.39 were
2 in effect. A person shall not claim or be issued, awarded,
3 or allowed the same tax credit under sections 175.36A through
4 175.39 in effect prior to the effective date of this division
5 of this Act and chapter 16, subchapter VIII, part 5, as enacted
6 in this Act on and after the effective date of this division of
7 this Act.

8

EFFECTIVE DATE

9 Sec. 119. EFFECTIVE DATE. This division of this Act takes
10 effect on January 1, 2015.

11

DIVISION V

12

CURRENT REPEAL PROVISIONS

13

GENERAL

14 Sec. 120. REPEAL. Sections 16.3A, 16.10, 16.15, 16.20,
15 16.21, 16.33, 16.34, 16.37, 16.42, 16.44, 16.52, 16.73, 16.100,
16 16.100A, 16.106, 16.155, 16.171, 16.181, 16.181A, 16.182,
17 16.183, 16.184, 16.185, 16.188, 16.197, 16.201, 16.211, 16.212,
18 16.221, and 422.11X, Code 2014, are repealed.

19 Sec. 121. REPEAL. Chapter 175, Code 2014, is repealed.

20

REPEAL OF CONFLICTING INTERVENING PROVISION

21 Sec. 122. REPEAL. Any intervening provision effective
22 prior to the effective date of this division of this Act that
23 amends a section or chapter repealed in another section of
24 this division of this Act is also repealed, unless that Act or
25 another Act specifically provides otherwise.

26

EFFECTIVE DATE

27 Sec. 123. EFFECTIVE DATE. This division of this Act takes
28 effect January 1, 2015.

29

DIVISION VI

30

FUTURE PROVISIONS

31

REPEAL OF THE BEGINNING FARMER TAX CREDIT PROGRAM

32 Sec. 124. REPEAL. Section 2.48, subsection 3, paragraph e,
33 subparagraph (1), subparagraph division (b), as amended by this
34 Act, is amended by striking the subparagraph division.

35

Sec. 125. REPEAL. Section 16.1, subsection 1, paragraph an,

1 as enacted by this Act, is amended by striking the paragraph.

2 Sec. 126. REPEAL. Section 16.58, subsections 7, 13,
3 and 14, as enacted by this Act, are amended by striking the
4 subsections.

5 Sec. 127. REPEAL. Section 422.11M, subsection 2, as amended
6 by this Act, is amended by striking the subsection.

7 Sec. 128. REPEAL. Section 422.33, subsection 21,
8 paragraph b, as amended by this Act, is amended by striking the
9 paragraph.

10 Sec. 129. REPEAL. Sections 16.78, 16.79, 16.81, and 16.82,
11 are repealed.

12 Sec. 130. REPEAL. 2013 Iowa Acts, chapter 125, division II,
13 is repealed.

14 ENACTMENT OF THE AGRICULTURAL ASSETS TRANSFER TAX CREDIT

15 Sec. 131. Section 16.80, as enacted by this Act, is amended
16 by striking the section and inserting in lieu thereof the
17 following:

18 **16.80 Agricultural assets transfer tax credit — agreement.**

19 1. An agricultural assets transfer tax credit is allowed
20 under this section. The tax credit is allowed against the
21 taxes imposed in chapter 422, division II, as provided in
22 section 422.11M, and in chapter 422, division III, as provided
23 in section 422.33, to facilitate the transfer of agricultural
24 assets from a taxpayer to a beginning farmer.

25 2. In order to qualify for the tax credit, the taxpayer
26 must meet qualifications established by rules adopted by the
27 authority. At a minimum, the taxpayer must comply with all of
28 the following:

29 a. Be a person who may acquire or otherwise obtain or lease
30 agricultural land in this state pursuant to chapter 9H or 9I.
31 However, the taxpayer must not be a person who may acquire
32 or otherwise obtain or lease agricultural land exclusively
33 because of an exception provided in one of those chapters or in
34 a provision of another chapter of this Code including but not
35 limited to chapter 10, 10D, or 501, or section 15E.207.

1 *b.* Execute an agricultural assets transfer agreement with a
2 beginning farmer as provided in this section.

