

Senate Study Bill 1115 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED ECONOMIC
DEVELOPMENT AUTHORITY BILL)

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 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of this
27 Act, being deemed of immediate importance, takes effect upon
28 enactment.

29 DIVISION II

30 VOLUNTEER COMMISSION

31 Sec. 10. Section 15H.5, subsection 5, paragraph a, Code
32 2015, is amended to read as follows:

33 a. Funding for the Iowa summer youth corps program, and the
34 Iowa green corps program established pursuant to section 15H.6,
35 the Iowa reading corps program established pursuant to section

1 15H.7, and the Iowa national service corps program established
2 pursuant to section 15H.8 shall be obtained from private
3 sector, and local, state, and federal government sources, or
4 from other available funds credited to the community programs
5 account, which shall be created within the economic development
6 authority under the authority of the commission. Moneys
7 available in the account for a fiscal year are appropriated to
8 the commission to be used for the programs. The commission
9 may establish an escrow account within the authority and
10 obligate moneys within that escrow account for tuition or
11 program payments to be made beyond the term of any fiscal year.
12 Notwithstanding section 12C.7, subsection 2, interest earned
13 on moneys in the community programs account shall be credited
14 to the account. Notwithstanding section 8.33, moneys in the
15 community programs account or escrow account shall not revert
16 to the general fund but shall remain available for expenditure
17 in future fiscal years.

18 Sec. 11. NEW SECTION. 15H.7 Iowa reading corps.

19 1. a. The Iowa commission on volunteer service, in
20 collaboration with the department of education, may establish
21 an Iowa reading corps program to provide Iowa reading corps
22 Americorps members with a data-based, problem-solving model
23 of literacy instruction to use in tutoring students from
24 prekindergarten to third grade who are not proficient in
25 reading or who are at risk of becoming not proficient in
26 reading.

27 b. The program shall incorporate models of the evaluation
28 and teaching of early literacy skills, including comprehensive,
29 research-based reading instruction which has been reviewed and
30 approved by the department of education in collaboration with
31 the Iowa reading research center established by section 256.9,
32 subsection 53, paragraph "c".

33 2. a. The models of literacy instruction utilized by Iowa
34 reading corps Americorps members shall align with literacy
35 program goals and strategies developed by the state department

1 of education and the Iowa reading research center.

2 *b.* The commission, in collaboration with the department of
3 education, may adopt rules to implement and administer this
4 section.

5 3. The commission may use moneys in and lawfully available
6 to the community programs account created in section 15H.5 to
7 fund the program.

8 4. The commission shall submit an annual report to the
9 general assembly and the state department of education that
10 records and evaluates program data to determine the efficacy
11 of the program.

12 **Sec. 12. NEW SECTION. 15H.8 Iowa national service corps.**

13 1. The Iowa commission on volunteer service may establish an
14 Iowa national service corps program to provide opportunities
15 for state agencies, political subdivisions of the state, and
16 private nonprofit organizations to create national service
17 programs outside of existing state and federal programs to meet
18 state and local needs and to provide more opportunities for
19 Iowans to serve their state and country and foster a cultural
20 expectation of service in Iowa through a unified service corps.

21 2. The commission may establish rules for approving Iowa
22 national service corps programs and national service positions.
23 Existing programs and service positions, including those
24 established through the Americorps programs in Iowa created
25 pursuant to 42 U.S.C. §12501, Senior Corps and Americorps vista
26 in Iowa created pursuant to 42 U.S.C. §4950, the Iowa summer
27 youth corps program created pursuant to section 15H.5, the Iowa
28 green corps program created pursuant to section 15H.6, the
29 Iowa reading corps program created pursuant to section 15H.7,
30 and the Iowa conservation corps created pursuant to section
31 84A.7, are part of the Iowa national service corps programs and
32 national service positions.

33 3. State agencies or political subdivisions of the state
34 may enter into an agreement with any approved Iowa national
35 service corps program directly or through an agreement with

1 the commission. State agencies or political subdivisions of
2 the state may establish Iowa national service corps programs
3 or contract with a third-party vendor to assist the agency or
4 political subdivision in establishing such programs.

5 4. State agencies or political subdivisions of the state may
6 give priority to grants or projects funded that utilize Iowa
7 national service corps programs.

