

Senate File 2247 - Introduced

SENATE FILE 2247

BY MATHIS

A BILL FOR

1 An Act relating to awarding historic preservation tax credits
2 to rehabilitate vacant school buildings or other public
3 buildings into child care facilities.

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

1 Section 1. Section 404A.1, subsection 8, Code 2020, is
2 amended to read as follows:

3 8. a. *“Qualified rehabilitation project”* means a project
4 under paragraph “b” or a project for the rehabilitation
5 of property in this state that meets all of the following
6 criteria:

7 ~~a.~~ (1) The property is at least one of the following:

8 ~~(1)~~ (a) Property listed on the national register of
9 historic places or eligible for such listing.

10 ~~(2)~~ (b) Property designated as of historic significance to
11 a district listed in the national register of historic places
12 or eligible for such designation.

13 ~~(3)~~ (c) Property or district designated a local landmark
14 by a city or county ordinance.

15 ~~(4)~~ (d) A barn constructed prior to 1937.

16 ~~b.~~ (2) The property meets the physical criteria and
17 standards for rehabilitation established by the department by
18 rule. To the extent applicable, the physical standards and
19 criteria shall be consistent with the United States secretary
20 of the interior’s standards for rehabilitation.

21 ~~c.~~ (3) The project has qualified rehabilitation
22 expenditures that meet or exceed the following:

23 ~~(1)~~ (a) In the case of commercial property, expenditures
24 totaling at least fifty thousand dollars or fifty percent of
25 the assessed value of the property, excluding the land, prior
26 to rehabilitation, whichever is less.

27 ~~(2)~~ (b) In the case of property other than commercial
28 property, including but not limited to barns constructed prior
29 to 1937, expenditures totaling at least twenty-five thousand
30 dollars or twenty-five percent of the assessed value, excluding
31 the land, prior to rehabilitation, whichever is less.

32 b. A vacant school building or other vacant public building
33 located in this state is a qualified rehabilitation project if
34 all of the following apply:

35 (1) The project is for the rehabilitation of the building

1 into a child care facility as defined in section 237A.1.

2 (2) The building meets the physical criteria and standards
3 for rehabilitation established by the department by rule. To
4 the extent applicable, the physical standards and criteria
5 shall be consistent with the United States secretary of the
6 interior's standards for rehabilitation.

7 (3) A building qualifies as a vacant building under this
8 paragraph if the building is scheduled to become vacant within
9 one year of the date of application pursuant to section 404A.3.

10 Sec. 2. Section 404A.4, subsection 1, Code 2020, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. c. Of the tax credits awarded in a fiscal
13 year pursuant to paragraph "a", at least five percent of
14 the dollar amount of the tax credits shall be allocated for
15 purposes of qualified rehabilitation projects under section
16 404A.1, subsection 8, paragraph "b". If by March 1 of a fiscal
17 year the entire five percent of the tax credits is not awarded,
18 the remaining tax credits shall be available to any other
19 eligible applicants.

20 EXPLANATION

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

23 This bill relates to awarding historic preservation tax
24 credits to rehabilitate vacant school buildings or other public
25 buildings into child care facilities as defined in Code section
26 237A.1.

27 Under the bill, a project is eligible for historical
28 preservation tax credits under Code chapter 404A if the project
29 is for the rehabilitation of a vacant school building or other
30 public building into a child care facility, and meets the
31 physical criteria and standards for rehabilitation established
32 by the department of cultural affairs by rule. The bill
33 specifies that a building qualifies as a vacant building if the
34 building is scheduled to become vacant within one year of the
35 date of the application for historic preservation tax credits.

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1 Currently, historic preservation tax credits awards
2 shall not exceed \$45 million in any one fiscal year under
3 most circumstances. Of the aggregate amount of historic
4 preservation tax credits eligible to be awarded in any one
5 fiscal year, the bill requires that 5 percent of the aggregate
6 amount of such tax credits shall be allocated for purposes of
7 qualified rehabilitation projects to rehabilitate vacant school
8 buildings or other public buildings into child care facilities.
9 If by March 1 of a fiscal year the entire 5 percent of the tax
10 credits is not awarded, the remaining tax credits shall be
11 available to any other eligible applicants.