

House File 517 - Introduced

HOUSE FILE 517
BY COMMITTEE ON ECONOMIC GROWTH
AND TECHNOLOGY

(SUCCESSOR TO HF 133)

A BILL FOR

1 An Act creating a vacant school building demolition grant program
2 and fund, and including contingent effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

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 fund
9 are appropriated to the authority for purposes of funding a
10 grant program for the demolition of vacant buildings owned by a
11 political subdivision of this state or proposed to be acquired by
12 a political subdivision of this state that became vacant before
13 January 1, 2021, and were at any time previously used as school
14 attendance centers or school administration buildings, but which
15 are no longer used for any political subdivision purpose.

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

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

30 5. a. The authority shall provide grants under this section
31 using a competitive scoring process. The authority shall
32 prioritize grant applications from political subdivisions with
33 the lowest populations as compared to other grant applicants. A
34 grant shall only be approved if the eligible building is located
35 in a city or township with a population less than two thousand

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

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

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

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

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

28 Sec. 2. CONTINGENT EFFECTIVE DATE. This Act takes effect
29 July 1, 2025, if legislation is enacted appropriating moneys for
30 deposit in the vacant school building demolition grant fund for
31 the fiscal year beginning July 1, 2025.

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 grant

1 program to be administered by the economic development authority
2 for the demolition of vacant 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 which
7 are no longer used for any political subdivision purpose.

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

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

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

9 Under the bill, the authority may use not more than 5 percent
10 of the moneys in the fund at the beginning of the fiscal year for
11 purposes of administrative costs, finance, compliance, marketing,
12 and program support.

13 The authority is required to submit a report to the
14 general assembly and the governor's office on or before January
15 31 of each year, describing the results of the program
16 implemented pursuant to this section and making recommendations
17 for additional program changes.

18 The bill takes effect July 1, 2025, if legislation is enacted
19 appropriating moneys for deposit in the vacant school building
20 demolition grant fund for the fiscal year beginning July 1, 2025.