

**Senate File 488 - Reprinted**

SENATE FILE 488  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1035)

(COMPANION TO HF 439 BY  
COMMITTEE ON ECONOMIC GROWTH)

(As Amended and Passed by the Senate April 18, 2017)

**A BILL FOR**

1 An Act relating to the workforce housing tax incentives program  
2 by requiring allocations to certain housing projects and  
3 by increasing the allowable average dwelling unit cost and  
4 the percentage of investment for tax incentives for certain  
5 housing projects.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.119, subsection 2, paragraph g, Code  
2 2017, is amended to read as follows:

3 g. The workforce housing tax incentives program administered  
4 pursuant to sections 15.351 through 15.356. In allocating tax  
5 credits pursuant to this subsection, the authority shall not  
6 allocate more than twenty million dollars for purposes of this  
7 paragraph. Of the moneys allocated under this paragraph, five  
8 million dollars shall be reserved for allocation to qualified  
9 housing projects in small cities, as defined in section 15.352,  
10 that are registered on or after July 1, 2017.

11 Sec. 2. Section 15.352, Code 2017, is amended by adding the  
12 following new subsections:

13 NEW SUBSECTION. 3A. "*Greenfield site*" means a site that  
14 does not meet the definition of a brownfield site or grayfield  
15 site. A project proposed at a site located on previously  
16 undeveloped land or agricultural land shall be presumed to be  
17 a greenfield site.

18 NEW SUBSECTION. 9. "*Small city*" means any city or township  
19 located in this state, except those located within the eleven  
20 most populous counties in the state, as determined by the most  
21 recent federal decennial census. For the purposes of this  
22 part, a small city that is located in more than one county  
23 shall be considered to be located in the county having the  
24 greatest taxable base within the small city.

25 Sec. 3. Section 15.353, subsection 1, paragraph a, Code  
26 2017, is amended to read as follows:

27 a. Four or more single-family dwelling units, except for a  
28 project located in a small city, then two or more single-family  
29 dwelling units.

30 Sec. 4. Section 15.353, subsection 2, Code 2017, is amended  
31 by adding the following new paragraph:

32 NEW PARAGRAPH. *Od.* For a housing project located in a  
33 small city that meets program requirements under subsection 1,  
34 paragraph "a", development at a greenfield site.

35 Sec. 5. Section 15.353, subsection 2, paragraph d,

1 subparagraph (2), subparagraph division (c), Code 2017, is  
2 amended to read as follows:

3 (c) The demand for projects applying under this paragraph  
4 "d" compared to the demand for projects applying under  
5 paragraphs "a" through "e" "od".

6 Sec. 6. Section 15.353, subsection 3, paragraph b, Code  
7 2017, is amended to read as follows:

8 b. (1) The average dwelling unit cost does not exceed  
9 two hundred fifty thousand dollars per dwelling unit if the  
10 project involves the rehabilitation, repair, redevelopment,  
11 or preservation of property described in section 404A.1,  
12 subsection 8, paragraph "a".

13 (2) The average dwelling unit cost for the project does not  
14 exceed two hundred fifteen thousand dollars per dwelling unit  
15 if the project is located in a small city.

16 Sec. 7. Section 15.354, subsection 4, paragraph c, Code  
17 2017, is amended to read as follows:

18 c. (1) The authority shall issue tax incentives under the  
19 program on a first-come, first-served basis until the maximum  
20 amount of tax incentives allocated pursuant to section 15.119,  
21 subsection 2, is reached. The authority shall maintain a list  
22 of registered housing projects under the program so that if  
23 the maximum aggregate amount of tax incentives is reached in  
24 a given fiscal year, registered housing projects that were  
25 completed but for which tax incentives were not issued shall  
26 be placed on a wait list in the order the registered housing  
27 projects were registered and shall be given priority for  
28 receiving tax incentives in succeeding fiscal years.

29 (2) The authority shall administer allocations reserved for  
30 qualified housing projects in small cities separately from the  
31 general allocation in subparagraph (1). The authority shall  
32 issue tax incentives for small cities under the program on a  
33 first-come, first-served basis until the maximum amount of the  
34 allocation reserved for small cities under section 15.119,  
35 subsection 2, paragraph "g", is reached. The authority shall

1 maintain a list of registered housing projects in small cities  
2 under the program so that if the maximum aggregate amount  
3 of tax incentives reserved for small cities is reached in a  
4 given fiscal year, such registered housing projects that were  
5 completed but for which tax incentives were not issued shall  
6 be placed on a wait list in the order the registered housing  
7 projects were registered and shall be given priority for  
8 receiving tax incentives in succeeding fiscal years. If the  
9 maximum aggregate amount of tax incentives reserved for small  
10 cities is not reached in a given fiscal year, the authority may  
11 issue tax incentives reserved under this subparagraph (2) to  
12 other housing projects registered under subsection 2.

13 Sec. 8. Section 15.355, subsection 3, paragraph a, Code  
14 2017, is amended to read as follows:

15 a. A housing business may claim a tax credit in an amount  
16 not to exceed the following:

17 (1) For a housing project not located in a small city, ten  
18 percent of the qualifying new investment of a housing project.

19 (2) For a housing project located in a small city, twenty  
20 percent of the qualifying new investment of a housing project.