

Senate File 622 - Introduced

SENATE FILE 622

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 465)

(SUCCESSOR TO SSB 1106)

A BILL FOR

1 An Act relating to matters under the purview of the economic
2 development authority and the Iowa finance authority including
3 the strategic infrastructure program, brownfield, grayfield,
4 and redevelopment tax credits, community attraction and
5 tourism, vision Iowa, sports tourism marketing, the historic
6 preservation tax credit, homelessness, the title guaranty
7 board, arts and culture, and the Iowa reinvestment Act
8 and including applicability and retroactive applicability
9 provisions.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

STRATEGIC INFRASTRUCTURE PROGRAM

Section 1. Section 15.117A, subsection 6, paragraph c, Code 2025, is amended by striking the paragraph.

Sec. 2. Section 15.313, subsection 3, unnumbered paragraph 1, Code 2025, is amended to read as follows:

~~The Iowa innovation council~~ A committee appointed pursuant to section 15.117A, subsection 7, shall review each application received by the economic development authority for financial assistance under the program and shall make recommendations to the board regarding all of the following:

DIVISION II

BROWNFIELDS, GRAYFIELDS, AND REDEVELOPMENT TAX CREDITS

Sec. 3. Section 15.291, subsections 3 and 11, Code 2025, are amended by striking the subsections.

Sec. 4. Section 15.293A, subsection 3, unnumbered paragraph 1, Code 2025, is amended to read as follows:

The amount of the tax credit shall be determined by the board ~~in conjunction with the council. However, the tax credit and~~ shall not exceed the following amount, as applicable:

Sec. 5. Section 15.293B, subsection 1, paragraphs b, d, and h, Code 2025, are amended to read as follows:

b. The authority shall accept and, ~~in conjunction with the council,~~ review applications for tax credits provided in section 15.293A and, ~~with the approval of the council,~~ make tax credit award recommendations regarding the applications to the board. The authority may engage outside experts to complete a technical, financial, or other review.

d. Upon review of an application, the authority may register the project with the redevelopment tax credits program. If the authority registers the project, the authority may, ~~in conjunction with the council,~~ make a preliminary determination as to the amount of tax credit for which an award recommendation will be made to the board.

h. If the applicant for a tax credit provided in section

1 15.293A has also applied to an agency of the federal government
2 or to the authority, the board, or any other agency of state
3 government for additional financial assistance, the authority,
4 ~~the council~~, and the board shall consider the amount of funding
5 to be received from such public sources when making a tax credit
6 award pursuant to this section.

7 Sec. 6. Section 15.293B, subsection 1, paragraph f,
8 subparagraph (1), Code 2025, is amended to read as follows:

9 (1) All completed applications shall be reviewed and scored
10 on a competitive basis by the ~~council and the board~~ authority.
11 In reviewing and scoring applications, the ~~council and the~~
12 ~~board~~ authority may consider any factors the ~~council and board~~
13 ~~deem~~ authority deems appropriate for a competitive application
14 process, including but not limited to the financial need,
15 quality, and feasibility of a qualifying redevelopment project.

16 Sec. 7. Section 15.293B, subsection 2, paragraph c, Code
17 2025, is amended to read as follows:

18 c. Any other information deemed necessary by the ~~board~~
19 ~~and the council~~ authority to review and score the application
20 pursuant to subsection 1.

21 Sec. 8. Section 15.293B, subsections 4 and 5, Code 2025, are
22 amended to read as follows:

23 4. A registered project shall be completed within thirty
24 months of the date the project was registered unless the
25 authority, ~~upon recommendation of the council and~~ with the
26 approval of the board, provides additional time to complete the
27 project. If the registered project is not completed within
28 the time required, the project is not eligible to claim a
29 redemption tax credit provided in section 15.293A.

30 5. a. The investor shall engage a certified public
31 accountant authorized to practice in this state to conduct
32 an examination of the project in accordance with the American
33 institute of certified public accountants' statements on
34 standards for attestation engagements. Upon completion of a
35 registered project, ~~an audit of the project, completed by an~~

1 ~~independent certified public accountant licensed in this state,~~
2 the examination, along with a statement of the amount of final
3 qualifying investment, shall be submitted to the authority.

4 b. ~~Upon review of the audit and verification of the amount~~
5 ~~of the qualifying investment,~~ examination and statement submitted
6 pursuant to paragraph "a", the authority may issue a tax credit
7 certificate to the investor stating the amount of tax credit
8 under section 15.293A the investor may claim.

9 Sec. 9. REPEAL. Sections 15.292, 15.293, 15.294, and 15.295,
10 Code 2025, are repealed.

11 Sec. 10. TRANSFER OF MONEYS. On the effective date of this
12 division of this Act, any unencumbered or unobligated moneys
13 remaining in the brownfield redevelopment fund created in section
14 15.293 are transferred to a fund or funds established pursuant
15 to section 15.335B, subsection 1, paragraph "a", as determined by
16 the economic development authority.