3 3. An individual may claim a tax credit under this section
4 of a partnership, limited liability company, S corporation,
5 estate, or trust electing to have income taxed directly to
6 the individual. The amount claimed by the individual shall
7 be based upon the pro rata share of the individual's earnings
8 from the partnership, limited liability company, S corporation,
9 estate, or trust.

10 4. The tax credit is allowed only for agricultural assets
11 that are subject to an agricultural assets transfer agreement.
12 The agreement shall provide for the lease of agricultural land
13 including any improvements and may provide for the rental of
14 agricultural equipment as defined in section 322F.1.

15 *a.* The agreement may be made on a cash basis or on a
16 commodity share basis which includes a share of the crops or
17 livestock produced on the agricultural land. The agreement
18 must be in writing.

19 *b.* The agreement shall be for at least two years, but
20 not more than five years. The agreement or that part of
21 the agreement providing for the lease may be renewed by the
22 beginning farmer for a term of at least two years, but not more
23 than five years. An agreement does not include a lease or the
24 rental of equipment intended as a security.

25 5. The tax credit shall be calculated based on the gross
26 amount paid to the taxpayer under the agricultural assets
27 transfer agreement.

28 *a.* Except as provided in paragraph "b", the tax credit shall
29 equal five percent of the amount paid to the taxpayer under the
30 agreement.

31 *b.* The tax credit shall equal fifteen percent of the
32 amount paid to the taxpayer from crops or animals sold under
33 an agreement in which the payment is exclusively made from the
34 sale of crops or animals.

35 6. In order to qualify as a beginning farmer, a person

1 must be eligible to receive financial assistance under section
2 16.75.

3 7. A tax credit in excess of the taxpayer's liability for
4 the tax year may be credited to the tax liability for the
5 following five years or until depleted, whichever is earlier.
6 A tax credit shall not be carried back to a tax year prior to
7 the tax year in which the taxpayer redeems the tax credit. A
8 tax credit shall not be transferable to any other person other
9 than the taxpayer's estate or trust upon the taxpayer's death.

10 8. A taxpayer shall not claim a tax credit under this
11 section unless a tax credit certificate issued by the authority
12 is attached to the taxpayer's tax return for the tax year for
13 which the tax credit is claimed. The authority must review
14 and approve an application for a tax credit as provided by
15 rules adopted by the authority. The application must include
16 a copy of the agricultural assets transfer agreement. The
17 authority may approve an application and issue a tax credit
18 certificate to a taxpayer who has previously been allowed a
19 tax credit under this section. The authority may require
20 that the parties to an agricultural assets transfer agreement
21 provide additional information as determined relevant by the
22 authority. The authority shall review an application for a tax
23 credit which includes the renewal of an agricultural assets
24 transfer agreement to determine that the parties to the renewed
25 agreement meet the same qualifications as required for an
26 original application. However, the authority shall not approve
27 an application or issue a certificate to a taxpayer if any of
28 the following applies:

29 a. The taxpayer is at fault for terminating a prior
30 agricultural assets transfer agreement as determined by the
31 authority.

32 b. The taxpayer is any of the following:

33 (1) A party to a pending administrative or judicial action,
34 including a contested case proceeding under chapter 17A,
35 relating to an alleged violation involving an animal feeding

1 operation as regulated by the department of natural resources,
2 regardless of whether the pending action is brought by the
3 department or the attorney general.

4 (2) Classified as a habitual violator for a violation of
5 state law involving an animal feeding operation as regulated by
6 the department of natural resources.

7 *c.* The beginning farmer is responsible for managing or
8 maintaining agricultural land and other agricultural assets
9 that are greater than necessary to adequately support a
10 beginning farmer as determined by the authority according to
11 rules which shall be adopted by the authority.

12 *d.* The agricultural assets are being leased or rented at
13 a rate which is substantially higher or lower than the market
14 rate for similar agricultural assets leased or rented within
15 the same community, as determined by the authority.

16 9. A taxpayer or the beginning farmer may terminate an
17 agricultural assets transfer agreement as provided in the
18 agreement or by law. The taxpayer must immediately notify the
19 authority of the termination.

