

**House File 2550 - Introduced**

HOUSE FILE 2550  
BY THOMSON

**A BILL FOR**

1 An Act relating to small nuclear reactors, including the  
2 establishment of the Iowa modular reactor committee within  
3 the economic development authority, financial incentives, and  
4 the potential establishment of related education programs and  
5 including effective date provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 15.522, subsection 2, Code 2026, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. 01. Small modular reactors, as that term is  
4 defined in section 15.540.

5 Sec. 2. NEW SECTION. **15.540 Definitions.**

6 For purposes of this part, unless the context otherwise  
7 requires:

8 1. "Committee" means the Iowa small modular reactor committee  
9 established in section 15.541.

10 2. "Qualified project" means a small modular reactor project  
11 that involves any of the following:

12 a. Small modular reactor design, licensing, or testing.

13 b. Small modular reactor fabrication or assembly.

14 c. Small modular reactor fuel handling, storage, or recycling  
15 technology.

16 d. Small modular reactor power generation facilities.

17 e. Industrial heat or hydrogen production coupled to small  
18 modular reactors.

19 f. Small modular reactor-related supply chain manufacturing,  
20 certified or certifiable under nuclear quality standards.

21 3. "Small modular reactor" means a nuclear fission reactor  
22 that meets all of the following requirements:

23 a. The small modular reactor is designed for factory  
24 fabrication and modular deployment.

25 b. The small modular reactor is licensed or licensable by the  
26 United States nuclear regulatory commission.

27 Sec. 3. NEW SECTION. **15.541 Iowa small modular reactor**  
28 **committee.**

29 1. The Iowa small modular reactor committee is established  
30 within the authority. The committee shall do all of the  
31 following:

32 a. Serve as the statewide coordinating entity for small  
33 modular reactor development.

34 b. Act as a permitting and interagency coordination office as  
35 permitted by federal law.

1 c. Designate small modular reactor priority development zones  
2 for purposes of this section.

3 d. Administer financial incentives for purposes of this  
4 section.

5 e. Coordinate workforce, research, and education initiatives  
6 for purposes of this section.

7 f. Market Iowa nationally and internationally as a small  
8 modular reactor hub.

9 g. Enter into public-private partnerships for purposes of  
10 this section.

11 2. The committee shall accept, process, and approve  
12 applications for qualified projects. The committee shall issue  
13 a determination on an application for a qualified project no  
14 later than one hundred eighty calendar days after receipt of a  
15 completed application, unless extended for good cause. Failure  
16 to deny or accept an application for a qualified project within  
17 the time limit shall constitute conditional approval of the  
18 application, subject to safety conditions.

19 3. The committee may designate pre-certified small modular  
20 reactor sites as permitted by federal law including but not  
21 limited to any of the following:

22 a. Brownfields.

23 b. Retired fossil fuel generation sites.

24 c. Industrial campuses.

25 d. State owned land.

26 4. The committee may issue revenue bonds to qualified  
27 projects from the revenue bonds capitals fund created in section  
28 12.88, subject to appropriation by the Iowa finance authority and  
29 subject to approval of the economic development authority.

30 **Sec. 4. NEW SECTION. 15.542 Qualified project tax**  
31 **incentives.**

32 1. a. For tax years beginning on or after January 1, 2027,  
33 a tax credit shall be allowed against the taxes imposed in  
34 chapter 422, subchapters II, III, and V, and in chapter 432, and  
35 against the moneys and credits tax imposed in section 533.329,

1 for a portion of a taxpayer's qualified capital investment in a  
2 qualified project.

3     *b.* An individual may claim a tax credit under this section  
4 as a partnership, limited liability company, S corporation,  
5 estate, or trust electing to have income taxed directly to the  
6 individual. The amount claimed by the individual shall be based  
7 upon the pro rata share of the individual's earnings from the  
8 partnership, limited liability company, S corporation, estate, or  
9 trust.

10     *c.* An individual affiliated with a qualified project shall  
11 not be eligible for a tax credit under this section.

12     *d.* In lieu of claiming a refund, a taxpayer may elect to have  
13 the overpayment shown on the taxpayer's final, completed return  
14 credited to the tax liability for the immediately succeeding tax  
15 year.

16     *e.* The amount of the tax credit shall equal thirty percent  
17 of the taxpayer's qualified capital investment in a qualified  
18 project.

19     *f.* A tax credit shall not be transferred to any other person.

20     *g.* The authority shall develop a system for registration and  
21 issuance of tax credits authorized pursuant to this subsection  
22 and shall control distribution of all tax credit certificates  
23 to investors pursuant to this subsection. The authority  
24 shall develop rules for the qualification and administration of  
25 qualified projects. The department of revenue shall adopt rules  
26 pursuant to chapter 17A as necessary for the administration of  
27 this subsection.

