

**House File 385 - Introduced**

HOUSE FILE 385  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 99)

(COMPANION TO SF 233)

**A BILL FOR**

1 An Act relating to the programs and duties of the economic  
2 development authority and including effective date and  
3 retroactive and other applicability provisions and other  
4 properly related matters.

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

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DIVISION I

LIFE CYCLE COST ANALYSES

Section 1. Section 470.1, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 01. *“Addition”* means new construction equal to or greater than twenty thousand square feet of usable floor space that is heated or cooled by a mechanical or electrical system and is joined to a previously existing facility.

Sec. 2. Section 470.1, subsections 6, 7, and 10, Code 2015, are amended to read as follows:

6. *“Facility”* means a building having twenty thousand square feet or more of usable floor space that is heated or cooled by a mechanical or electrical system ~~or any building, system, or physical operation which consumes more than forty thousand British thermal units (BTUs) per square foot per year.~~

7. *“Initial cost”* means the moneys required for the capital construction or renovation of a facility or the construction of an addition.

10. *“Renovation”* means a project where ~~additions or alterations, that are not additions, to an existing facility~~ exceed fifty percent of the value of a facility and will affect an energy system.

Sec. 3. Section 470.2, Code 2015, is amended to read as follows:

**470.2 Policy — analysis required.**

The general assembly declares that energy management is of primary importance in the design of publicly owned facilities. ~~Commencing January 1, 1980~~ On or after the effective date of this division of this Act, a public agency responsible for the construction or renovation of a facility or the construction of an addition shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility. The objectives of the life cycle cost analysis are to optimize energy efficiency at an acceptable life cycle cost. The life cycle cost analysis

1 shall meet the requirements of section 470.3.

2 Sec. 4. Section 470.3, subsection 2, Code 2015, is amended  
3 to read as follows:

4 2. A public agency or a person preparing a life cycle cost  
5 analysis for a public agency shall ~~consider the methods and~~  
6 ~~analytical models provided by the authority and available~~  
7 ~~through the commissioner, which are suited to the purpose~~  
8 ~~for which the project is intended. Within sixty days of~~  
9 ~~final selection of a design architect or engineer, a public~~  
10 ~~agency, which is also a state agency under section 7D.34, shall~~  
11 ~~notify the commissioner and the authority of the methodology~~  
12 ~~to be used to perform the life cycle cost analysis, on forms~~  
13 ~~provided by the authority~~ use the methodology set forth in the  
14 guidelines established, by rule, by the commissioner.

15 Sec. 5. Section 470.4, Code 2015, is amended to read as  
16 follows:

17 **470.4 Analysis approved.**

18 The life cycle cost analysis shall be approved by the public  
19 agency before contracts for the construction or renovation  
20 of a facility or the construction of an addition are let. A  
21 public agency may accept a facility design and shall meet  
22 the requirements of this chapter if the design meets the  
23 operational requirements of the agency and provides the optimum  
24 life cycle cost. The public agency shall retain a copy of the  
25 life cycle cost analysis and a statement justifying a design  
26 decision both of which shall be available for public inspection  
27 at reasonable hours.

28 Sec. 6. Section 470.6, Code 2015, is amended to read as  
29 follows:

30 **470.6 Restriction on use of public funds.**

31 Public funds shall not be used for the construction or  
32 renovation of a facility or the construction of an addition  
33 unless the design for the work is prepared in accordance with  
34 this chapter and the actual construction or renovation of  
35 the facility or the construction of the addition meets the

1 requirements of the design.

2 Sec. 7. Section 470.7, Code 2015, is amended to read as  
3 follows:

4 **470.7 Life cycle cost analysis — approval.**

5 1. The public agency responsible for the new construction  
6 or renovation of a public facility or the construction of an  
7 addition to a public facility shall submit a copy of the life  
8 cycle cost analysis for review by the commissioner who shall  
9 consult with the authority. If the public agency is also a  
10 state agency under section 7D.34, comments by the authority  
11 or the commissioner, including any recommendation for changes  
12 in the analysis, shall, within thirty days of receipt of the  
13 analysis, be forwarded in writing to the public agency. If  
14 either the authority or the commissioner disagrees with any  
15 aspects of the life cycle cost analysis, the public agency  
16 affected shall timely respond in writing to the commissioner  
17 and the authority. The response shall indicate whether the  
18 agency intends to implement the recommendations and, if the  
19 agency does not intend to implement them, the public agency  
20 shall present its reasons. The reasons may include but are  
21 not limited to a description of the purpose of the facility or  
22 renovation, preservation of historical architectural features,  
23 architectural and site considerations, and health and safety  
24 concerns.