17 DIVISION III

18 COMMUNITY ATTRACTION AND TOURISM, AND VISION IOWA — REQUIRED
19 BENEFITS

20 Sec. 11. REPEAL. Section 15F.106, Code 2025, is repealed.

21 Sec. 12. APPLICABILITY. This division of this Act applies to
22 an applicant awarded financial assistance under both the vision
23 Iowa program established in section 15F.302, and the community
24 attraction and tourism program established in section 15F.202, on
25 or after the effective date of this division of this Act.

26 Sec. 13. RETROACTIVE APPLICABILITY. This division of this
27 Act applies retroactively to an applicant awarded financial
28 assistance under both the vision Iowa program established in
29 section 15F.302, and the community attraction and tourism program
30 established in section 15F.202, prior to the effective date of
31 this division of this Act.

32 DIVISION IV

33 COMMUNITY ATTRACTION AND TOURISM PROGRAM, AND SPORTS TOURISM
34 MARKETING AND INFRASTRUCTURE PROGRAM — APPLICATION REVIEW

35 Sec. 14. Section 15F.203, subsection 2, Code 2025, is amended

1 to read as follows:

2 2. A The director of the authority shall appoint a review
3 committee composed of five members of the board shall with
4 relevant expertise to review community attraction and tourism
5 program applications forwarded to the board and. The review
6 committee shall make recommendations regarding the applications
7 to the board.

8 Sec. 15. Section 15F.402, subsection 2, Code 2025, is amended
9 to read as follows:

10 2. A The director of the authority shall appoint a review
11 committee composed of five members of the board shall with
12 relevant expertise to review sports tourism marketing and
13 infrastructure program applications forwarded to the board and.
14 The review committee shall make recommendations regarding the
15 applications to the authority.

16 DIVISION V

17 HISTORIC PRESERVATION TAX CREDIT

18 Sec. 16. Section 404A.1, subsection 2, Code 2025, is amended
19 by striking the subsection.

20 Sec. 17. Section 404A.1, subsection 7, Code 2025, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. d. The property is not a single-family
23 dwelling unit, unless the project will result in two or more
24 new single-family dwelling units that were not available for
25 occupancy as residential housing during the immediately preceding
26 consecutive six months prior to commencement of the project,
27 and the dwelling units are located in the same neighborhood, as
28 confirmed by the authority. The two or more new single-family
29 dwelling units must be made available for occupancy as a result
30 of the rehabilitation project. The authority may promulgate by
31 rule criteria used by the authority to determine if a property
32 is a single-family dwelling unit, and qualifies as a qualified
33 rehabilitation project under this paragraph.

34 Sec. 18. Section 404A.1, Code 2025, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 8. "Registration date" means the date on
2 which the authority notifies an eligible taxpayer of successful
3 registration of the taxpayer's qualified rehabilitation project
4 pursuant to section 404A.3, subsection 2.

5 Sec. 19. Section 404A.2, subsection 3, paragraph a, Code
6 2025, is amended to read as follows:

7 a. Tax credit certificates issued under section 404A.3 may
8 be transferred to any person, except that an eligible taxpayer
9 shall not transfer a tax credit certificate on or after January
10 1, 2026. Within ninety days of transfer, the transferee shall
11 submit the transferred tax credit certificate to the department
12 of revenue along with a statement containing the transferee's
13 name, tax identification number, address, the denomination that
14 each replacement tax credit certificate is to carry, and any
15 other information required by the department of revenue.
16 However, tax credit certificate amounts of less than the minimum
17 amount established by rule by the department of revenue shall not
18 be transferable.

19 Sec. 20. Section 404A.2, subsection 4, paragraph a, Code
20 2025, is amended to read as follows:

21 a. For a tax credit claimed by an eligible taxpayer or a
22 transferee for qualified rehabilitation projects with agreements
23 entered into on or after July 1, 2014, the following percentage
24 of any credit in excess of the taxpayer's tax liability for the
25 tax year may be refunded:

26 (1) For the tax year beginning on or after January 1, 2023,
27 but before January 1, 2024, ninety-five percent.

28 (2) For the tax year beginning on or after January 1, 2024,
29 but before January 1, 2025, ninety percent.

30 (3) For the tax year beginning on or after January 1, 2025,
31 but before January 1, 2026, eighty-five percent.

32 ~~(4) For the tax year beginning on or after January 1, 2026,~~
33 ~~but before January 1, 2027, eighty percent.~~

34 ~~(5)~~ (4) For tax years beginning on or after January 1, 2027,
35 ~~seventy-five~~ 2026, one hundred percent.

1 Sec. 21. Section 404A.3, subsection 3, paragraph b,
2 subparagraphs (4) and (5), Code 2025, are amended to read as
3 follows:

4 (4) The ~~commencement~~ date of by which the qualified
5 rehabilitation project must commence, which shall ~~not~~ be no
6 ~~later than the end of the fiscal year in which the agreement~~
7 ~~is entered into~~ one calendar year from the registration date.
8 Upon application of the eligible taxpayer, the authority may,
9 at the discretion of the authority, extend the date by which
10 the qualified rehabilitation project must commence up to an
11 additional twelve consecutive months.

