

# Senate File 139 - Introduced

SENATE FILE 139

BY LOFGREN

## A BILL FOR

1 An Act relating to the redevelopment tax credit program, the  
2 nuisance property remediation assistance fund, and assistance  
3 for communities to address abandoned buildings.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 15.293A, Code 2025, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 3A. Subject to subsection 3, paragraphs "a"  
4 and "b", a grayfield site of more than fifty thousand square feet  
5 that is located in a community with a population of less than  
6 thirty thousand may be awarded a redevelopment tax credit under  
7 this section for a term of two years at the discretion of the  
8 board.

9 Sec. 2. NEW SECTION. **15.339 Nuisance property — greater**  
10 **than fifty thousand square feet.**

11 1. Subject to section 15.338, the authority may use moneys  
12 in the nuisance property remediation fund established in section  
13 15.338, subsection 1, to provide financial assistance not  
14 to exceed five hundred thousand dollars to cities for the  
15 remediation of nuisance properties, abandoned buildings, and  
16 other structures of fifty thousand square feet or more.

17 2. Financial assistance provided pursuant to this section may  
18 include loans or forgivable loans and shall be for a minimum term  
19 of one hundred twenty months and a maximum term of one hundred  
20 eighty months.

21 3. Twenty-five percent of the loan or forgivable loan shall  
22 be forgiven upon successful remediation of the nuisance property,  
23 abandoned building, or other structure. More than twenty-five  
24 percent of the loan or forgivable loan may be forgiven at the  
25 discretion of the director. Successful remediation shall be  
26 determined by the size of the remediation project, the beginning  
27 condition of the nuisance property, abandoned building, or other  
28 structure, and if there has been a meaningful change to  
29 the nuisance property, abandoned building, or other structure,  
30 including but not limited to the following:

31 a. The nuisance property, abandoned building, or other  
32 structure has been cleared or cleaned.

33 b. The nuisance property, abandoned building, or other  
34 structure is for sale.

35 c. The nuisance property, abandoned building, or other

1 structure has a proposed reuse plan.

2 d. The nuisance property, abandoned building, or other  
3 structure has been repurposed, including but not limited to  
4 repurposed for use as a park, housing, or a business.

5 Sec. 3. Section 455E.11, subsection 2, paragraph a,  
6 subparagraph (1), subparagraph division (d), Code 2025, is  
7 amended to read as follows:

8 (d) Not more than four hundred thousand dollars to the  
9 department for purposes of providing funding assistance to  
10 eligible communities to address abandoned buildings by promoting  
11 waste abatement, diversion, selective dismantlement of building  
12 components, and recycling. Eligible communities include a  
13 city with a population of five thousand or fewer. Eligible  
14 communities also include a city with a population between five  
15 thousand and thirty thousand, for which the department may  
16 provide funding assistance in an amount equal to ten dollars per  
17 square foot of an abandoned building, not to exceed one million  
18 dollars. An application for funding assistance may be submitted  
19 by any county or municipal government that meets the population  
20 requirements of an eligible community, and the abandoned building  
21 that is the subject of such application may be owned by  
22 any person. Eligible costs for program assistance include  
23 but are not limited to asbestos and other hazardous material  
24 abatement and removal, the recovery processing of recyclable  
25 or reusable material through the selective dismantlement of  
26 abandoned buildings, and reimbursement for purchased recycled  
27 content materials used in the renovation of buildings.

28 EXPLANATION

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

31 This bill relates to the redevelopment tax credit program, the  
32 nuisance property remediation assistance fund, and assistance for  
33 communities to address abandoned buildings.

34 Under current law, a redevelopment tax credit may be granted  
35 in an amount of 12 percent of a taxpayer's qualifying investment

1 in a grayfield site, or 15 percent of a taxpayer's qualifying  
2 investment in a grayfield site if the qualifying redevelopment  
3 project meets the requirements of a green development. Under the  
4 bill, a grayfield site of more than 50,000 square feet that is  
5 located in a community with a population of less than 30,000 may  
6 be awarded a redevelopment tax credit for a term of two years  
7 at the discretion of the board of the Iowa economic development  
8 authority (IEDA).

9 Under the bill, the IEDA may use moneys in the nuisance  
10 property remediation assistance fund to provide financial  
11 assistance, not to exceed \$500,000, to cities for the remediation  
12 of nuisance properties, abandoned buildings, and other structures  
13 of 50,000 square feet. Financial assistance may include loans  
14 or forgivable loans with a minimum term of 120 months and a  
15 maximum term of 180 months. Twenty-five percent of the loan  
16 or forgivable loan shall be forgiven upon successful remediation  
17 of the nuisance property. More than 25 percent may be forgiven  
18 at the discretion of the director. Successful remediation is  
19 determined by the size of the remediation project, the beginning  
20 condition of the nuisance property, and if there has been a  
21 meaningful change to the nuisance property, such as the nuisance  
22 property has been cleared or cleaned, is for sale, has a proposed  
23 reuse plan, has been repurposed, or any other meaningful change.

24 Under current law, the groundwater protection fund includes  
25 a solid waste account of which not more than \$400,000 shall  
26 be allocated to the department of natural resources (DNR) for  
27 purposes of providing funding assistance to eligible communities  
28 to address abandoned buildings by promoting waste abatement,  
29 diversion, selective dismantlement of building components, and  
30 recycling. Under current law, eligible communities for funding  
31 assistance include a city with a population of 5,000 or fewer.  
32 Under the bill, eligible communities also include a city with  
33 a population between 5,000 and 30,000, for which the DNR may  
34 provide funding assistance in an amount equal to \$10 per square  
35 foot of the abandoned building, not to exceed \$1 million. Under

1 the bill, an application for funding assistance may be submitted  
2 by any county or municipal government that meets the population  
3 requirements of an eligible community, and the abandoned building  
4 that is the subject of such application may be owned by any  
5 person.

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