25 2. Within thirty days of receipt of the response of the  
26 public agency affected, the authority, the commissioner, or  
27 both, shall notify in writing the public agency affected of  
28 the authority's, the commissioner's, or both's agreement  
29 or disagreement with the response. In the event of a  
30 disagreement, the authority, the commissioner, or both, shall  
31 at the same time transmit the notification of disagreement  
32 with response and related papers to the executive council  
33 for resolution pursuant to section 7D.34. The life cycle  
34 cost analysis process, including submittal and approval, and  
35 implementation exemption requests pursuant to section 470.8,

1 shall be completed prior to the letting of contracts for the  
2 construction or renovation of a facility or the construction  
3 of an addition.

4 Sec. 8. Section 470.8, Code 2015, is amended to read as  
5 follows:

6 **470.8 Life cycle cost analysis — implementation and**  
7 **exemptions.**

8 1. The public agency responsible for the new construction  
9 or renovation of a public facility or the construction of an  
10 addition shall implement the recommendations of the life cycle  
11 cost analysis.

12 2. The commissioner shall adopt rules for the  
13 implementation and administration of the life cycle cost  
14 analysis. The commissioner, in consultation with the director,  
15 shall, by rule, develop criteria to exempt facilities from  
16 the implementation requirements of this section. Using the  
17 criteria, the commissioner, in cooperation with the director,  
18 shall exempt facilities on a case by case basis. Factors to  
19 be considered when developing the exemption criteria shall  
20 include, but not be limited to, a description of the purpose  
21 of the facility or renovation, the preservation of historical  
22 architectural features, site considerations, and health and  
23 safety concerns. The commissioner and the director shall grant  
24 or deny a request for exemption from the requirements of this  
25 section within thirty days of receipt of the request.

26 DIVISION II

27 SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIP

28 Sec. 9. Section 15.411, subsection 3, Code 2015, is amended  
29 to read as follows:

30 3. a. The authority shall establish and administer an  
31 internship program with two components for Iowa students.  
32 To the extent permitted by this subsection, the authority  
33 shall administer the two components in as similar a manner as  
34 possible. For purposes of this subsection, "Iowa student" means  
35 a student of an Iowa community college, private college, or

1 institution of higher learning under the control of the state  
2 board of regents, or a student who graduated from high school  
3 in Iowa but now attends an institution of higher learning  
4 outside the state of Iowa.

5     *b.* The purpose of the first component of the program is  
6 to link Iowa students to small and medium sized Iowa firms  
7 through internship opportunities. An Iowa employer may receive  
8 financial assistance ~~in an amount of one dollar for every~~  
9 ~~two dollars paid by the employer to an intern~~ on a matching  
10 basis for a portion of the wages paid to an intern. If  
11 providing financial assistance, the authority shall provide  
12 the assistance on a reimbursement basis such that for every  
13 two dollars of wages earned by the student, one dollar paid by  
14 the employer is matched by one dollar from the authority. The  
15 amount of financial assistance shall not exceed three thousand  
16 one hundred dollars for any single internship, or nine thousand  
17 three hundred dollars for any single employer. In order to be  
18 eligible to receive financial assistance under this paragraph,  
19 the employer must have five hundred or fewer employees and must  
20 be an innovative business. The authority shall encourage youth  
21 who reside in economically distressed areas, youth adjudicated  
22 to have committed a delinquent act, and youth transitioning out  
23 of foster care to participate in the first component of the  
24 internship program.

25     *c.* (1) The purpose of the second component of the program  
26 is to assist in placing Iowa students studying in the fields  
27 of science, technology, engineering, and mathematics into  
28 internships that lead to permanent positions with Iowa  
29 employers. The authority shall collaborate with eligible  
30 employers, including but not limited to innovative businesses,  
31 to ensure that the interns hired are studying in such fields.  
32 An Iowa employer may receive financial assistance ~~in an amount~~  
33 ~~of one dollar for every dollar paid by the employer to an~~  
34 ~~intern~~ on a matching basis for a portion of the wages paid to  
35 an intern. If providing financial assistance, the authority

1 shall provide the assistance on a reimbursement basis such  
2 that for every two dollars of wages earned by the student,  
3 one dollar paid by the employer is matched by one dollar from  
4 the authority. The amount of financial assistance shall not  
5 exceed five thousand dollars per internship. The authority may  
6 adopt rules to administer this component. In adopting rules to  
7 administer this component, the authority shall adopt rules as  
8 similar as possible to those adopted pursuant to paragraph "b".