12 (5) (a) The ~~completion~~ date of by which the qualified
13 rehabilitation project, ~~which shall be within thirty-six months~~
14 ~~of the commencement date~~ must be completed, which shall be no
15 later than three consecutive calendar years from the registration
16 date. The qualified rehabilitation project shall be considered
17 complete as of the date the property that is the subject of
18 the qualified rehabilitation project is placed in service, as
19 described in 26 U.S.C. §47.

20 (b) Upon application of the eligible taxpayer, the authority
21 may, at the discretion of the authority, extend the date by which
22 the qualified rehabilitation project must be complete up to an
23 additional twelve consecutive months.

24 (c) Upon application of the eligible taxpayer made prior
25 to the expiration of an extension under subparagraph (b), the
26 authority may, at the discretion of the authority, extend the
27 date by which the qualified rehabilitation project must be
28 complete up to an additional twelve consecutive months. The
29 qualified eligible taxpayer must substantiate to the satisfaction
30 of the authority that the requested extension is warranted due
31 to extenuating circumstances outside the control of the eligible
32 taxpayer.

33 (d) An application by an eligible taxpayer under subparagraph
34 division (b) or (c) shall be made in the manner and form
35 prescribed by the authority by rule.

1 Sec. 22. Section 404A.3, subsection 4, paragraph c,
2 subparagraph (3), subparagraph division (c), unnumbered paragraph
3 1, Code 2025, is amended to read as follows:

4 “*Qualifying transferee*” means a transferee who acquires a tax
5 credit certificate before January 1, 2026, issued under this
6 chapter for value, in good faith, without express or implied
7 notice of a prohibited activity of the eligible taxpayer who was
8 originally issued the tax credit, and without express or implied
9 notice of any other claim to or defense against the tax credit,
10 and which transferee is not associated with the eligible taxpayer
11 by being one or more of the following:

12 Sec. 23. Section 404A.4, subsection 1, paragraph a,
13 unnumbered paragraph 1, Code 2025, is amended to read as follows:

14 Except as provided in subsections 2, and 3, and 4, the
15 authority shall not award in any one fiscal year an amount of
16 tax credits provided in section 404A.2 in excess of forty-five
17 million dollars.

18 Sec. 24. Section 404A.4, Code 2025, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 4. a. If, during the fiscal year beginning
21 July 1, 2025, or any fiscal year thereafter, the authority
22 receives an application for a qualified rehabilitation project
23 with qualified rehabilitation expenditures that, if registered
24 by the authority, makes the eligible taxpayer eligible for tax
25 credits of ten million dollars or more, the authority may award
26 tax credits during the fiscal year in which the application is
27 received in an amount not to exceed twenty percent more than the
28 maximum aggregate tax credit award limit specified in subsection
29 1.

30 b. Tax credits awarded pursuant to this subsection shall be
31 considered for purposes of calculating the maximum aggregate
32 tax credits awarded pursuant to subsection 1 in the immediately
33 succeeding fiscal year.

34

DIVISION VI

35

HOMELESSNESS — IOWA FINANCE AUTHORITY

1 Sec. 25. Section 16.5F, subsection 3, Code 2025, is amended
2 to read as follows:

3 3. a. The authority ~~shall~~ may adopt rules pursuant to
4 chapter 17A for carrying out the duties of the authority pursuant
5 to this section.

6 b. The authority ~~shall~~ may establish internal rules of
7 procedure consistent with the provisions of this section.

8 c. Rules adopted or internal rules of procedure established
9 pursuant to paragraph "a" or "b" shall be consistent with the
10 requirements of the federal McKinney-Vento Homeless Assistance
11 Act, 42 U.S.C. §11301 et seq.

12 DIVISION VII

13 TITLE GUARANTY BOARD — ELIMINATION

14 Sec. 26. Section 16.1A, subsection 5, Code 2025, is amended
15 to read as follows:

16 5. The board may, by resolution, delegate to the agricultural
17 development board, ~~title guaranty division board~~, director, or
18 other authority employee such of its powers, under such terms and
19 conditions, as it deems appropriate.

20 Sec. 27. Section 16.2A, Code 2025, is amended by striking the
21 section and inserting in lieu thereof the following:

22 **16.2A Title guaranty division.**

23 A title guaranty division is created within the authority.
24 The division may also be referred to as Iowa title guaranty.
25 The powers of the division relating to the issuance of title
26 guaranties are vested in and shall be exercised by the board.
27 The director shall appoint an attorney as director of the
28 division. The appointment of, and compensation for, the division
29 director shall be exempt from the merit system under chapter 8A,
30 subchapter IV, part 2. The net earnings of the division, beyond
31 that necessary for reserves, backing, guaranties issued, or to
32 otherwise implement the public purposes and programs authorized,
33 shall not inure to the benefit of any person other than the state
34 and are subject to section 16.2, subsection 9.