20 *a.* If the authority determines that the taxpayer is not
21 at fault for the termination, the authority shall not issue a
22 tax credit certificate to the taxpayer for a subsequent tax
23 year based on the approved application. Any prior tax credit
24 is allowed as provided in this section. The taxpayer may
25 apply for and be issued another tax credit certificate for the
26 same agricultural assets as provided in this section for any
27 remaining tax years for which a certificate was not issued.

28 *b.* If the authority determines that the taxpayer is at fault
29 for the termination, any prior tax credit allowed under this
30 section is disallowed. The tax credit shall be recaptured
31 and the amount of the tax credit shall be immediately due and
32 payable to the department of revenue. If a taxpayer does
33 not immediately notify the authority of the termination,
34 the taxpayer shall be conclusively deemed at fault for the
35 termination.

1 10. The amount of tax credit certificates that may be issued
2 pursuant to this section shall not exceed six million dollars
3 in any fiscal year. The authority shall issue the tax credit
4 certificates on a first-come, first-served basis.

5 REPEAL OF INTERVENING PROVISIONS

6 Sec. 132. REPEAL. Any intervening provision effective
7 prior to the effective date of this division of this Act
8 that amends a section, subsection, paragraph, subparagraph,
9 or subparagraph division repealed in another section of this
10 division of this Act is also repealed, unless that Act or
11 another Act specifically provides otherwise.

12 PROPOSED LEGISLATION

13 Sec. 133. IOWA FINANCE AUTHORITY. The Iowa finance
14 authority established in chapter 16 shall propose legislation
15 to the general assembly necessary to implement this division
16 of this Act. The Iowa finance authority shall propose such
17 legislation for consideration by the general assembly during
18 its 2017 legislative session.

19 EFFECTIVE DATE

20 Sec. 134. EFFECTIVE DATES.

21 1. a. Except as provided in subsection 2, this division of
22 this Act takes effect January 1, 2018.

23 b. The section of this division of this Act which enacts
24 the agricultural assets transfer tax credit as codified in
25 section 16.80 takes effect instantly upon the repeal of the
26 agricultural assets transfer tax credit previously codified in
27 section 16.80 and enacted in another division of this Act.

28 2. The section of this division of this Act which requires
29 the Iowa finance authority to propose legislation for
30 consideration by the general assembly takes effect July 1,
31 2016.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 BACKGROUND — GENERAL. Code chapter 16 establishes the

1 Iowa finance authority (IFA) under the authority of a board
2 of directors and supervised by an executive director. The
3 IFA administers a number of programs including programs that
4 address housing needs, such as programs to assist low-income
5 to moderate-income families in attaining housing, and homeless
6 assistance. The authority also provides a number of other
7 programs relating to title guaranties, and financing to further
8 economic development, drinking water and waste water systems,
9 residential treatment facilities, E-911, community college
10 dormitories, prison infrastructure, Iowa job creation, and
11 disaster recovery.

12 BACKGROUND — 2013 LEGISLATION. In 2013, the 85th General
13 Assembly enacted HF 607 (2013 Iowa Acts, chapter 100) which
14 transferred the powers and duties of the agricultural
15 development authority organized under Code chapter 175 to IFA.
16 Code chapter 175 establishes a number of programs to assist
17 farmers, including beginning farmers, to start or expand their
18 operations. Code chapter 16 and Code chapter 175 include
19 provisions authorizing debt financing, including the issuance
20 of bonds and debts, and provides a framework for the state
21 to cooperate with financial institutions in order to provide
22 affordable credit.

23 GOVERNING STRUCTURE. IFA is headed by a board of directors
24 appointed by the governor and is supervised by an executive
25 director. House File 607 created an agricultural development
26 division within the authority. The division is administered by
27 a new agricultural development board.