28     2. A qualified small modular reactor facility responsible  
29 for a qualified project may enter into an agreement with the  
30 authority for a supplemental new jobs credit from withholding  
31 from jobs created under the qualified project. The agreement  
32 shall provide that a new jobs credit from withholding in an  
33 amount equal to one and one-half percent of the gross wages  
34 paid by the qualified small modular reactor facility pursuant to  
35 section 422.16 is authorized to fund the qualified project.

1 3. a. A qualified small modular reactor facility responsible  
2 for a qualified project may claim a refund of the sales and  
3 use taxes paid under chapter 423 prior to the completion of  
4 the qualified project that are directly related to a qualified  
5 project and specified in an agreement between the qualified small  
6 modular reactor facility and the authority.

7 b. To receive a refund, a claim shall be filed by a qualified  
8 small modular reactor facility with the department of revenue as  
9 follows:

10 (1) The qualified small modular reactor facility shall state  
11 under oath, on forms provided by the department of revenue, the  
12 amount of sales and use taxes paid under chapter 423 prior to the  
13 completion of the qualified project that are directly related to  
14 a qualified project and specified in the agreement.

15 (2) The qualified small modular reactor facility shall, after  
16 the agreement completion date, make application to the department  
17 of revenue for any refund of the amount of sales and use taxes  
18 paid under chapter 423 prior to the completion of the qualified  
19 project that were directly related to a qualified project and  
20 specified in the agreement. The application shall be made in  
21 the manner and upon forms to be provided by the department of  
22 revenue. The department of revenue shall audit the claim and, if  
23 approved, issue a warrant to the qualified small modular reactor  
24 facility. The application must be made within one year after the  
25 agreement completion date. A claim filed in accordance with this  
26 subsection shall not be denied by reason of a time limitation for  
27 filing a refund claim set forth in section 423.47.

28 4. a. A community in which a qualified small modular reactor  
29 facility is located may grant the qualified small modular reactor  
30 facility a property tax exemption for a portion of the actual  
31 value added by improvements to real property directly related to  
32 the qualified small modular reactor facility's created jobs. The  
33 community may allow a property tax exemption for a period not to  
34 exceed twenty years beginning the year that the improvements to  
35 real property are first assessed for taxation.

1     **b.** For purposes of this subsection, "improvements" means new  
2 construction and rehabilitation of, and additions to, existing  
3 structures.

4     **c.** A property tax exemption granted under paragraph "a" shall  
5 apply to all taxing districts, except for school districts, in  
6 which the real property is located.

7     Sec. 5. NEW SECTION.   **15.543 Local government restrictions**  
8 **— prohibition.**

9     A local government shall not impose requirements on qualified  
10 projects that are inconsistent with or more restrictive than  
11 provided by state or federal law, except for generally applicable  
12 zoning standards that are not specifically targeted at nuclear  
13 facilities.

14     Sec. 6. NEW SECTION.   **15.544 Loan guarantee program.**

15     1. The economic development authority, in partnership with  
16 the Iowa finance authority, shall establish and administer a loan  
17 guarantee program to encourage qualified small modular reactor  
18 facilities to invest in qualified projects in the state.

19     2. In order for a loan to be guaranteed, all of the following  
20 conditions must be true:

21     **a.** The loan must finance a qualified project, or finance  
22 acquisition or refinancing costs associated with the qualified  
23 project.

24     **b.** A federally insured financial lending institution issued  
25 the loan.

26     3. **a.** For a loan amount less than or equal to five  
27 hundred thousand dollars, the economic development authority may  
28 guarantee up to fifty percent of the loan amount.

29     **b.** For a loan amount greater than five hundred thousand  
30 dollars, the economic development authority may provide a maximum  
31 loan guarantee of up to two hundred fifty thousand dollars.

32     4. A project loan must be secured by a mortgage against the  
33 project property.

34     5. The economic development authority may guarantee loans  
35 for up to five years. The economic development authority may

1 extend the loan guarantee for an additional five years if an  
2 underwriting review finds that an extension would be beneficial.

3 6. The lender shall pay an annual loan guarantee fee as set  
4 forth by rule.

5 7. The economic development authority reserves the right to  
6 deny a loan guarantee for unreasonable bank loan fees or interest  
7 rate.

8 8. The loan must not be insured or guaranteed by another  
9 local, state, or federal guarantee program.

10 9. The loan guarantee is not transferable if the loan or the  
11 qualified project is sold or transferred.

12 10. Moneys for the program may consist of any moneys  
13 appropriated by the general assembly for purposes of this  
14 section, and any other moneys that are lawfully available to the  
15 economic development authority.

16 Sec. 7. NEW SECTION. **15.545 Federal funding.**

17 The authority shall maximize the use of federal tax credits,  
18 grants, and defense programs for purposes of this part.

