

**House File 617 - Introduced**

HOUSE FILE 617  
BY SIEGRIST, TUREK, SIECK, and  
KAUFMANN

**A BILL FOR**

1 An Act modifying public improvements relating to housing and  
2 residential development in urban renewal areas, and including  
3 effective date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 403.17, subsection 14, Code 2025, is  
2 amended to read as follows:

3 14. "~~Low~~ and moderate income families" means those  
4 families, including single person households, earning no more  
5 than eighty percent of the higher of the median family income of  
6 the county or the statewide nonmetropolitan area as determined  
7 by the latest United States department of housing and urban  
8 development, section 8 income guidelines.

9 Sec. 2. Section 403.22, subsection 1, Code 2025, is amended  
10 by adding the following new paragraph:

11 NEW PARAGRAPH. d. (1) (a) For projects subject to  
12 paragraph "a", if the public improvement project is related to  
13 housing and residential development in an economic development  
14 area containing property that has been located entirely within  
15 the corporate limits of a city for twenty years or more, the  
16 amount to be provided for low and moderate income family housing  
17 for such projects shall not be less than an amount equal to  
18 twenty percent of the original project cost, subject to further  
19 reduction as provided in this subsection.

20 (b) In addition, notwithstanding subsection 5, the division  
21 of the revenue under section 403.19 for each project under this  
22 paragraph "d" shall be limited to tax collections for twenty  
23 fiscal years beginning with the second fiscal year after the  
24 year in which the municipality first certifies to the county  
25 auditor the amount of any loans, advances, indebtedness, or bonds  
26 which qualify for payment from the division of the revenue in  
27 connection with the project.

28 (2) For projects under this paragraph, "*low and moderate*  
29 *income family housing*" includes housing that meets the  
30 requirements of section 15.353.

31 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
32 importance, takes effect upon enactment.

33 Sec. 4. APPLICABILITY. This Act applies to revenues divided  
34 for projects approved on or after the effective date of this Act.

35

EXPLANATION

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

3       Under current law, any urban renewal area established upon  
4 the determination that the area is an economic development  
5 area, a division of revenue (tax increment financing) shall  
6 not be allowed for the purpose of providing or aiding in  
7 the provision of public improvements related to housing and  
8 residential development, unless the municipality assures that  
9 the project will include assistance for low and moderate income  
10 family housing.

11       This bill expands assistance to low and moderate income family  
12 housing by specifying that in a city with a population of more  
13 than 15,000, for projects in an urban renewal area containing  
14 property that has been located entirely within the corporate  
15 limits of a city for 20 or more years, the low and moderate  
16 income family housing assistance for such projects shall not be  
17 less than an amount equal to 20 percent of the original project  
18 cost instead of the current law minimum of 10 percent.

19       The bill also extends the division of the revenue for such  
20 projects to tax collections for 20 fiscal years instead of the  
21 current law maximum of 10 years.

22       For such projects under the new requirements in the bill, the  
23 bill also specifies that "low and moderate income family housing"  
24 includes housing that meets the requirements of Code section  
25 15.353 (workforce housing).

26       The bill also modifies the defined term "low or moderate  
27 income families" in Code chapter 403 to "low and moderate income  
28 families" to align with the terminology usage within the Code  
29 chapter.

30       The bill takes effect upon enactment and applies to revenues  
31 divided for projects approved on or after the effective date of  
32 the bill.