8 5. State agencies or political subdivisions of the state
9 may establish hiring preferences for any Iowa national service
10 corps or Americorps participant who has successfully completed
11 a year of full-time service or one thousand seven hundred hours
12 over a period extending beyond a year.

13 6. A person participating in the Iowa national service corps
14 program is not an employee of the organization in which the
15 person is enrolled regardless of whether a stipend is provided,
16 shall be exempt from the merit system requirements, and is not
17 eligible to receive unemployment compensation benefits upon
18 completion of service.

19 DIVISION III

20 SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIP

21 Sec. 13. Section 15.411, subsection 3, Code 2015, is amended
22 to read as follows:

23 3. a. The authority shall establish and administer an
24 internship program with two components for Iowa students.
25 To the extent permitted by this subsection, the authority
26 shall administer the two components in as similar a manner as
27 possible. For purposes of this subsection, "Iowa student" means
28 a student of an Iowa community college, private college, or
29 institution of higher learning under the control of the state
30 board of regents, or a student who graduated from high school
31 in Iowa but now attends an institution of higher learning
32 outside the state of Iowa.

33 b. The purpose of the first component of the program is
34 to link Iowa students to small and medium sized Iowa firms
35 through internship opportunities. An Iowa employer may receive

1 ~~financial assistance in an amount of one dollar for every~~
2 ~~two dollars paid by the employer to an intern on a matching~~
3 ~~basis for a portion of the wages paid to an intern. If~~
4 providing financial assistance, the authority shall provide the
5 assistance on a reimbursement basis such that for every three
6 dollars of wages earned by the student, two dollars paid by
7 the employer is matched by one dollar from the authority. The
8 amount of financial assistance shall not exceed three thousand
9 one hundred dollars for any single internship, or nine thousand
10 three hundred dollars for any single employer. In order to be
11 eligible to receive financial assistance under this paragraph,
12 the employer must have five hundred or fewer employees and must
13 be an innovative business. The authority shall encourage youth
14 who reside in economically distressed areas, youth adjudicated
15 to have committed a delinquent act, and youth transitioning out
16 of foster care to participate in the first component of the
17 internship program.

18 c. (1) The purpose of the second component of the program
19 is to assist in placing Iowa students studying in the fields
20 of science, technology, engineering, and mathematics into
21 internships that lead to permanent positions with Iowa
22 employers. The authority shall collaborate with eligible
23 employers, including but not limited to innovative businesses,
24 to ensure that the interns hired are studying in such fields.
25 An Iowa employer may receive financial assistance ~~in an amount~~
26 ~~of one dollar for every dollar paid by the employer to an~~
27 intern on a matching basis for a portion of the wages paid to
28 an intern. If providing financial assistance, the authority
29 shall provide the assistance on a reimbursement basis such
30 that for every two dollars of wages earned by the student,
31 one dollar paid by the employer is matched by one dollar from
32 the authority. The amount of financial assistance shall not
33 exceed five thousand dollars per internship. The authority may
34 adopt rules to administer this component. In adopting rules to
35 administer this component, the authority shall adopt rules as

1 similar as possible to those adopted pursuant to paragraph "b".

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

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

13 Sec. 15. EFFECTIVE UPON ENACTMENT. This division of this
14 Act, being deemed of immediate importance, takes effect upon
15 enactment.

16 Sec. 16. RETROACTIVE APPLICABILITY. This division of this
17 Act applies retroactively to July 1, 2014.

18 DIVISION IV

19 REINVESTMENT DISTRICTS AND FLOOD MITIGATION

20 Sec. 17. Section 15J.4, subsection 3, paragraph a, Code
21 2015, is amended to read as follows:

22 a. The municipality shall submit a copy of the resolution,
23 the proposed district plan, and all accompanying materials
24 adopted pursuant to this section to the board for evaluation.
25 The board shall not approve a proposed district plan ~~or an~~
26 ~~amendment to an existing district's plan~~ on or after July 1,
27 2018.

28 Sec. 18. Section 28F.12, Code 2015, is amended to read as
29 follows:

30 **28F.12 Additional powers of the entity.**

31 a. If the entity is comprised solely of cities, counties,
32 and sanitary districts established under chapter 358, or any
33 combination thereof, the entity shall have in addition to all
34 the powers enumerated in this chapter, the powers ~~which~~ that a
35 county has with respect to solid waste disposal projects.