35 Sec. 28. Section 16.91, subsections 1, 3, and 6, Code 2025,

1 are amended to read as follows:

2 1. The authority, through the Iowa title guaranty division,
3 shall initiate and operate a program in which the division shall
4 offer guaranties of real property titles in this state. The
5 terms, conditions, and form of the guaranty contract shall be
6 forms approved by the ~~division~~ board. The division shall fix
7 a charge for the guaranty in an amount sufficient to permit the
8 program to operate on a self-sustaining basis, including payment
9 of administrative costs and the maintenance of an adequate
10 reserve against claims under the Iowa title guaranty program. A
11 title guaranty fund is created in the office of the treasurer
12 of state. Funds collected under this program shall be placed
13 in the title guaranty fund and are available to pay all claims,
14 necessary reserves and all administrative costs of the Iowa
15 title guaranty program. Moneys in the fund shall not revert
16 to the general fund and interest on the moneys in the fund
17 shall be deposited in the housing trust fund ~~established~~ created
18 in section 16.181 and shall not accrue to the general fund.
19 ~~If the authority board in consultation with the division board~~
20 determines that there are surplus funds in the title guaranty
21 fund after providing for adequate reserves and operating expenses
22 of the division, the surplus funds shall be transferred to the
23 housing assistance fund created pursuant to section 16.40.

24 3. With the approval of the ~~authority~~ board, the division
25 ~~and its board~~ shall consult with the insurance division of the
26 department of insurance and financial services in developing
27 a guaranty contract acceptable to the secondary market and
28 developing any other feature of the program with which the
29 insurance division may have special expertise. Except as
30 provided in this subsection, the Iowa title guaranty program is
31 not subject to the jurisdiction of or regulation by the insurance
32 division or the commissioner of insurance.

33 6. Prior to the issuance of a title guaranty, the division
34 shall require evidence that an abstract of title to the property
35 in question has been brought up-to-date and certified by a

1 participating abstractor in a form ~~approved by division rules~~
2 acceptable to the division, and a title opinion issued by a
3 participating attorney in ~~the form approved in the rules~~ a form
4 acceptable to the division stating the attorney's opinion as to
5 the title. The division shall require evidence of the abstract
6 being brought up-to-date and the abstractor shall retain evidence
7 of the abstract as determined by the ~~board~~ division.

8 Sec. 29. Section 16.92, subsection 1, paragraph d, Code 2025,
9 is amended by striking the paragraph.

10 Sec. 30. Section 16.92, subsection 1, paragraph e, Code 2025,
11 is amended to read as follows:

12 e. "Mortgage" means a mortgage or mortgage lien on an
13 interest in real property in this state given to secure a loan
14 in an original principal amount equal to or less than the maximum
15 principal amount as determined by the division ~~board~~ and adopted
16 by the authority pursuant to rules promulgated under chapter 17A.

17 Sec. 31. Section 16.93, subsection 1, unnumbered paragraph 1,
18 Code 2025, is amended to read as follows:

19 The authority, through the Iowa title guaranty division,
20 may issue a closing protection letter to a person to whom
21 a proposed title guaranty is to be issued, upon the request
22 of the person, if the division issues a commitment for title
23 guaranty or title guaranty certificate. The closing protection
24 letter shall conform to the terms of coverage and form of the
25 instrument as approved by the ~~division board~~ and may indemnify
26 a person to whom a proposed title guaranty is to be issued
27 against loss of settlement funds due to only the following acts
28 of the division's named participating attorney, participating
29 abstractor, or closer:

30 Sec. 32. Section 16.93, subsection 3, Code 2025, is amended
31 to read as follows:

32 3. The division ~~board~~ shall establish the amount of coverage
33 to be provided and may distinguish between classes of property
34 including, but not limited to, residential, agricultural, or
35 commercial, provided that the total amount of coverage provided

1 by the closing protection letter shall not exceed the amount
 2 of the commitment or title guaranty to be issued. Liability
 3 under the closing protection letter shall be coextensive with
 4 liability under the certificate to be issued in connection with
 5 a transaction such that payments under the terms of the closing
 6 protection letter shall reduce by the same amount the liability
 7 under the title guaranty certificate and payment under the title
 8 guaranty certificate shall reduce the liability under the terms
 9 of the closing protection letter.

10 DIVISION VIII

11 ARTS AND CULTURE

12 Sec. 33. Section 15.108, subsection 7, Code 2025, is amended
 13 to read as follows:

14 7. *Cultural affairs.* To develop the state's interest in the
 15 areas of the arts, history, and other cultural matters. To carry
 16 out this responsibility, the authority shall:

17 a. Accept, receive, and administer grants or other funds or
 18 gifts from public or private agencies, including the federal
 19 government, for the authority.

20 ~~b. Administer the Iowa cultural trust, as advised and~~
 21 ~~assisted by the Iowa arts council, as provided in subchapter II,~~
 22 ~~part 30, and do all of the following:~~

23 ~~(1) Develop and adopt by rule criteria for the issuance~~
 24 ~~of trust fund credits by measuring the efforts of qualified~~
 25 ~~organizations to increase their endowment or other resources~~
 26 ~~for the promotion of the arts, history, or the sciences and~~
 27 ~~humanities in Iowa. For purposes of this paragraph, "qualified~~
 28 ~~organization" means a tax-exempt, nonprofit organization whose~~
 29 ~~primary mission is to promote the arts, history, or the sciences~~
 30 ~~and humanities in Iowa. If the authority determines that a~~
 31 ~~qualified organization has increased the amount of the qualified~~
 32 ~~organization's endowment and other resources, the authority shall~~
 33 ~~certify the amount of increase in the form of trust fund credits~~
 34 ~~to the treasurer, who shall deposit in the Iowa cultural trust~~
 35 ~~fund, from moneys received for purposes of the trust fund as~~

1 provided in section 15.479, subsection 2, an amount equal to the
2 trust fund credits. If the amount of the trust fund credits
3 issued by the authority exceeds the amount of moneys available
4 to be deposited in the trust fund as provided in section 15.479,
5 subsection 2, the outstanding trust fund credits shall not expire
6 but shall be available to draw down additional moneys which
7 become available to be deposited in the trust fund as provided
8 in section 15.479, subsection 2.

