

**House File 772 - Reprinted**

HOUSE FILE 772

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 204)

(As Amended and Passed by the House April 23, 2019)

**A BILL FOR**

1 An Act creating an empower rural Iowa Act to provide incentives  
2 for broadband and workforce housing, and including effective  
3 date and applicability provisions.

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

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DIVISION I  
TITLE OF ACT

Section 1. TITLE OF ACT. This Act shall be known and may be cited as the "Empower Rural Iowa Act".

DIVISION II  
BROADBAND

Sec. 2. Section 8B.1, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. "*Facilitate*" means a communication service provider's ability to provide broadband service at or above the download and upload speeds specified in the definition of targeted service area in this section to a home, farm, school, or business within a commercially reasonable time and at a commercially reasonable price upon request by a consumer.

Sec. 3. Section 8B.1, subsection 12, Code 2019, is amended to read as follows:

12. "*Targeted service area*" means a United States census bureau census block located in this state, including any crop operation located within the census block, within which no communications service provider offers or facilitates broadband service at or above ~~twenty-five megabits per second of download speed and three megabits per second of upload speed as of July 1, 2015~~ the download and upload speeds identified by the federal communications commission pursuant to section 706 of the federal Telecommunications Act of 1996, as amended.

Sec. 4. Section 8B.1, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "*Underserved area*" means any portion of a targeted service area within which no communications service provider offers or facilitates broadband service meeting the download and upload speeds specified in the definition of targeted service area in this section.

Sec. 5. Section 8B.10, subsection 1, Code 2019, is amended to read as follows:

1 1. The determination of whether a communications service  
2 provider offers or facilitates broadband service meeting the  
3 download ~~or~~ and upload speeds specified in the definition of  
4 targeted service area in section 8B.1 shall be determined  
5 or ascertained by reference to broadband availability maps  
6 or data sources that are widely accepted for accuracy and  
7 available for public review and comment and that are identified  
8 by the office by rule. The office shall periodically make  
9 renewed determinations of whether a communications service  
10 provider offers or facilitates broadband service at or above  
11 the download and upload speeds specified in the definition of  
12 targeted service area in section 8B.1, which shall, to the  
13 extent updated maps and data sources are available at the time,  
14 include making such determinations prior to each round of grant  
15 applications solicited by the office pursuant to section 8B.11.

16 Sec. 6. Section 8B.11, subsection 1, Code 2019, is amended  
17 to read as follows:

18 1. The office shall administer a broadband grant program  
19 designed to award reduce or eliminate unserved and underserved  
20 areas in the state, leveraging federal funds and public and  
21 private partnerships where possible, by awarding grants to  
22 communications service providers that reduce or eliminate  
23 targeted service areas by installing broadband infrastructure  
24 that facilitates broadband service in targeted service areas  
25 at or above the download and upload speeds specified in  
26 the definition of targeted service area in section 8B.1, in  
27 accordance with this section.

28 Sec. 7. Section 8B.11, subsection 2, paragraph c, Code 2019,  
29 is amended to read as follows:

30 c. Notwithstanding [section 8.33](#), moneys in the fund  
31 that remain unencumbered or unobligated at the close of the  
32 fiscal year shall not revert but shall remain available for  
33 expenditure for the purposes designated until ~~the close of~~  
34 ~~the succeeding fiscal year~~ three years following the last  
35 day of the fiscal year in which the funds were originally

1 appropriated.

2 Sec. 8. Section 8B.11, subsection 3, Code 2019, is amended  
3 to read as follows:

4 3. Communications service providers may apply to the office  
5 for a grant pursuant to this section for the installation of  
6 broadband infrastructure that facilitates broadband service  
7 ~~at or above twenty-five megabits per second of download speed~~  
8 ~~and three megabits per second of upload speed~~ in targeted  
9 service areas at or above the download and upload speeds  
10 specified in the definition of targeted service area in  
11 section 8B.1. The office may, by rule, increase the minimum  
12 download and upload speeds for grant eligibility pursuant to  
13 this section. The office shall include representatives from  
14 schools, communities, agriculture, industry, and other areas  
15 as appropriate to review and recommend grant awards. The  
16 office shall conduct an open application review process ~~and~~  
17 include that includes the opportunity for the public to submit  
18 factual information as part of a validation process to address  
19 claims that a targeted service area is currently served with  
20 broadband service at or above the download and upload speeds  
21 specified in the definition of targeted service area in section  
22 8B.1. Upon completion of the validation process, the office  
23 may modify a proposed targeted service area to account for  
24 information received during the validation process. The office  
25 shall make available a public internet site for identifying all  
26 publicly available information contained in the applications,  
27 the members of the review committee, a summary of the review  
28 committee's recommended results, and any results of performance  
29 testing conducted after the project is completed.