9 (2) The requirement to administer this component of the  
10 internship program is contingent upon the provision of funding  
11 for such purposes by the general assembly.

12 Sec. 10. EMERGENCY RULES. The economic development  
13 authority may adopt emergency rules under section 17A.4,  
14 subsection 3, and section 17A.5, subsection 2, paragraph "b",  
15 to implement the provisions of this division of this Act and  
16 the rules shall be effective immediately upon filing unless  
17 a later date is specified in the rules. Any rules adopted  
18 in accordance with this section shall also be published as a  
19 notice of intended action as provided in section 17A.4.

20 Sec. 11. EFFECTIVE UPON ENACTMENT. This division of this  
21 Act, being deemed of immediate importance, takes effect upon  
22 enactment.

23 Sec. 12. RETROACTIVE APPLICABILITY. This division of this  
24 Act applies retroactively to July 1, 2014.

25 DIVISION III

26 REINVESTMENT DISTRICTS AND FLOOD MITIGATION

27 Sec. 13. Section 15J.4, subsection 3, paragraph a, Code  
28 2015, is amended to read as follows:

29 a. The municipality shall submit a copy of the resolution,  
30 the proposed district plan, and all accompanying materials  
31 adopted pursuant to this section to the board for evaluation.  
32 The board shall not approve a proposed district plan ~~or an~~  
33 ~~amendment to an existing district's plan~~ on or after July 1,  
34 2018.

35 Sec. 14. Section 28F.12, Code 2015, is amended to read as

1 follows:

2 **28F.12 Additional powers of the entity.**

3 1. If the entity is comprised solely of cities, counties,  
4 and sanitary districts established under chapter 358, or any  
5 combination thereof, the entity shall have in addition to all  
6 the powers enumerated in this chapter, the powers ~~which~~ that a  
7 county has with respect to solid waste disposal projects.

8 2. If the entity is comprised solely of cities, counties,  
9 and sanitary districts established under chapter 358, or any  
10 combination thereof, it is a governmental entity with respect  
11 to projects undertaken pursuant to chapter 418 and may exercise  
12 all of the powers of a governmental entity under that chapter  
13 in connection with the flood mitigation project. Unless  
14 otherwise provided in chapter 418, if undertaking a flood  
15 mitigation project as a governmental entity under chapter  
16 418, the provisions of chapter 418 shall prevail over any  
17 conflicting provision in this chapter.

18 Sec. 15. Section 418.1, subsection 4, paragraph c,  
19 unnumbered paragraph 1, Code 2015, is amended to read as  
20 follows:

21 A joint board or other legal or administrative entity  
22 established or designated in an agreement pursuant to chapter  
23 28E or 28F between any of the following:

24 Sec. 16. Section 418.1, subsection 4, paragraph c, Code  
25 2015, is amended by adding the following new subparagraph:

26 NEW SUBPARAGRAPH. (4) One or more counties, one or more  
27 cities that are located in whole or in part within those  
28 counties, and one or more sanitary districts established under  
29 chapter 358 or a combined water and sanitary district as  
30 provided for in sections 357.1B and 358.1B, located in whole or  
31 in part within those counties.

32 Sec. 17. Section 418.4, subsection 1, paragraph b, Code  
33 2015, is amended to read as follows:

34 *b.* A governmental entity as defined in section 418.1,  
35 subsection 4, paragraph "c", shall have the power to construct,

1 acquire, own, repair, improve, operate, and maintain a project,  
2 may sue and be sued, contract, and acquire and hold real and  
3 personal property, subject to the limitation in paragraph  
4 "c", and shall have such other powers as may be included in  
5 the chapter 28E or 28F agreement. Such a governmental entity  
6 may contract with a city or the county participating in the  
7 ~~chapter 28E~~ agreement to perform any governmental service,  
8 activity, or undertaking that the city or county is authorized  
9 by law to perform, including but not limited to contracts for  
10 administrative services.

11 Sec. 18. Section 418.11, subsection 3, paragraph c, Code  
12 2015, is amended to read as follows:

13 c. For projects approved for a governmental entity as  
14 defined in section 418.1, subsection 4, paragraph "c", the  
15 area used to determine the sales tax increment shall include  
16 the incorporated areas of each participating city ~~that is~~  
17 ~~participating in the chapter 28E agreement~~, the unincorporated  
18 areas of the each participating county, ~~and~~ the area of any  
19 participating drainage district not otherwise included in  
20 the areas of the participating cities or county, and the  
21 area served by any sanitary district or combined water and  
22 sanitary district and not otherwise included in the areas of  
23 the participating cities or counties, as applicable.