1 b. If the entity is comprised solely of cities, counties,
2 and sanitary districts established under chapter 358, or any
3 combination thereof, it is a governmental entity with respect
4 to projects undertaken pursuant to chapter 418. Unless
5 otherwise provided in chapter 418, if undertaking a flood
6 mitigation project as a governmental entity under chapter
7 418, the provisions of chapter 418 shall prevail over any
8 conflicting provision in this chapter.

9 Sec. 19. Section 418.1, subsection 4, paragraph c,
10 unnumbered paragraph 1, Code 2015, is amended to read as
11 follows:

12 A joint board or other legal or administrative entity
13 established or designated in an agreement pursuant to chapter
14 28E or 28F between any of the following:

15 Sec. 20. Section 418.1, subsection 4, paragraph c, Code
16 2015, is amended by adding the following new subparagraph:

17 NEW SUBPARAGRAPH. (4) One or more counties, one or more
18 cities that are located in whole or in part within those
19 counties, and one or more sanitary districts established under
20 chapter 358 or a combined water and sanitary district as
21 provided for in sections 357.1B and 358.1B, located in whole or
22 in part within those counties.

23 Sec. 21. Section 418.4, subsection 1, paragraph b, Code
24 2015, is amended to read as follows:

25 *b.* A governmental entity as defined in section 418.1,
26 subsection 4, paragraph "c", shall have the power to construct,
27 acquire, own, repair, improve, operate, and maintain a project,
28 may sue and be sued, contract, and acquire and hold real and
29 personal property, subject to the limitation in paragraph
30 "c", and shall have such other powers as may be included in
31 the chapter 28E or 28F agreement. Such a governmental entity
32 may contract with a city or the county participating in the
33 ~~chapter 28E~~ agreement to perform any governmental service,
34 activity, or undertaking that the city or county is authorized
35 by law to perform, including but not limited to contracts for

1 administrative services.

2 Sec. 22. Section 418.11, subsection 3, paragraph c, Code
3 2015, is amended to read as follows:

4 c. For projects approved for a governmental entity as
5 defined in section 418.1, subsection 4, paragraph "c", the
6 area used to determine the sales tax increment shall include
7 the incorporated areas of each participating city ~~that is~~
8 ~~participating in the chapter 28E agreement~~, the unincorporated
9 areas of ~~the~~ each participating county, ~~and~~ the area of any
10 participating drainage district not otherwise included in
11 the areas of the participating cities or county, and the
12 area served by any sanitary district or combined water and
13 sanitary district and not otherwise included in the areas of
14 the participating cities or counties, as applicable.

15 Sec. 23. Section 418.11, subsection 3, Code 2015, is amended
16 by adding the following new paragraph:

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

21 Sec. 24. Section 418.12, subsection 5, Code 2015, is amended
22 to read as follows:

23 5. If the department of revenue determines that the revenue
24 accruing to the fund or accounts within the fund ~~exceeds~~
25 ~~thirty million dollars or exceeds~~ the amount necessary for the
26 purposes of this chapter ~~if the amount necessary is less than~~
27 ~~thirty million dollars, then those~~ as limited by subsection
28 4, paragraph "a", the excess moneys shall be credited by the
29 department of revenue for deposit in the general fund of the
30 state.

31 Sec. 25. Section 418.14, subsection 3, paragraph a, Code
32 2015, is amended to read as follows:

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

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

9 Sec. 26. Section 418.14, subsection 4, paragraph b, Code
10 2015, is amended to read as follows:

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

23 Sec. 27. Section 418.15, subsection 4, Code 2015, is amended
24 to read as follows:

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

1 improvements.

2 Sec. 28. Section 423.2, subsection 11, paragraph b, Code
3 2015, is amended by adding the following new subparagraph:
4 NEW SUBPARAGRAPH. (05) Beginning the first day of the
5 calendar quarter beginning on the reinvestment district's
6 commencement date, subject to remittance limitations
7 established by the economic development authority board
8 pursuant to section 15J.4, subsection 3, transfer to a district
9 account created in the state reinvestment district fund for
10 each reinvestment district established under chapter 15J, the
11 amount of new state sales tax revenue, determined in section
12 15J.5, subsection 1, paragraph "b", in the district, that
13 remains after the prior transfers required under this paragraph
14 "b". Such transfers shall cease pursuant to section 15J.8.

