

House File 2541 - Introduced

HOUSE FILE 2541
BY COMMITTEE ON ECONOMIC
GROWTH AND TECHNOLOGY

(SUCCESSOR TO HF 706)
(SUCCESSOR TO HF 339)
(SUCCESSOR TO HF 153)

A BILL FOR

1 An Act creating a vacant school building demolition grant
2 program and fund and including contingent effective date
3 provisions.
4 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 appropriated to the authority for
6 deposit in the fund and any other moneys that are lawfully
7 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 vacant buildings owned
11 by a political subdivision of this state or proposed to be
12 acquired by a political subdivision of this state that became
13 vacant before January 1, 2021, and were at any time previously
14 used as school attendance centers or school administration
15 buildings, but which are no longer used for any political
16 subdivision purpose.

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

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

31 5. a. The authority shall provide grants under this section
32 using a competitive scoring process. The authority shall
33 prioritize grant applications from political subdivisions with
34 the lowest populations as compared to other grant applicants.
35 A grant shall only be approved if the eligible building is

1 located in a city or township with a population less than
2 two thousand five hundred, and the political subdivision
3 applying is either a county with a population that is among the
4 eighty-eight lowest-populated counties in the state or is a
5 political subdivision that is located in whole or in part in
6 such a county.

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

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

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

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

30 Sec. 2. CONTINGENT EFFECTIVE DATE. This Act takes effect
31 July 1, 2024, if legislation is enacted appropriating moneys
32 for deposit in the vacant school building demolition grant fund
33 for the fiscal year beginning July 1, 2024.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

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

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

11 The bill creates a vacant school building demolition grant
12 fund in the state treasury under the control of the authority.
13 The fund shall consist of moneys appropriated to the authority
14 and any other moneys that are lawfully available to the
15 authority. Interest or earnings on moneys deposited in the
16 vacant school building demolition grant fund shall be credited
17 to the vacant school building demolition grant fund and moneys
18 credited to the vacant school building demolition grant fund
19 shall not revert at the close of a fiscal year. If, however,
20 the authority receives no qualifying applications for three
21 consecutive years, the moneys in the vacant school building
22 demolition grant fund shall be transferred for deposit in the
23 rebuild Iowa infrastructure fund.

24 The authority is required to provide grants using a
25 competitive scoring process. The authority shall prioritize
26 grant applications from political subdivisions with the lowest
27 populations as compared to other grant applicants. A grant
28 shall only be approved if the eligible building is located in a
29 city or township with a population of less than 2,500, and the
30 applicant is either a county with a population that is among
31 the 88 lowest populated counties in the state or is a political
32 subdivision that is located in whole or in part in such a
33 county. The authority is also required to coordinate with
34 each political subdivision to develop a plan for the use of
35 grant funds that is consistent with the community development,

1 housing, or economic development goals of the political
2 subdivision and to ensure that the condition and use of the
3 property following demolition is consistent with the property's
4 surroundings.

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

13 Under the bill, the authority may use not more than 5 percent
14 of the moneys in the fund at the beginning of the fiscal year
15 for purposes of administrative costs, finance, compliance,
16 marketing, and program support.

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

22 The bill takes effect July 1, 2024, if legislation is enacted
23 appropriating moneys for deposit in the vacant school building
24 demolition grant fund for the fiscal year beginning July 1,
25 2024.