9 (2) ~~Develop and implement, in accordance with subchapter~~
10 ~~II, part 30, a grant application process for grants issued to~~
11 ~~qualified organizations.~~

12 (3) ~~Develop and adopt by rule criteria for the approval of~~
13 ~~Iowa cultural trust grants. The criteria shall include but shall~~
14 ~~not be limited to the future stability and sustainability of a~~
15 ~~qualified organization.~~

16 (4) ~~Compile, in consultation with the Iowa arts council, a~~
17 ~~list of grant applications recommended for funding in accordance~~
18 ~~with the amount available for distribution as provided in section~~
19 ~~15.481, subsection 3.~~

20 (5) ~~Monitor the allocation and use of grant moneys by all~~
21 ~~qualified organizations to determine whether moneys are used~~
22 ~~in accordance with the provisions of this paragraph "b" and~~
23 ~~subchapter II, part 30.~~

24 e. b. Design a comprehensive, statewide, long-range plan
25 with the assistance of the Iowa arts council to develop the arts
26 in Iowa. The authority is designated as the state agency for
27 carrying out the plan.

28 d. c. ~~By rule, establish~~ Establish advisory groups as
29 necessary for the receipt of federal funds or grants or the
30 administration of any of the authority's programs.

31 e. ~~Develop and implement fee-based educational programming~~
32 ~~opportunities, including preschool programs, related to arts,~~
33 ~~history, and other cultural matters for Iowans of all ages.~~

34 f. ~~Conduct surveys of existing art and cultural programs and~~
35 ~~activities within the state, including but not limited to music,~~

1 theater, dance, painting, sculpture, architecture, and allied
 2 arts and crafts. The authority shall submit, or include as
 3 part of the annual report under section 15.107B, a report on the
 4 survey to the governor and to the general assembly no later than
 5 ten calendar days after the commencement of each first session
 6 of the general assembly recommending appropriate legislation or
 7 other action as the authority deems appropriate.

8 g. d. Establish and administer a film office. The purpose
 9 of the film office is to assist legitimate film, television,
 10 and video producers in Provide technical assistance for the
 11 production of film, television, and video projects in the state,
 12 and to increase the fiscal impact on the state's economy of film,
 13 television, and video projects produced in the state.

14 Sec. 34. Section 15.274, Code 2025, is amended to read as
 15 follows:

16 **15.274 Promotional program for national historic landmarks**
 17 **and cultural and entertainment districts.**

18 The economic development authority, in cooperation with
 19 the state department of transportation, shall establish and
 20 administer a program designed to promote knowledge of and
 21 access to buildings, sites, districts, structures, and objects
 22 located in this state that have been designated by the secretary
 23 of the interior of the United States as a national historic
 24 landmark, unless the national historic landmark is protected
 25 under section 22.7, subsection 20, and certified cultural and
 26 entertainment districts, as established pursuant to section
 27 15.438. The program shall be designed to maximize the visibility
 28 and visitation of national historic landmarks in this state and
 29 buildings, sites, structures, and objects located in certified
 30 cultural and entertainment districts, as established pursuant to
 31 section 15.438. Methods used to maximize the visibility and
 32 visitation of such locations may include the use of tourism
 33 literature, signage on highways, maps of the state and cities,
 34 and internet sites. For purposes of this section, "highway"
 35 means the same as defined in section 325A.1.

1 Sec. 35. Section 15.436, Code 2025, is amended by striking
2 the section and inserting in lieu thereof the following:

3 **15.436 Arts and culture enhancement fund.**

4 1. The economic development authority shall, pursuant to
5 section 15.106A, subsection 1, paragraph "o", establish the arts
6 and culture enhancement fund to be used for the purposes of
7 this section. The fund shall consist of any moneys appropriated
8 by the general assembly for purposes of this section and any
9 other moneys that are lawfully available to the authority.
10 Notwithstanding section 12C.7, subsection 2, interest or earnings
11 on moneys in the fund shall accrue to the authority and shall
12 be used for purposes of this section. Notwithstanding section
13 8.33, moneys in the fund at the end of each fiscal year shall
14 not revert to any other fund but shall remain in the fund for
15 expenditure for subsequent fiscal years.

16 2. The authority shall allocate moneys in the arts and
17 culture enhancement fund in appropriate amounts to be used for
18 the following purposes:

19 a. To provide support to municipal and nonprofit arts and
20 cultural organizations that serve as significant attractions or
21 community resources.

22 b. To support artists and entities that foster artistic and
23 cultural expression, promote lifelong learning and engagement
24 in the arts, advance community development goals, or emphasize
25 Iowa's diverse heritage through the creation, performance, or
26 presentation of artworks.