24 Sec. 19. Section 418.11, subsection 3, Code 2015, is amended  
25 by adding the following new paragraph:

26 NEW PARAGRAPH. d. For all projects, the area used to  
27 determine the sales tax increment shall not include any parcels  
28 of real property that are included in a reinvestment district  
29 designated pursuant to chapter 15J.

30 Sec. 20. Section 418.14, subsection 3, paragraph a, Code  
31 2015, is amended to read as follows:

32 a. Except as otherwise provided in this section, bonds  
33 issued pursuant to this section shall not be subject to  
34 the provisions of any other law or charter relating to the  
35 authorization, issuance, or sale of bonds. Bonds issued under

1 this section shall not limit or restrict the authority of a  
2 governmental entity as defined in section 418.1, subsection 4,  
3 paragraphs "a" and "b", or a city, county, ~~or~~ drainage district,  
4 sanitary district, or combined water and sanitary district  
5 participating in a governmental entity as defined in section  
6 418.1, subsection 4, paragraph "c", to issue bonds for the  
7 project under other provisions of the Code.

8 Sec. 21. Section 418.14, subsection 4, paragraph b, Code  
9 2015, is amended to read as follows:

10 b. If the moneys in the governmental entity's flood project  
11 fund are insufficient to pay the governmental entity's costs  
12 related to bonds, notes, or other obligations issued under  
13 this chapter, the amounts necessary to pay such costs may  
14 be levied and transferred for deposit in the governmental  
15 entity's flood project fund from the debt service fund of the  
16 governmental entity or, if applicable, the debt service fund  
17 of a participating city or county for a governmental entity as  
18 defined in section 418.1, subsection 4, paragraph "c", but only  
19 if and to the extent provided in the resolution authorizing the  
20 issuance of bonds and, if applicable, the chapter 28E or 28F  
21 agreement.

22 Sec. 22. Section 418.15, subsection 4, Code 2015, is amended  
23 to read as follows:

24 4. All property and improvements acquired by a governmental  
25 entity as defined in section 418.1, subsection 4, paragraph  
26 "c", relating to a project shall be transferred to the county,  
27 city, ~~or~~ drainage district, sanitary district, or combined  
28 water and sanitary district designated in the chapter 28E or  
29 28F agreement to receive such property and improvements. The  
30 county, city, ~~or~~ drainage district, sanitary district, or  
31 combined water and sanitary district to which such property or  
32 improvements are transferred shall, unless otherwise provided  
33 in the chapter 28E or 28F agreement, be solely responsible  
34 for the ongoing maintenance and support of such property and  
35 improvements.

1     Sec. 23. Section 423.2, subsection 11, paragraph b, Code  
2 2015, is amended by adding the following new subparagraph:  
3     NEW SUBPARAGRAPH. (05) Beginning the first day of the  
4 calendar quarter beginning on the reinvestment district's  
5 commencement date, subject to remittance limitations  
6 established by the economic development authority board  
7 pursuant to section 15J.4, subsection 3, transfer to a district  
8 account created in the state reinvestment district fund for  
9 each reinvestment district established under chapter 15J, the  
10 amount of new state sales tax revenue, determined in section  
11 15J.5, subsection 1, paragraph "b", in the district, that  
12 remains after the prior transfers required under this paragraph  
13 "b". Such transfers shall cease pursuant to section 15J.8.

14     Sec. 24. Section 423.2, subsection 11, paragraph b,  
15 subparagraph (6), Code 2015, is amended by striking the  
16 subparagraph.

17     Sec. 25. Section 423.2, Code 2015, is amended by adding the  
18 following new subsection:

19     NEW SUBSECTION. 11A. Of the amount of sales tax revenue  
20 actually transferred per quarter pursuant to subsection 11,  
21 paragraph "b", subparagraphs (05) and (5), the department shall  
22 retain an amount equal to the actual cost of administering the  
23 transfers under subsection 11, paragraph "b", subparagraphs  
24 (05) and (5), or twenty-five thousand dollars, whichever is  
25 less. The amount retained by the department pursuant to this  
26 subsection shall be divided pro rata each quarter between the  
27 amounts that would have been transferred pursuant to subsection  
28 11, paragraph "b", subparagraphs (05) and (5), without the  
29 deduction made by operation of this subsection. Revenues  
30 retained by the department pursuant to this subsection shall be  
31 considered repayment receipts as defined in section 8.2.

