

House File 778 - Introduced

HOUSE FILE 778
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HF 216)

A BILL FOR

1 An Act creating a vacant school building demolition grant
2 program and fund.

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

1 Section 1. NEW SECTION. 15.263 Vacant school building
2 demolition grant program — fund.

3 1. A vacant school building demolition grant fund is created
4 in the state treasury under the control of the authority.
5 The fund shall consist of moneys appropriated by the general
6 assembly to the authority for deposit in the fund and any other
7 moneys that are lawfully available to the authority.

8 2. Moneys in the vacant school building demolition grant
9 fund are appropriated to the authority for purposes of funding
10 a grant program for the demolition of buildings owned by a
11 political subdivision of this state or proposed to be acquired
12 by a political subdivision of this state that became vacant
13 before January 1, 2021, and were at any time previously used as
14 school attendance centers or school administration buildings,
15 but which are no longer used for any political subdivision
16 purpose. The authority shall administer the fund in a manner
17 designed to make grants annually available to political
18 subdivisions for purposes of this section.

19 3. Notwithstanding section 12C.7, subsection 2, interest
20 or earnings on moneys deposited in the vacant school building
21 demolition grant fund shall be credited to the vacant school
22 building demolition grant fund. Notwithstanding section 8.33,
23 moneys credited to the vacant school building demolition grant
24 fund shall not revert at the close of a fiscal year. However,
25 if the authority receives no qualifying applications for three
26 consecutive years, the moneys in the vacant school building
27 demolition grant fund shall be transferred to the department of
28 revenue for deposit in the general fund of the state.

29 4. The authority may use not more than five percent of
30 the moneys in the fund at the beginning of the fiscal year
31 for purposes of administrative costs, finance, compliance,
32 marketing, and program support.

33 5. a. The authority may provide grants under this section
34 using a competitive scoring process. The authority shall
35 prioritize grant applications from political subdivisions with

1 the lowest populations as compared to other grant applicants.

2 *b.* In providing grants under this section, the authority
3 shall coordinate with the political subdivision to develop a
4 plan for the use of grant funds that is consistent with the
5 community development, housing, or economic development goals
6 of the political subdivision.

7 *c.* In providing grants under this section, the authority
8 shall coordinate with the political subdivision to ensure that
9 the condition and use of the property following demolition is
10 consistent with the property's surroundings, including for
11 future new construction, park space, or agricultural use.

12 *d.* The political subdivision shall not be required to sell
13 the property after demolition as a condition of the grant.
14 However, if the property is sold by the political subdivision
15 following demolition, proceeds from sale of the property shall,
16 following subtraction of the political subdivision's costs
17 related to the demolition, including costs to acquire the
18 property if applicable, shall be paid to the authority for
19 deposit in the vacant school building demolition grant fund.

20 6. The authority shall submit a report to the general
21 assembly and the governor's office on or before January 31 of
22 each year, describing the results of the program implemented
23 pursuant to this section and making recommendations for
24 additional program changes.

25

EXPLANATION

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

28 This bill creates a vacant school building demolition
29 grant program to be administered by the economic development
30 authority for the demolition of buildings owned by a political
31 subdivision of this state or proposed to be acquired by a
32 political subdivision of this state that became vacant before
33 January 1, 2021, and were at any time previously used as school
34 attendance centers or school administration buildings, but
35 which are no longer used for any political subdivision purpose.

1 The bill creates a vacant school building demolition
2 grant fund in the state treasury under the control of the
3 authority. Interest or earnings on moneys deposited in the
4 vacant school building demolition grant fund shall be credited
5 to the vacant school building demolition grant fund and moneys
6 credited to the vacant school building demolition grant fund
7 shall not revert at the close of a fiscal year. If, however,
8 the authority receives no qualifying applications for three
9 consecutive years, the moneys in the vacant school building
10 demolition grant fund shall be transferred to the department of
11 revenue for deposit in the general fund of the state.

12 The authority is required to prioritize grant applications
13 from political subdivisions with the lowest populations as
14 compared to other grant applicants. The authority is also
15 required to coordinate with each political subdivision to
16 develop a plan for the use of grant funds that is consistent
17 with the community development, housing, or economic
18 development goals of the political subdivision and to ensure
19 that the condition and use of the property following demolition
20 is consistent with the property's surroundings.

21 The political subdivision shall not be required to sell
22 the property after demolition as a condition of the grant.
23 However, if the property is sold by the political subdivision
24 following demolition, proceeds from sale of the property shall,
25 following subtraction of the political subdivision's costs
26 related to the demolition, including costs to acquire the
27 property if applicable, shall be paid to the authority for
28 deposit in the vacant school building demolition grant fund.

29 Under the bill, the authority may use not more than 5 percent
30 of the moneys in the fund at the beginning of the fiscal year
31 for purposes of administrative costs, finance, compliance,
32 marketing, and program support.

33 The authority is required to submit a report to the general
34 assembly and the governor's office on or before January 31 of
35 each year, describing the results of the program implemented

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1 pursuant to this section and making recommendations for
2 additional program changes.