27 c. To increase access to arts and culture in rural and
28 underserved communities in the state.

29 d. For the promotion of and investment in film, television,
30 and video projects produced in the state.

31 e. To address other goals and priorities as reflected in
32 the comprehensive, statewide, long-range plan designed by the
33 authority with the assistance of the Iowa arts council pursuant
34 to section 15.108, subsection 7.

35 f. For administrative costs related to this section.

1 3. The authority may adopt by rule eligibility and priority
2 criteria for allocation of moneys in the arts and culture
3 enhancement fund.

4 Sec. 36. Section 15.465, subsection 2, Code 2025, is amended
5 to read as follows:

6 2. The term of office of each member of the Iowa arts council
7 is three years. ~~The governor shall designate~~ council may elect
8 a chairperson and a vice chairperson from the members of the
9 council ~~to serve at the pleasure of the governor.~~ All vacancies
10 shall be filled for the balance of any unexpired term in the
11 same manner as original appointments. The members of the council
12 shall not receive compensation for their services, but shall
13 be reimbursed for their actual and necessary expenses incurred
14 in the performance of their duties as members of the council.
15 Members may also be eligible for compensation as provided in
16 section 7E.6.

17 Sec. 37. Section 15.466, Code 2025, is amended to read as
18 follows:

19 **15.466 Duties of Iowa arts council.**

20 The Iowa arts council shall review programs to be supported
21 and make recommendations on the programs to the director to
22 ensure that Iowa citizens and communities have access to the
23 cultural, civic, economic, and educational benefits of the arts.
24 The council may solicit public input including but not limited
25 to input on the comprehensive, statewide, long-range plan created
26 by the authority with the assistance of the Iowa arts council
27 pursuant to section 15.108, subsection 7.

28 Sec. 38. Section 15H.6, subsection 3, Code 2025, is amended
29 to read as follows:

30 3. The capacity building activities shall be targeted in
31 communities that are already working with existing community
32 improvement programs, including but not limited to ~~the Iowa~~
33 ~~great places program established under section 15.439,~~ the
34 green streets and main street Iowa programs administered by
35 the economic development authority, and disaster remediation

1 activities by communities located within an area declared to be
2 a disaster area in a declaration issued by the president of the
3 United States or the governor.

4 Sec. 39. Section 99F.11, subsection 4, paragraph d,
5 subparagraph (1), Code 2025, is amended to read as follows:

6 (1) Five hundred twenty thousand dollars is appropriated each
7 fiscal year to the economic development authority ~~with one-half~~
8 ~~of the moneys allocated for operational support grants and the~~
9 ~~remaining one-half allocated for the community cultural grants~~
10 ~~program established under~~ for deposit in the arts and culture
11 enhancement fund established in section 15.436.

12 Sec. 40. REPEAL. Sections 15.437, 15.438, 15.439, 15.440,
13 15.441, 15.476, 15.477, 15.478, 15.479, 15.481, and 15.482, Code
14 2025, are repealed.

15 Sec. 41. TRANSFER OF MONEYS. On the effective date of this
16 division of this Act, all unencumbered and unobligated moneys
17 remaining in the Iowa great places program fund created in
18 section 15.440, the Iowa cultural trust fund created in section
19 15.479, and the Iowa cultural trust grant account created
20 in section 15.482 are transferred to the arts and culture
21 enhancement fund established pursuant to section 15.436, as
22 amended by this division of this Act.

23 DIVISION IX

24 CONFORMING CHANGES

25 Sec. 42. Section 16.6, subsection 4, Code 2025, is amended to
26 read as follows:

27 4. The director may establish administrative divisions within
28 the authority in order to most efficiently and effectively carry
29 out the authority's responsibilities, provided that any creation
30 or modification of authority divisions be established only after
31 consultation with the board ~~of the authority.~~

32 Sec. 43. Section 16.64, subsection 1, Code 2025, is amended
33 to read as follows:

34 1. The authority shall publish a notice of intention to issue
35 bonds or notes. After sixty days from the date of publication

1 of the notice, an action shall not be brought questioning the
2 legality of any bonds or notes or the power of the authority to
3 issue any bonds or notes or to the legality of any proceedings
4 in connection with the authorization or issuance of the bonds
5 or notes after determination by the board of the authority to
6 proceed with the issuance of the bonds or notes.

7 DIVISION X

8 IOWA REINVESTMENT ACT — DISTRICT ESTABLISHMENT

9 Sec. 44. Section 15J.4, subsection 1, paragraph c, Code 2025,
10 is amended to read as follows:

11 c. For districts approved before July 1, 2018, the area
12 consists of contiguous parcels and does not exceed twenty-five
13 acres in total. For districts approved on or after July 1,
14 2020, the area consists of contiguous parcels and does not exceed
15 ~~seventy-five~~ one hundred twenty-five acres in total.