32     Sec. 26. EFFECTIVE UPON ENACTMENT. This division of this  
33 Act, being deemed of immediate importance, takes effect upon  
34 enactment.

35     Sec. 27. RETROACTIVE AND OTHER APPLICABILITY.

1 1. Except as provided in subsection 3, this division of this  
2 Act applies retroactively to reinvestment districts designated  
3 under chapter 15J in existence on or after July 1, 2014.

4 2. Except as provided in subsection 3, this division of  
5 this Act applies to flood mitigation project plan applications  
6 received under chapter 418 before, on, or after the effective  
7 date of this division of this Act.

8 3. The sections of this division of this Act amending  
9 section 423.2, subsection 11, and enacting section 423.2,  
10 subsection 11A, apply to transfers of sales tax revenues made  
11 on or after July 1, 2015.

12 DIVISION IV

13 ENTERPRISE ZONES

14 Sec. 28. 2014 Iowa Acts, chapter 1130, section 43,  
15 subsection 1, is amended to read as follows:

16 1. On or after the effective date of this division of this  
17 Act, a city or county shall not create an enterprise zone under  
18 chapter 15E, division XVIII, or enter into a new agreement ~~or~~  
19 ~~amend an existing agreement~~ under chapter 15E, division XVIII.  
20 A city or county and the economic development authority, with  
21 the approval of the economic development authority board, may  
22 amend an agreement for compliance reasons if the amendment  
23 does not increase the amount of incentives awarded under the  
24 agreement.

25 DIVISION V

26 NUISANCE PROPERTIES AND ABANDONED BUILDINGS

27 Sec. 29. Section 15.335B, subsection 2, paragraph a, Code  
28 2015, is amended by adding the following new subparagraph:

29 NEW SUBPARAGRAPH. (8) For deposit in the nuisance property  
30 remediation fund created pursuant to section 15.338.

31 Sec. 30. NEW SECTION. 15.338 Nuisance property remediation  
32 assistance — fund.

33 1. a. The economic development authority shall establish  
34 a nuisance property remediation fund pursuant to section  
35 15.106A, subsection 1, paragraph "o", for purposes of providing

1 financial assistance to cities for the remediation of nuisance  
2 properties and abandoned buildings and other structures. The  
3 authority shall administer the fund in a manner designed to  
4 make funds annually available to cities for purposes of this  
5 section.

6 *b.* The authority may administer a fund established for  
7 purposes of this section as a revolving fund. The fund may  
8 consist of any moneys appropriated by the general assembly for  
9 purposes of this section and any other moneys that are lawfully  
10 available to the authority, including moneys transferred or  
11 deposited from other funds created pursuant to section 15.106A,  
12 subsection 1, paragraph "o".

13 *c.* The authority shall use any moneys specifically  
14 appropriated for purposes of this section only for the purposes  
15 of this section. The authority may use all other moneys in the  
16 fund, including interest, earnings, recaptures, and repayments  
17 for purposes of this section or the authority may transfer  
18 the other moneys to other funds created pursuant to section  
19 15.106A, subsection 1, paragraph "o".

20 *d.* Notwithstanding section 8.33, moneys in the nuisance  
21 property remediation fund at the end of each fiscal year shall  
22 not revert to any other fund but shall remain in the fund for  
23 expenditure for subsequent fiscal years.

24 *e.* The authority may use not more than five percent of  
25 the moneys in the fund at the beginning of the fiscal year  
26 for purposes of administrative costs, finance, compliance,  
27 marketing, and program support.

28 2. The authority shall use moneys in the fund to provide  
29 financial assistance to cities for the remediation of nuisance  
30 properties and abandoned buildings and other structures. Such  
31 financial assistance may include grants, loans, forgivable  
32 loans, or other forms of financial assistance as necessary  
33 to effectuate the purposes of this section. The authority  
34 may provide financial assistance under this section using a  
35 competitive scoring process.

1 3. In providing financial assistance under this section,  
2 the authority may give priority to cities with severe blighted  
3 areas, widespread dilapidated housing stock, or high rates of  
4 low or moderate income residents.

5 4. The authority shall enter into an agreement with  
6 each city for the receipt of financial assistance under  
7 this section. The authority may negotiate the terms of the  
8 agreement.