19 Sec. 8. NEW SECTION. **15.546 Rules.**

20 The authority shall adopt rules pursuant to chapter 17A to  
21 administer and enforce this part.

22 Sec. 9. STATE BOARD OF REGENTS AND COMMUNITY COLLEGES —  
23 STUDY.

24 1. The state board of regents shall conduct a study regarding  
25 the feasibility of creating a nuclear engineering and small  
26 modular reactor operations track at institutions under section  
27 262.7. The study shall include the costs and resources necessary  
28 to create and administer a nuclear engineering and small modular  
29 reactor operations track, including but not limited to the cost  
30 of additional staffing, classrooms, and materials. The state  
31 board of regents shall include the study findings in a report  
32 submitted to the general assembly on or before January 1, 2027.

33 2. The department of education shall conduct a study  
34 regarding the feasibility of creating a certificate program  
35 in nuclear technology, welding, and controls. The study

1 shall include the costs and resources necessary to create and  
2 administer such certificate program, including but not limited to  
3 the cost of additional staffing, classrooms, and materials. The  
4 department of education shall include study findings in a report  
5 submitted to the general assembly on or before January 1, 2027.

6 3. The state board of regents shall conduct a study regarding  
7 the feasibility of establishing a small modular reactor research  
8 hub at the Iowa state university of science and technology.  
9 The study shall include the costs and resources necessary to  
10 create and administer a small modular reactor research hub,  
11 including but not limited to the cost of additional staffing,  
12 infrastructure, and materials. The state board of regents shall  
13 include the study findings in a report submitted to the general  
14 assembly on or before January 1, 2027.

15 Sec. 10. CODE EDITOR DIRECTIVE. The Code editor is directed  
16 to designate sections 15.540 through 15.546, as enacted in this  
17 Act, as part 36 of subchapter II.

18 Sec. 11. EFFECTIVE DATE. This Act, being deemed of immediate  
19 importance, takes effect upon enactment.

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 small modular reactors, including the  
24 establishment of the Iowa small modular reactor committee within  
25 the economic development authority, financial incentives, and the  
26 potential establishment of related education programs.

27 The bill establishes the Iowa small modular reactor  
28 committee (committee) within the economic development authority  
29 (authority), and details the responsibilities of the committee.  
30 The committee shall accept, process, and approve applications for  
31 qualified projects, and issue a determination on an application  
32 for a qualified project no later than 180 days after receipt  
33 of a completed application, unless extended for good cause.  
34 Failure to deny or accept an application for a qualified project  
35 within the time limit shall constitute conditional approval of

1 the application subject to safety conditions. The committee may  
2 designate pre-certified small modular reactor sites as permitted  
3 by federal law, and may issue revenue bonds to qualified  
4 projects.

5 The bill defines "qualified project" as a small modular  
6 reactor project that involves small modular reactor design,  
7 licensing, or testing, fabrication or assembly, fuel handling,  
8 storage, or recycling technology, power generation facilities,  
9 industrial heat or hydrogen production coupled to small modular  
10 reactors, and related supply chain manufacturing certified or  
11 certifiable under nuclear quality standards. The bill defines  
12 "small modular reactor" as a nuclear fission reactor that is  
13 designed for factory fabrication and modular deployment, and  
14 licensed or licensable by the United States nuclear regulatory  
15 commission.

16 The bill details tax incentives for qualified projects,  
17 including a research and development tax credit, a tax credit  
18 for the moneys and credits tax, supplemental new jobs credit from  
19 withholding, refund of the sales and use taxes, and property tax  
20 exemption.

21 The bill prohibits a local government from imposing  
22 requirements on qualified projects that are inconsistent with  
23 or more restrictive than provided by state for federal law,  
24 except for generally applicable zoning standards that are not  
25 specifically targeted at nuclear facilities.

26 Under the bill, the economic development authority, in  
27 partnership with the Iowa finance authority, shall establish and  
28 administer a loan guarantee program to encourage qualified small  
29 modular reactor facilities to invest in qualified projects in the  
30 state, as detailed in the bill.

31 The authority shall maximize the use of federal tax credits,  
32 grants, and defense programs for purposes of the bill.

33 The authority shall adopt rules to administer and enforce the  
34 bill.

35 The bill requires the state board of regents to conduct a

1 study regarding the feasibility of creating a nuclear engineering  
2 and small modular reactor operations track at institutions,  
3 including the costs and resources necessary to create and  
4 administer such track, and shall include the study findings in  
5 a report submitted to the general assembly on or before January  
6 1, 2027.

7 The board of education shall conduct a study regarding  
8 the feasibility of creating a certificate program in nuclear  
9 technology, welding, and controls, including the costs and  
10 resources necessary to create and administer such certificate  
11 program, and shall include the study findings in a report  
12 submitted to the general assembly on or before January 1, 2027.

13 The state board of regents shall conduct a study regarding the  
14 feasibility of establishing a small modular reactor research hub  
15 at the Iowa state university of science and technology, including  
16 the costs and resources necessary, and shall include the study  
17 findings in a report submitted to the general assembly on or  
18 before January 1, 2027.

19 The bill takes effect upon enactment.