16 Sec. 45. RETROACTIVE APPLICABILITY. This division of this
17 Act applies retroactively to July 1, 2020.

18 EXPLANATION

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

21 This bill relates to matters under the purview of the economic
22 development authority and the Iowa finance authority including
23 the strategic infrastructure program, brownfield, grayfield, and
24 redevelopment tax credits, community attraction and tourism,
25 vision Iowa, sports tourism marketing, the historic preservation
26 tax credit, homelessness, the title guaranty board, arts and
27 culture, and the Iowa reinvestment Act.

28 Division I eliminates the requirement that the Iowa innovation
29 council review and make recommendations on all applications
30 received by the Iowa economic development authority (IEDA) for
31 financial assistance under the Iowa strategic infrastructure
32 program, and instead requires a committee appointed by the IEDA
33 director to conduct a review and make recommendations.

34 Division II repeals the brownfield redevelopment program,
35 fund, and advisory council (council).

1 The bill requires that the amount of a redevelopment tax
2 credit be determined by members of the IEDA appointed by the
3 governor (the board), rather than determined by the board in
4 conjunction with the council as required under current law. The
5 IEDA shall accept and review applications for the redevelopment
6 tax credit and make award recommendations to the board, rather
7 than accept and review applications in conjunction with the
8 council as required under current law. IEDA may engage outside
9 experts to complete a technical, financial, or other review.
10 The bill makes conforming changes related to elimination of the
11 council.

12 Under current law, upon completion of a registered project
13 for redevelopment tax credits, an audit of the project completed
14 by an independent certified public accountant (CPA) shall be
15 submitted to the IEDA. Under the bill, the investor shall engage
16 a CPA to conduct an examination of the project and submit the
17 examination, and a statement of the amount of final qualifying
18 investments, to the IEDA. Upon review of the examination and
19 statement, the IEDA may issue a tax credit certificate to the
20 investor.

21 On the effective date of the bill, all unencumbered and
22 unobligated moneys remaining in the brownfield redevelopment fund
23 are transferred to a fund or funds established pursuant to Code
24 section 15.335B, as determined by the IEDA.

25 Division III eliminates the requirement that an applicant
26 awarded financial assistance under both the vision Iowa program
27 and the community attraction and tourism program provide and
28 pay at least 50 percent of the cost of a standard medical
29 insurance plan for all full-time employees after the completion
30 of the project for which financial assistance was received. This
31 division applies to applicants awarded financial assistance under
32 both programs on or after the effective date of the bill, and
33 applies retroactively to applicants awarded financial assistance
34 under both programs prior to the effective date of the bill.

35 Under division IV, the director of the IEDA shall appoint a

1 review committee composed of members with relevant expertise to
2 review community attraction and tourism program applications and
3 sports tourism marketing and infrastructure program applications.
4 Under current law, the review committee is composed of five
5 members of the IEDA board.

6 Division V requires, in addition to existing requirements
7 for the historic preservation tax credit program (historic tax
8 program) under current law, for a project for the rehabilitation
9 of property to be considered a "qualified rehabilitation
10 project" (project), that the property not be a single-family
11 dwelling unit, unless the project will result in two or more
12 new single-family dwelling units that were not available for
13 occupancy for at least six months prior to the project, and
14 the dwelling units are located in the same neighborhood as
15 confirmed by the IEDA. The single-family dwelling units must be
16 made available for occupancy as a result of the project. The
17 IEDA may promulgate rules that specify the criteria used to
18 determine if a property is a single-family dwelling unit, and to
19 determine if a property is a qualified rehabilitation project.

20 Currently, the refundability of a historic preservation tax
21 credit in excess of tax liability is gradually reduced until the
22 tax credit is 75 percent refundable for tax years beginning on or
23 after January 1, 2027. The bill strikes the gradual reduction
24 of the tax credit refundability and makes the tax credit 100
25 percent refundable for tax years beginning on or after January 1,
26 2026. The historic preservation tax credit certificate is also
27 currently transferable to another taxpayer. The bill prohibits
28 such a transfer to another taxpayer on or after January 1, 2026.

29 Under current law, upon successful registration of a
30 project under the historic tax program, the eligible taxpayer
31 (taxpayer) shall enter into an agreement with the IEDA that
32 contains mutually agreeable terms and conditions including the
33 commencement date of the project, which shall not be later than
34 the end of the fiscal year in which the agreement is entered
35 into, and the completion date of the project, which shall be

1 within 36 months of the commencement date. Under the bill,
2 the date by which the project must commence shall be no later
3 than one calendar year from the registration date, except that
4 upon application of the taxpayer the IEDA may extend the date
5 of commencement up to 12 additional months. The date by which
6 the project must be completed shall be no later than three
7 consecutive calendar years from the registration date, except
8 that upon application of the taxpayer, the IEDA may extend the
9 date of commencement up to another 12 months. The project is
10 complete as of the date the property is placed in service.
11 Upon application of the taxpayer made prior to the expiration of
12 the 12-month extension, the IEDA may extend the date by which
13 the project must be completed up to an additional 12 months.
14 The taxpayer must substantiate that the requested extension is
15 warranted due to extenuating circumstances.