9 5. In providing financial assistance under this section,  
10 the authority shall coordinate with a city to develop a plan  
11 for the use of funds that is consistent with the community  
12 development, housing, and economic development goals of the  
13 city. The terms of the agreement entered into pursuant to  
14 subsection 3 and the use of financial assistance provided under  
15 this section shall reflect the plan developed based on a city's  
16 goals.

17 Sec. 31. Section 657A.1, subsections 1 and 3, Code 2015, are  
18 amended to read as follows:

19 1. "*Abandoned*" or "*abandonment*" means that a building has  
20 remained vacant and has been in violation of the housing code  
21 or building code of the city in which the property is located  
22 or the housing code or building code applicable in the county  
23 in which the property is located if outside the limits of a  
24 city for a period of six consecutive months.

25 3. "*Building*" means a building or structure located in a  
26 city or outside the limits of a city in a county, which is used  
27 or intended to be used for commercial or industrial purposes or  
28 which is used or intended to be used for residential purposes,  
29 and includes a building or structure in which some floors  
30 may be used for retail stores, shops, salesrooms, markets,  
31 or similar commercial uses, or for offices, banks, civic  
32 administration activities, professional services, or similar  
33 business or civic uses, and other floors are used, designed, or  
34 intended to be used for residential purposes.

35 Sec. 32. Section 657A.10A, subsection 1, paragraph b, Code

1 2015, is amended to read as follows:

2 *b.* The petition shall be filed in the district court of  
3 the county in which the property is located. Service on the  
4 owner and any other named respondents shall be by personal  
5 service or certified mail and or, if service cannot be made by  
6 either method, by posting the notice in a conspicuous place  
7 on the building and by publication in a newspaper of general  
8 circulation in the city. The action shall be in equity.

9 Sec. 33. Section 657A.10A, subsection 3, paragraphs d, f,  
10 and j, Code 2015, are amended to read as follows:

11 *d.* Whether the building meets the city's housing code ~~for~~ as  
12 being fit for human habitation, occupancy, or use.

13 *f.* Whether the building is boarded up or otherwise secured  
14 from unauthorized entry.

15 *j.* Past and current compliance with orders of the local  
16 housing or building code official.

17 Sec. 34. Section 657A.10A, subsection 3, Code 2015, is  
18 amended by adding the following new paragraphs:

19 NEW PARAGRAPH. *oe.* Whether the building meets the city's  
20 building code as being fit for occupancy or use.

21 NEW PARAGRAPH. *oh.* Whether those claiming an interest  
22 in the property have, prior to the filing of the petition,  
23 demonstrated a good-faith effort to restore the property to  
24 productive use.

25 Sec. 35. Section 657A.10A, subsections 4 and 5, Code 2015,  
26 are amended to read as follows:

27 4. In lieu of the considerations in subsection 3, if the  
28 city can establish to the court's satisfaction that all parties  
29 with an interest in the property have received proper notice  
30 and either consented to the entry of an order awarding title  
31 to the property to the city or did not make a ~~good-faith~~  
32 good-faith effort to comply with the order of the local housing  
33 or building code official within sixty days after the filing  
34 of the petition, the court shall enter judgment against the  
35 respondents granting the city title to the property.

1 5. If the court determines that the property has been  
2 abandoned or that subsection 4 applies, the court shall enter  
3 judgment and order awarding title to the city. The title  
4 awarded to the city shall be free and clear of any claims,  
5 liens, or encumbrances held by the respondents.

6 DIVISION VI

7 HOUSING ENTERPRISE TAX CREDIT

8 Sec. 36. 2014 Iowa Acts, chapter 1130, is amended by adding  
9 the following new section:

10 NEW SECTION. SEC. 41A. Notwithstanding the section of  
11 this Act repealing section 15E.193B, the economic development  
12 authority may enter into an agreement and issue housing  
13 enterprise tax credits to a housing business if all the  
14 following conditions are met:

15 1. The city or county in which the enterprise zone is  
16 located mailed, or caused to be mailed, the necessary program  
17 application forms on or after June 1, 2014, and prior to July  
18 1, 2014, but the applications were not received by the economic  
19 development authority. The economic development authority may  
20 accept an affidavit by a city to confirm timely mailing of the  
21 application forms, notwithstanding section 622.105.

22 2. The application forms submitted pursuant to subsection 1  
23 were approved by all necessary governing bodies and commissions  
24 of the city or county as required by chapter 15E, division  
25 XVIII, Code 2014.

26 3. The economic development authority determines the  
27 housing business would otherwise be eligible under section  
28 15E.193B, Code 2014.