15 Sec. 29. Section 423.2, subsection 11, paragraph b,
16 subparagraph (6), Code 2015, is amended by striking the
17 subparagraph.

18 Sec. 30. Section 423.2, Code 2015, is amended by adding the
19 following new subsection:

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

33 Sec. 31. EFFECTIVE UPON ENACTMENT. This division of this
34 Act, being deemed of immediate importance, takes effect upon
35 enactment.

1 Sec. 32. RETROACTIVE AND OTHER APPLICABILITY.

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

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

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

13 DIVISION V

14 ENTERPRISE ZONES

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

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

26 DIVISION VI

27 NUISANCE PROPERTIES AND ABANDONED BUILDINGS

28 Sec. 34. Section 15.335B, subsection 2, paragraph a, Code
29 2015, is amended by adding the following new subparagraph:

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

32 Sec. 35. NEW SECTION. 15.338 Nuisance property remediation
33 **assistance — fund.**

34 1. *a.* The economic development authority shall establish
35 a nuisance property remediation fund pursuant to section

1 15.106A, subsection 1, paragraph "o", for purposes of providing
2 financial assistance to cities for the remediation of nuisance
3 properties and abandoned buildings and other structures. The
4 authority shall administer the fund in a manner designed to
5 make funds annually available to cities for purposes of this
6 section.

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

14 *c.* The authority shall use any moneys specifically
15 appropriated for purposes of this section only for the purposes
16 of this section. The authority may use all other moneys in the
17 fund, including interest, earnings, recaptures, and repayments
18 for purposes of this section or the authority may transfer
19 the other moneys to other funds created pursuant to section
20 15.106A, subsection 1, paragraph "o".

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

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

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

1 competitive scoring process.

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

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

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

18 Sec. 36. Section 657A.1, subsections 1 and 3, Code 2015, are
19 amended to read as follows:

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

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

1 Sec. 37. Section 657A.10A, subsection 1, paragraph b, Code
2 2015, is amended to read as follows:

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

10 Sec. 38. Section 657A.10A, subsection 3, paragraphs d, f,
11 and j, Code 2015, are amended to read as follows:

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

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

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

18 Sec. 39. Section 657A.10A, subsection 3, Code 2015, is
19 amended by adding the following new paragraphs:

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

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

26 Sec. 40. Section 657A.10A, subsections 4 and 5, Code 2015,
27 are amended to read as follows:

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

1 respondents granting the city title to the property.

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

7 EXPLANATION

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

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

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

1 Division II of the bill concerns programs administered
2 by the Iowa commission on volunteer service (commission).
3 The division allows the commission, in collaboration with
4 the department of education, to establish the Iowa reading
5 corps. The Iowa reading corps would provide Iowa reading corps
6 Americorps members with a data-based, problem-solving model
7 of literacy instruction to use in tutoring students, from
8 prekindergarten to third grade that are either not proficient
9 in reading or at risk of becoming not proficient in reading.
10 The division requires all models of literacy instruction used
11 by Iowa reading corps Americorps members to align with literacy
12 program goals and strategies developed by the Iowa department
13 of education and the Iowa reading research center. The
14 division allows the commission to use moneys in and available
15 to the community programs account established in current Code
16 section 15H.5 to fund the program.

17 The division also allows the commission to establish an
18 Iowa national service corps to provide opportunities for state
19 agencies, political subdivisions of the state, and private
20 nonprofit organizations to create national service programs
21 outside of existing state and federal programs to meet state
22 and local needs and provide opportunities for volunteer
23 service. The division provides that existing programs and
24 service positions are automatically part of the Iowa national
25 service corps programs. The division allows state agencies or
26 political subdivisions of the state to enter into agreements
27 with approved Iowa national service corps programs either
28 directly or through the commission. The division states a
29 person participating in the Iowa national service corps program
30 is not an employee of the organization in which the person is
31 enrolled, is exempt from the state merit system requirements,
32 and is ineligible to receive unemployment compensation benefits
33 upon completion of service. The division allows state agencies
34 or political subdivisions of the state to establish hiring
35 preferences for Iowa national service corps or Americorps

1 participants that have successfully completed a year of
2 full-time service or 1,700 hours over a period beyond one year.

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

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

1 located at least partly within the city or county.

