

Senate Study Bill 1182 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON SHIPLEY)

A BILL FOR

1 An Act creating a vacant school building demolition grant
2 program and fund and making appropriations.
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. The
5 fund shall consist of moneys transferred to the authority
6 for deposit in the fund under section 423F.2, subsection 3,
7 paragraph "a", subparagraph (2), and any other moneys that are
8 lawfully available to the authority.

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

20 3. Notwithstanding section 12C.7, subsection 2, interest
21 or earnings on moneys deposited in the vacant school building
22 demolition grant fund shall be credited to the vacant school
23 building demolition grant fund. Notwithstanding section 8.33,
24 moneys credited to the vacant school building demolition grant
25 fund shall not revert at the close of a fiscal year. However,
26 if the authority receives no qualifying applications for three
27 consecutive years, the moneys in the vacant school building
28 demolition grant fund shall be transferred to the department
29 of revenue for deposit in the secure an advanced vision for
30 education fund for distribution to school districts under
31 section 423F.2, subsection 3, paragraph "a", subparagraph
32 (1), and no further transfers to the vacant school building
33 demolition grant fund under section 423F.2, subsection 3,
34 paragraph "a", subparagraph (2), shall occur in any future
35 fiscal year.

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

5 5. a. The authority may provide grants under this section
6 using a competitive scoring process. The authority shall
7 prioritize grant applications from political subdivisions with
8 the lowest populations as compared to other grant applicants.

9 b. In providing grants under this section, the authority
10 shall coordinate with the political subdivision to develop a
11 plan for the use of grant funds that is consistent with the
12 community development, housing, or economic development goals
13 of the political subdivision.

14 c. In providing grants under this section, the authority
15 shall coordinate with the political subdivision to ensure that
16 the condition and use of the property following demolition is
17 consistent with the property's surroundings, including for
18 future new construction, park space, or agricultural use.

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

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

32 Sec. 2. Section 423F.2, subsection 3, paragraph a, Code
33 2021, is amended to read as follows:

34 a. (1) The moneys available in a fiscal year in the secure
35 an advanced vision for education fund shall be distributed by

1 the department of revenue to each school district on a per
2 pupil basis calculated using each school district's budget
3 enrollment, as defined in [section 257.6](#), for that fiscal year.

4 (2) For the fiscal year beginning July 1, 2021, and
5 each fiscal year thereafter until transfers end as required
6 by section 15.263, subsection 3, of the amount remaining
7 after transfers required under paragraph "b", but prior to
8 distribution of the moneys to school districts on a per pupil
9 basis under subparagraph (1), an amount equal to twenty percent
10 of the difference between the amount of moneys available in the
11 secure an advanced vision for education fund in the immediately
12 preceding fiscal year and the amount of moneys available in the
13 fund for the fiscal year prior to the immediately preceding
14 fiscal year, shall be transferred by the department of revenue
15 to the economic development authority for deposit in the vacant
16 school building demolition grant fund under section 15.263.

17 Sec. 3. Section 423F.2, subsection 3, paragraph b,
18 subparagraph (1), Code 2021, is amended to read as follows:

19 (1) Prior to distribution of moneys in the secure an
20 advanced vision for education fund under paragraph "a" to
21 school districts and to the vacant school building demolition
22 grant program, an amount equal to the equity transfer amount
23 for the fiscal year minus the foundation base transfer amount
24 for the fiscal year shall be distributed and credited to the
25 property tax equity and relief fund created in [section 257.16A](#),
26 an amount equal to the foundation base transfer amount shall
27 be distributed and credited to the foundation base supplement
28 fund created in [section 257.16D](#), and an amount equal to the
29 career academy transfer amount for the fiscal year shall be
30 distributed and credited to the career academy fund created in
31 section 257.51.

32 EXPLANATION

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

35 This bill creates a vacant school building demolition

1 grant program to be administered by the economic development
2 authority for the demolition of buildings owned by a political
3 subdivision of this state or proposed to be acquired by a
4 political subdivision of this state that became vacant before
5 January 1, 2021, and were at any time previously used as school
6 attendance centers or school administration buildings, but
7 which are no longer used for any political subdivision purpose.

8 The bill creates a vacant school building demolition
9 grant fund in the state treasury under the control of the
10 authority. The fund shall consist of specified amounts of
11 moneys transferred to the authority from the secure an advanced
12 vision for education (SAVE) fund and any other moneys that
13 are lawfully available to the authority. For the fiscal
14 year beginning July 1, 2021, and each fiscal year thereafter
15 until transfers end as required under the bill, and following
16 other transfers required by law, the bill transfers from the
17 SAVE fund an amount equal to 20 percent of the difference
18 between the amount of moneys available in the SAVE fund in the
19 immediately preceding fiscal year and the amount of moneys
20 available in the SAVE fund for the fiscal year prior to the
21 immediately preceding fiscal year, to the economic development
22 authority for deposit in the vacant school building demolition
23 grant fund. Interest or earnings on moneys deposited in the
24 vacant school building demolition grant fund shall be credited
25 to the vacant school building demolition grant fund and moneys
26 credited to the vacant school building demolition grant fund
27 shall not revert at the close of a fiscal year. If, however,
28 the authority receives no qualifying applications for three
29 consecutive years, the moneys in the vacant school building
30 demolition grant fund shall be transferred to the department
31 of revenue for deposit in the secure an advanced vision for
32 education fund for distribution to school districts and no
33 further transfers to the vacant school building demolition
34 grant fund shall occur.

35 The authority is required to prioritize grant applications

1 from political subdivisions with the lowest populations as
2 compared to other grant applicants. The authority is also
3 required to coordinate with each political subdivision to
4 develop a plan for the use of grant funds that is consistent
5 with the community development, housing, or economic
6 development goals of the political subdivision and to ensure
7 that the condition and use of the property following demolition
8 is consistent with the property's surroundings.

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

17 Under the bill, the authority may use not more than 5 percent
18 of the moneys in the fund at the beginning of the fiscal year
19 for purposes of administrative costs, finance, compliance,
20 marketing, and program support.

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