29 4. The city or county and the eligible housing business meet  
30 all other requirements of the housing enterprise tax credit  
31 program under chapter 15E, division XVIII, Code 2014, and the  
32 agreement to be entered into pursuant to this section.

33 Sec. 37. 2014 Iowa Acts, chapter 1130, section 43,  
34 subsection 1, is amended to read as follows:

35 1. On or after the effective date of this division of this

1 Act, a city or county shall not create an enterprise zone under  
2 chapter 15E, division XVIII, or enter into a new agreement or  
3 amend an existing agreement under chapter 15E, division XVIII,  
4 unless otherwise authorized in this Act.

5 Sec. 38. EFFECTIVE UPON ENACTMENT. This division of this  
6 Act, being deemed of immediate importance, takes effect upon  
7 enactment.

8 Sec. 39. RETROACTIVE APPLICABILITY. This division of this  
9 Act applies retroactively to July 1, 2014.

10

EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

13

This bill relates to economic development by modifying life  
14 cycle cost analysis provisions relating to public facilities,  
15 specifying the state matching funds available for payment of  
16 intern wages under the science, technology, engineering, and  
17 mathematics internship program, modifying provisions related  
18 to reinvestment districts and to flood mitigation projects,  
19 modifying provisions concerning enterprise zones, and modifying  
20 provisions and establishing a program relating to nuisance  
21 property and abandoned buildings.

22

Division I of the bill modifies provisions relating to the  
23 life cycle analysis required of certain public facilities.  
24 The division adds a definition of "addition" and modifies the  
25 definitions of "facility" and "renovation" and requires a  
26 public agency responsible for the construction or renovation  
27 of a facility or the construction of an addition to a facility  
28 to include the performance of a life cycle cost analysis as  
29 a design criterion on or after the effective date of the  
30 division. The division requires a public agency or person  
31 preparing a life cycle cost analysis for a public agency to  
32 use methodology established, by rule, by the state building  
33 code commissioner, rather than methods and analytical  
34 models provided by the economic development authority. The  
35 division requires the commissioner to also adopt rules for the

1 implementation and adoption of the life cycle cost analysis.  
2 Division II of the bill amends language relating to wages  
3 paid to an intern under the science, technology, engineering,  
4 and mathematics internship program to specify that an Iowa  
5 employer may receive financial assistance from the state on a  
6 matching basis. The division provides that if the authority  
7 offers financial assistance for a student at a small or  
8 medium sized Iowa firm that is an innovative business or for  
9 a science, technology, engineering, or mathematics student  
10 working with an Iowa employer, for every \$2 earned by the  
11 student in wages, the employer's payment of \$1 shall be  
12 matched by the authority with \$1 on a reimbursement basis.  
13 The division requires the authority to administer the two  
14 components of the internship program in as similar a manner  
15 as possible. The division authorizes the authority to adopt  
16 emergency rules for this division of the bill. The division  
17 takes effect upon enactment and applies retroactively to  
18 contracts for financial assistance entered into on or after  
19 July 1, 2014.

20 Division III of the bill relates to reinvestment districts  
21 under Code chapter 15J and flood mitigation projects under  
22 Code chapter 418. The division eliminates the prohibition on  
23 the flood mitigation board approving an amendment on or after  
24 July 1, 2018, to an existing district's plan. The division  
25 modifies the definition of "governmental entity" for purposes  
26 of a flood mitigation project to include a joint board or other  
27 legal or administrative entity formed by a Code chapter 28F  
28 agreement entered into by one or more counties, one or more  
29 cities at least partly within the counties, and one or more  
30 Code chapter 358 sanitary districts or a combined water and  
31 sanitary district established by Code chapter 357 or 358 and  
32 located at least partly within the city or county.

33 The division provides that, for purposes of funding a  
34 flood mitigation project, the sales tax increment area shall  
35 not include any parcels that are included in a reinvestment

1 district established under Code chapter 15J.

2 The division provides that transfers of sales tax increment  
3 revenue to a reinvestment district account shall be made  
4 prior to transfer of sales tax increment revenue to a flood  
5 mitigation project account. The division also provides that  
6 from the amounts transferred to reinvestment district accounts  
7 and flood mitigation project accounts, the department of  
8 revenue shall retain as a repayment receipt the lesser of  
9 \$25,000 or the actual cost of administering the specified  
10 transfers of sales tax increment revenue quarterly. The bill  
11 provides the process for the retention of the revenue.