28 BILL'S PROVISIONS — REORGANIZATION. This bill incorporates
29 the provisions of Code chapter 175 into Code chapter 16. It
30 also effectively moves provisions within Code chapter 16 in
31 order to enhance its readability. It accomplishes this goal by
32 repealing provisions in the two Code chapters and reenacting
33 the provisions within Code chapter 16, and dividing the Code
34 chapter into a number of subchapters and parts within those
35 subchapters. In some instances, the provisions in Code

1 chapter 175 are similar to provisions in Code chapter 16 and
2 in those circumstances the bill either amends the provisions
3 in Code chapter 16 or does not enact the duplicative provision
4 currently in Code chapter 175. In all other cases, the
5 bill enacts provisions in Code chapter 175 as part of a new
6 subchapter in Code chapter 16.

7 BILL'S PROVISIONS — NAME CHANGES. The bill makes changes in
8 a number of names. The name of the "title guaranty division"
9 is changed to the "Iowa title guaranty division". The name of
10 the "Iowa economic development bond bank program" is changed
11 to the "economic development program". The name of the "Iowa
12 water pollution control works and drinking water facilities
13 financing program" is changed to the "water pollution control
14 works and drinking water facilities financing program".

15 BILL'S PROVISIONS — TERMINOLOGY CHANGES. The bill changes
16 the term "mortgage lender" to "lending institution". A lending
17 institution is defined to include a bank, trust company,
18 mortgage company, national banking association, federal savings
19 association, or life insurance company; any state or federal
20 governmental agency or instrumentality; the federal land bank
21 or any of its local associations; or any other institution
22 authorized to make loans in this state.

23 BILL'S PROVISIONS — REVISION OR ELIMINATION OF PROGRAMS
24 AND DUTIES. The bill eliminates a number of programs,
25 including the disaster recovery housing project tax credit,
26 the soil conservation loan program, and the assistance and
27 management programs for beef cattle producers. It eliminates
28 a requirement that the authority report semiannually to the
29 standing committees on government oversight. It provides
30 that members of the agricultural development board are to be
31 confirmed by the senate. It expands the provisions which
32 allow programs to be combined to include any public or private
33 program. The bill revises a number of requirements regarding
34 the beginning farmer program, including by expanding the types
35 of loans that may be provided to beginning farmers, eliminating

1 requirements that all partners in a family farm partnership,
2 shareholders in a family farm corporation, and members of
3 a family farm limited liability company all be residents
4 of the state. It removes a requirement that all partners,
5 shareholders, or members have sufficient education, training,
6 or experience in farming. It removes a requirement that
7 agricultural land or improvements financed under the program
8 can only be used for farming by partners, shareholders, or
9 members.

10 BILL'S PROVISIONS — CONSOLIDATION. The bill consolidates a
11 number of provisions that were included in Code chapter 16 and
12 applicable to certain programs or under Code chapter 175, and
13 makes them generally applicable to all programs administered
14 by the authority under the Code chapter, including provisions
15 which apply to the management of reserve funds, and powers
16 relating to loans.

17 BEGINNING FARMER TAX CREDIT PROGRAM. In 2013, the general
18 assembly also enacted HF 599 (2013 Iowa Acts, chapter 125)
19 which created a beginning farmer tax credit program, which
20 expanded an existing agricultural assets transfer tax credit
21 and created a new custom farming contract tax credit. On
22 December 31, 2017, the provisions of that Act are repealed
23 and the former version of the agricultural assets transfer
24 tax credit is to be restored. The bill still repeals the
25 provisions in HF 599 and restores the old agricultural assets
26 transfer tax credit on the same date but the bill codifies the
27 old tax credit as part of its new subchapter in Code chapter
28 16.

29 TRANSITIONAL PROVISIONS. The bill includes a number of
30 transitional provisions that provide that IFA will continue to
31 administer programs under new Code chapter 16 as it formally
32 did under current Code chapter 16 or repealed Code chapter 175.

33 EFFECTIVE DATES. Generally, the bill's provisions take
34 effect on January 1, 2015, except for the elimination of the
35 beginning farmer tax credit program and the resurrection of the

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1 agricultural assets transfer tax credit on January 1, 2018.
2 IFA remains responsible for proposing legislation by July 1,
3 2016, to accomplish the bill's objectives.