16 Under the bill, the IEDA may grant historic preservation
17 tax credits beyond the aggregate tax credit award limit in
18 one fiscal year if, during that fiscal year, the IEDA receives
19 an application for a project that has qualified rehabilitation
20 expenditures that, if registered, would make the taxpayer
21 eligible for tax credits of \$10 million or more. The IEDA is
22 then permitted to award tax credits during that fiscal year not
23 to exceed 20 percent more than the maximum aggregate tax credit
24 award limit. Such tax credits awarded shall be considered for
25 purposes of calculating the maximum aggregate tax credit award
26 limit in the immediately succeeding fiscal year.

27 Under division VI, the Iowa finance authority (IFA) may adopt
28 rules to carry out the duties of IFA related to homelessness, and
29 may establish internal rules of procedure, consistent with the
30 requirements of the federal McKinney-Vento Homeless Assistance
31 Act. Under current law, IFA must adopt rules.

32 Division VII eliminates the title guaranty division board.
33 The powers of the title guaranty division relating to the
34 issuance of title guaranties are vested in the IFA board of
35 directors. The director of the IFA shall appoint an attorney as

1 director of the division, and the division director's appointment
2 and compensation shall be exempt from the merit system. The bill
3 makes conforming changes to Code sections 16.1A, 16.91, 16.92,
4 and 16.93.

5 Division VIII is related to arts and culture. Under current
6 law, the IEDA is responsible for the Iowa cultural trust,
7 including the issuance of trust fund credits for the promotion
8 of the arts, history, or the sciences and humanities; the
9 issuance of grants for qualified organizations; developing and
10 implementing fee-based educational programming opportunities;
11 conducting surveys of existing art and cultural programs
12 and activities within the state; and the establishment and
13 administration of a film office. The bill maintains the
14 responsibility for the IEDA to accept, receive, and administer
15 grants or other funds or gifts from public or private agencies;
16 to design and carry out a comprehensive, statewide, long-range
17 plan (plan) with the assistance of the Iowa arts council to
18 develop the arts in Iowa; and to establish advisory groups for
19 the receipt of federal funds or grants or the administration
20 of the IEDA's programs. Under the bill, the IEDA is no longer
21 required to establish and administer a film office. Instead, the
22 IEDA is responsible for providing technical assistance for the
23 production of film, television, and video projects in the state.

24 The bill eliminates certified cultural and entertainment
25 districts. The bill eliminates the cultural grant programs under
26 current law, which requires the IEDA to establish a grant program
27 for cities and nonprofit, tax-exempt community organizations for
28 the development of community programs that provide local jobs for
29 Iowa residents and promote Iowa's historic, ethnic, and cultural
30 heritages through the development of festivals, music, drama,
31 cultural programs, or tourist attractions. Additionally, the
32 IEDA is required to establish a grant program which provides
33 general operating budget support to major, multidisciplinary
34 cultural organizations that demonstrate cultural and managerial
35 excellence on a continuing basis to the citizens of Iowa.

1 Instead, the bill creates the arts and culture enhancement
2 fund (enhancement fund), under which the IEDA shall allocate
3 moneys to the fund to provide support to municipal and nonprofit
4 arts and cultural organizations that serve as significant
5 attractions or community resources; to support artists and
6 entities that foster artistic and cultural expression, promote
7 lifelong learning and engagement in the arts, advance community
8 development goals, or emphasize Iowa's diverse heritage through
9 artwork; to increase access to arts and culture in rural and
10 underserved communities; for the promotion of and investment in
11 film, television, and video projects produced in the state; and
12 to address other goals and priorities in the plan designed by the
13 IEDA. The enhancement fund consists of moneys appropriated by the
14 general assembly and any other moneys that are lawfully available
15 to the IEDA. Each fiscal year, \$520,000 is appropriated from
16 gambling and sports wagering taxes to the IEDA for deposit in
17 the enhancement fund. The IEDA may establish and adopt by rule
18 eligibility and priority criteria for allocation of moneys in the
19 enhancement fund.

20 The Iowa arts council (arts council) may elect a chairperson
21 and vice chairperson from the members of the arts council,
22 rather than being designated by the governor under current law.
23 In addition to duties under current law, the arts council is
24 required to recommend programs to ensure that Iowa citizens and
25 communities have access to the cultural, civic, economic, and
26 educational benefits of the arts.

27 The bill repeals Code sections 15.437 through 15.441, 15.476
28 through 15.479, 15.481, and 15.482, eliminating the Iowa cultural
29 trust Act, including the Iowa cultural trust, trust fund, grant
30 account, and board of trustees, and eliminates the arts and
31 cultural conferences and caucuses, the cultural and entertainment
32 districts, the Iowa great places program and fund, and the
33 culture, history, and arts teams program.

34 On the effective date of this division of the bill, all
35 unencumbered and unobligated moneys remaining in the Iowa great

1 places program fund, Iowa cultural trust fund, and Iowa cultural
2 trust grant account are transferred to the arts and culture
3 enhancement fund established in the bill.

4 Division IX makes conforming changes to Code sections 16.6 and
5 16.64.

6 Under division X, if in addition to meeting the other
7 requirements under current law, a district approved on or after
8 July 1, 2020, consists of contiguous parcels and no more than
9 125 acres, the district may be eligible to be designated as
10 a reinvestment district. This division of the bill applies
11 retroactively to July 1, 2020.

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