12 The division is effective upon enactment. The division  
13 applies retroactively to reinvestment districts designated  
14 under Code chapter 15J in existence on or after July 1, 2014,  
15 and flood mitigation project plan applications received under  
16 Code chapter 418 before, on, or after the effective date of the  
17 division. The sections of the division amending Code section  
18 423.2, regarding the transfers of sales tax increment revenue  
19 to a reinvestment district and to a flood mitigation project  
20 account as well as the retention of repayment receipts, apply  
21 to transfers of sales tax revenues made on or after July 1,  
22 2015.

23 Division IV of the bill relates to enterprise zones. The  
24 division allows a city or county and the economic development  
25 authority for compliance reasons to amend agreements made under  
26 the enterprise zone program as long as the amendments do not  
27 increase the amount of incentives awarded and the economic  
28 development authority board approves.

29 Division V of the bill relates to nuisance properties  
30 and abandoned buildings. The division requires the economic  
31 development authority to establish a nuisance property  
32 remediation fund for the purpose of providing financial  
33 assistance to cities for the remediation of nuisance  
34 properties, abandoned buildings, and other structures. The  
35 division provides that moneys in a fund established in the high

1 quality jobs program may be deposited in the nuisance property  
2 remediation fund. The division allows the authority to operate  
3 the fund as a revolving fund and to use moneys in the fund for  
4 purposes of the program, or the authority may transfer the  
5 moneys to other funds it has created. However, the division  
6 states that the authority must use any money specifically  
7 appropriated for nuisance property remediation assistance for  
8 the program. Moneys in the fund consist of appropriations and  
9 any other moneys lawfully available to the authority. The  
10 authority may provide this assistance using a competitive  
11 scoring process. The division requires the authority to enter  
12 into an agreement with the city concerning the assistance. The  
13 division allows the authority to grant priority to cities with  
14 severe blighted areas, widespread dilapidated housing stock, or  
15 high rates of low and moderate income residents.

16 Division V also makes changes to the authority of cities and  
17 counties relating to certain abandoned or unsafe buildings.  
18 Code chapter 657A allows a city or county to take action  
19 to abate by rehabilitation a building used primarily for  
20 residential purposes that meets the statutory definition of  
21 "abandoned" or "public nuisance", as those terms are defined  
22 by the Iowa Code. The costs associated with rehabilitating  
23 the building that remain unpaid by the owner create a mortgage  
24 lien against the property. In lieu of abatement through  
25 rehabilitation, Code section 657A.10A allows a city to file  
26 an action in district court to take title to an abandoned  
27 building. The court may award title to the petitioning city if  
28 the court finds that the building is abandoned, using factors  
29 established in statute, or if the city establishes that all  
30 interested parties received proper notice and the interested  
31 parties either consented to the title transfer or had taken no  
32 action to comply with local housing official orders within 60  
33 days after the filing of the petition.

34 The division amends the definition of "building" in Code  
35 section 657A.1 to include buildings used or intended to be used

1 for commercial or industrial purposes and makes corresponding  
2 amendments to refer to the local building code or local housing  
3 code, as applicable.

4 Currently, Code section 657A.10A requires that service  
5 of notice of the filing of the petition for title be made  
6 on interested parties by certified mail and by posting on  
7 the building. The division provides that service shall be  
8 by personal service or certified mail or, if service cannot  
9 be made by either method, by posting on the building and  
10 publication in a newspaper of general circulation in the city.

11 The division also amends Code section 657A.10A to add to the  
12 listing of factors for the court to consider when determining  
13 whether property has been abandoned.

14 Division VI allows the authority to enter into an agreement  
15 for a housing enterprise tax credit for certain housing  
16 businesses that had mailed applications to the authority prior  
17 to the July 1, 2014, repeal of the housing enterprise tax  
18 credit in Code section 15E.193B.

19 The division states that the authority may enter into  
20 an agreement and issue housing enterprise tax credits to a  
21 housing business if the city or county mailed the application  
22 forms on or after June 1, 2014, and prior to July 1, 2014,  
23 but the applications were not received by the authority, the  
24 application forms submitted were approved by the necessary  
25 governing bodies and commissions, the authority determines  
26 the housing business would otherwise be eligible under the  
27 Code section that was repealed, and the city or county and the  
28 eligible housing business meet all other requirements of the  
29 housing enterprise tax credit program and of the agreement  
30 entered into with the economic development authority.

31 The division takes effect upon enactment and applies  
32 retroactively to July 1, 2014.