30 Sec. 9. Section 8B.11, subsection 4, Code 2019, is amended  
31 to read as follows:

32 4. a. The office shall award grants on a competitive  
33 basis for the installation of broadband infrastructure that  
34 facilitates broadband service in targeted service areas at  
35 or above the download and upload speeds specified in the

1 definition of targeted service area in section 8B.1, after  
2 considering the following:

3 (1) The relative need for broadband infrastructure in the  
4 area and the existing broadband service speeds, including  
5 whether the project serves a rural area or areas.

6 (2) The applicant's total proposed budget for the project,  
7 including the amount or percentage of local or federal matching  
8 funds, if any, any funding obligations shared between public  
9 and private entities, and the percentage of funding provided  
10 directly from the applicant.

11 (3) The relative download and upload speeds of proposed  
12 projects for all applicants.

13 (4) The specific product attributes resulting from the  
14 proposed project, including technologies that provide higher  
15 qualities of service, such as service levels, latency, and  
16 other service attributes as determined by the office.

17 ~~(2)~~ (5) The percentage of the homes, farms, schools, and  
18 businesses in the targeted service area that will be provided  
19 access to broadband service.

20 ~~(3)~~ (6) The geographic diversity of the project areas of  
21 all the applicants.

22 ~~(4)~~ (7) The economic impact of the project to the area.

23 ~~(5)~~ ~~The applicant's total proposed budget for the project,~~  
24 ~~including the amount or percentage of local match, if any.~~

25 ~~(6)~~ (8) Other factors the office deems relevant.

26 b. In considering the factors listed in paragraph "a"  
27 for awarding grants pursuant to this section, the office  
28 shall afford the greatest weight to the factors described in  
29 paragraph "a", subparagraphs (1) through (3).

30 ~~b.~~ c. Except as otherwise provided in this section, the  
31 office shall not evaluate applications based on the office's  
32 knowledge of the applicant except for the information provided  
33 in obtained by the office during the application process or  
34 period for public comment.

35 Sec. 10. Section 8B.11, subsections 7 and 8, Code 2019, are

1 amended to read as follows:

2 7. The office shall not award a grant pursuant to this  
3 section on or after July 1, ~~2020~~ 2025.

4 8. The office ~~shall~~ may adopt rules pursuant to chapter 17A  
5 interpreting this chapter or necessary for administering this  
6 chapter, including but not limited to rules relating to the  
7 broadband grant program process, management, and measurements  
8 as deemed necessary by the office.

9 Sec. 11. Section 8B.11, Code 2019, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 9. The office shall adopt rules  
12 establishing procedures to allow aggrieved applicants an  
13 opportunity to challenge the office's award of grants under  
14 this section.

15 Sec. 12. Section 427.1, subsection 40, paragraphs a and b,  
16 Code 2019, are amended to read as follows:

17 a. The owner of broadband infrastructure shall be entitled  
18 to an exemption from taxation to the extent provided in this  
19 subsection for assessment years beginning before January 1,  
20 ~~2022~~ 2027. ~~For the purposes of~~ Unless the context otherwise  
21 requires, the words and phrases used in this subsection,  
22 "broadband infrastructure" and "targeted service area" mean the  
23 same as shall have the same meaning as the words and phrases  
24 used in chapter 8B, including but not limited to the words and  
25 phrases defined in section 8B.1.