2 The division provides that, for purposes of funding a
3 flood mitigation project, the sales tax increment area shall
4 not include any parcels that are included in a reinvestment
5 district established under Code chapter 15J.

6 The division removes the \$30 million limit on the amount
7 of moneys that may accrue to the flood mitigation fund or the
8 accounts within the fund, but maintains the requirement that
9 the department of revenue determine whether the moneys in the
10 fund exceeds the amount necessary for the purposes of the Code
11 chapter and, if so, to credit the money to the department for
12 deposit in the general fund of the state. The limitation on
13 the total amount of remittances that may be made from the fund
14 in any fiscal year is maintained at \$30 million.

15 The division provides that transfers of sales tax increment
16 revenue to a reinvestment district account shall be made
17 prior to transfer of sales tax increment revenue to a flood
18 mitigation project account. The division also provides that
19 from the amounts transferred to reinvestment district accounts
20 and flood mitigation project accounts the department of revenue
21 shall retain the lesser of \$25,000 or the actual cost of
22 administering the specified transfers of sales tax increment
23 revenue quarterly as a repayment receipt. The bill provides
24 the process for the retention of the revenue.

25 The division is effective upon enactment. The division
26 applies retroactively to reinvestment districts designated
27 under Code chapter 15J in existence on or after July 1, 2014,
28 and flood mitigation project plan applications received before,
29 on, or after the effective date of the division. The sections
30 of the division amending Code section 423.2, regarding the
31 transfers of sales tax increment revenue to a reinvestment
32 district and to a flood mitigation project account as well as
33 the retention of repayment receipts, apply to transfers of
34 sales tax revenues made on or after July 1, 2015.

35 Division V of the bill relates to enterprise zones. The

1 division allows a city or county and the economic development
2 authority for compliance reasons to amend agreements made under
3 the enterprise zone program as long as the amendments do not
4 increase the amount of incentives awarded and the economic
5 development authority board approves.

6 Division VI of the bill relates to nuisance properties
7 and abandoned buildings. The division requires the economic
8 development authority to establish a nuisance property
9 remediation fund for the purpose of providing financial
10 assistance to cities for the remediation of nuisance
11 properties, abandoned buildings, and other structures. The
12 division provides that moneys in a fund established in the high
13 quality jobs program may be deposited in the nuisance property
14 remediation fund. The division allows the authority to operate
15 the fund as a revolving fund and to use moneys in the fund for
16 purposes of the program, or the authority may transfer the
17 moneys to other funds it has created. However, the division
18 states that the authority must use any money specifically
19 appropriated for nuisance property remediation assistance for
20 the program. Moneys in the fund consist of appropriations and
21 any other moneys lawfully available to the authority. The
22 authority may provide this assistance using a competitive
23 scoring process. The division requires the authority to enter
24 into an agreement with the city concerning the assistance. The
25 division allows the authority to grant priority to cities with
26 severe blighted areas, widespread dilapidated housing stock, or
27 high rates of low and moderate income residents.

28 Division VI also makes changes to the authority of cities
29 and counties relating to certain abandoned or unsafe buildings.
30 Code chapter 657A allows a city or county to take action
31 to abate by rehabilitation a building used primarily for
32 residential purposes that meets the statutory definition of
33 "abandoned" or "public nuisance", as those terms are defined
34 by the Iowa Code. The costs associated with rehabilitating
35 the building that remain unpaid by the owner create a mortgage

1 lien against the property. In lieu of abatement through
2 rehabilitation, Code section 657A.10A allows a city to file
3 an action in district court to take title to an abandoned
4 building. The court may award title to the petitioning city if
5 the court finds that the building is abandoned, using factors
6 established in statute, or if the city establishes that all
7 interested parties received proper notice and the interested
8 parties either consented to the title transfer or had taken no
9 action to comply with local housing official orders within 60
10 days after the filing of the petition.

11 The division amends the definition of "building" in Code
12 section 657A.1 to include buildings used or intended to be used
13 for commercial or industrial purposes and makes corresponding
14 amendments to refer to the local building code or local housing
15 code, as applicable.

16 Currently, Code section 657A.10A requires that service
17 of notice of the filing of the petition for title be made
18 on interested parties by certified mail and by posting on
19 the building. The division provides that service shall be
20 by personal service or certified mail or, if service cannot
21 be made by either method, by posting on the building and
22 publication in a newspaper of general circulation in the city.

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