26 b. The exemption shall apply to the installation of  
27 broadband infrastructure that facilitates broadband service  
28 at or above ~~twenty-five megabits per second of download speed~~  
29 ~~and three megabits per second of upload speed~~ the download  
30 and upload speeds specified in the definition of targeted  
31 service area in section 8B.1 commenced and completed on or  
32 after July 1, 2015, and before July 1, ~~2020~~ 2025, in a targeted  
33 service area, and used to deliver internet services to the  
34 public. A person claiming an exemption under this subsection  
35 shall certify to the local assessor prior to commencement of

1 the installation that the ~~broadband~~ installation of broadband  
2 infrastructure will take place facilitate broadband service  
3 at or above the download and upload speeds specified in the  
4 definition of targeted service area in section 8B.1 within a  
5 targeted service area and shall specify the current number of  
6 homes, farms, schools, and businesses in the targeted service  
7 area that were offered broadband service and the download and  
8 upload speeds available prior to the broadband infrastructure  
9 installation for which the exemption is claimed and the number  
10 of homes, farms, schools, and businesses in the targeted  
11 service area that will be offered broadband service and the  
12 download and upload speeds that will be available as a result  
13 of installation of the broadband infrastructure for which the  
14 exemption is claimed.

15 Sec. 13. Section 427.1, subsection 40, paragraph f,  
16 subparagraph (1), subparagraph division (d), Code 2019, is  
17 amended to read as follows:

18 (d) Certification from the office of the chief information  
19 officer pursuant to section 8B.10 that the installation ~~is~~  
20 ~~being performed or was completed~~ will facilitate broadband  
21 service at or above the download and upload speeds specified  
22 in the definition of targeted service area in section 8B.1 in  
23 a targeted service area. ~~Certification from the office of~~  
24 ~~the chief information officer that broadband infrastructure~~  
25 ~~installed in a targeted service area facilitates broadband~~  
26 ~~service at or above twenty-five megabits per second of download~~  
27 ~~speed and three megabits per second of upload speed.~~

28 Sec. 14. Section 427.1, subsection 40, paragraph i, Code  
29 2019, is amended to read as follows:

30 *i.* This subsection is repealed July 1, 2024 2030.

31 DIVISION III

32 WORKFORCE HOUSING TAX INCENTIVE PROGRAM

33 Sec. 15. Section 15.119, subsection 2, paragraph g, Code  
34 2019, is amended to read as follows:

35 *g.* The workforce housing tax incentives program administered

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

9 Sec. 16. Section 15.119, Code 2019, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 5. Notwithstanding subsection 1, and  
12 in addition to amounts allocated pursuant to subsection 2,  
13 paragraph "g", the authority shall allocate ten million dollars  
14 to the workforce housing tax incentives program administered  
15 pursuant to sections 15.351 through 15.356, for qualified  
16 housing projects located in a county that has been declared  
17 a major disaster by the president of the United States on  
18 or after March 12, 2019, and that is also a county in which  
19 individuals are eligible for federal individual assistance.  
20 In allocating tax credits pursuant to this subsection for the  
21 period beginning July 1, 2019, and ending June 30, 2024, the  
22 authority shall not allocate more than ten million dollars for  
23 purposes of this subsection. This subsection is repealed July  
24 1, 2024.

25 Sec. 17. Section 15.352, subsection 10, Code 2019, is  
26 amended to read as follows:

27 10. "*Small city*" means any city or township located in this  
28 state, except those located wholly within one or more of the  
29 eleven most populous counties in the state, as determined by  
30 the most recent federal decennial census population estimates  
31 issued by the United States bureau of census. ~~For the purposes~~  
32 ~~of this part, a small city that is located in more than one~~  
33 ~~county shall be considered to be located in the county having~~  
34 ~~the greatest taxable base within the small city.~~

35 Sec. 18. Section 15.353, subsection 2, Code 2019, is amended

1 by adding the following new paragraph:

2 NEW PARAGRAPH. *f.* For a housing project located in any  
3 county that has been declared a major disaster by the president  
4 of the United States on or after March 12, 2019, and that is  
5 also a county in which individuals are eligible for federal  
6 individual assistance, development at a greenfield site.

7 Sec. 19. Section 15.354, subsection 1, paragraph a, Code  
8 2019, is amended to read as follows:

9 *a.* A housing business seeking workforce housing tax  
10 incentives provided in [section 15.355](#) shall make application to  
11 the authority in the manner prescribed by the authority. The  
12 authority may accept applications ~~on a continuous basis~~ during  
13 one or more annual application periods to be determined by the  
14 authority by rule.

15 Sec. 20. Section 15.354, subsection 1, Code 2019, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. *c.* In addition to complying with all  
18 applicable requirements in paragraph "b", a housing business  
19 that chooses to be considered as an applicant for tax credits  
20 reserved pursuant to section 15.119, subsection 5, shall also  
21 submit a certification that the applicant's housing project is  
22 located in a county that has been declared a major disaster by  
23 the president of the United States on or after March 12, 2019,  
24 and is also a county in which individuals are eligible for  
25 federal individual assistance. The housing business must also  
26 submit documentation that provides evidence that the qualified  
27 housing project is needed due to impact of the disaster that is  
28 the subject of the presidential major disaster declaration.

29 Sec. 21. Section 15.354, subsection 2, Code 2019, is amended  
30 to read as follows:

31 *2. Registration. Application review — tax incentive award.*

32 *a.* All completed applications shall be reviewed and scored  
33 on a competitive basis by the authority pursuant to rules  
34 adopted by the authority.

35 *a. b.* Upon review ~~of the application, the authority~~

1 ~~may register the housing project under the program. If the~~  
 2 ~~authority registers the housing project, the authority shall~~  
 3 ~~make a preliminary determination as to the amount of tax~~  
 4 ~~incentives for which the housing project qualifies and scoring~~  
 5 ~~of all applications received during an application period, the~~  
 6 ~~authority may make a tax incentive award to a housing project,~~  
 7 ~~which tax incentive award shall represent the maximum amount of~~  
 8 ~~tax incentives the housing project may qualify for under the~~  
 9 ~~program. In determining a tax incentive award, the authority~~  
 10 ~~shall not use an amount of project costs that exceeds the~~  
 11 ~~amount included in the application of the housing business.~~  
 12 Tax incentive awards shall be approved by the director of the  
 13 authority.

14 ~~b. c.~~ After registering the housing project making a  
 15 tax incentive award, the authority shall notify the housing  
 16 business of ~~successful registration under the program~~ its tax  
 17 incentive award. The notification shall include the amount  
 18 of tax incentives under [section 15.355](#) for which the housing  
 19 business has received ~~preliminary approval~~ an award and a  
 20 statement that the ~~amount is a preliminary determination only~~  
 21 housing business has no right to receive a tax incentive  
 22 certificate or claim a tax incentive until all requirements  
 23 of the program, including all requirements imposed by the  
 24 agreement entered into pursuant to subsection 3, are satisfied.  
 25 The amount of tax credits included on a tax credit certificate  
 26 issued pursuant to [this section](#), or a claim for refund of sales  
 27 and use taxes, shall be contingent upon completion of ~~the~~ all  
 28 requirements in [subsection 3](#).

29 d. An applicant that does not receive a tax incentive award  
 30 during an application period may make additional applications  
 31 during subsequent application periods. Such applicant shall be  
 32 required to submit a new application and shall be competitively  
 33 reviewed and scored in the same manner as other applicants in  
 34 that application period.

35 Sec. 22. Section 15.354, subsection 3, paragraphs a and e,

1 Code 2019, are amended to read as follows:

2     a. Upon ~~successful registration of~~ receipt of a tax  
3 incentive award by the housing project, the housing business  
4 shall enter into an agreement with the authority for the  
5 successful completion of all requirements of the program. The  
6 agreement shall identify the tax incentive award amount, the  
7 tax incentive award date, the project completion deadline, and  
8 the total costs of the housing project.

9     e. (1) Upon review of the examination and verification  
10 of the amount of the qualifying new investment, the authority  
11 may notify the housing business of the amount that the housing  
12 business may claim as a refund of the sales and use tax under  
13 section 15.355, subsection 2, and may issue a tax credit  
14 certificate to the housing business stating the amount of  
15 workforce housing investment tax credits under section 15.355,  
16 subsection 3, the eligible housing business may claim. The  
17 sum of the amount that the housing business may claim as a  
18 refund of the sales and use tax and the amount of the tax credit  
19 certificate shall not exceed the amount of the tax incentive  
20 award.

21     (2) If upon review of the examination in subparagraph  
22 (1) the authority determines that a housing project has  
23 incurred project costs in excess of the amount submitted in the  
24 application made pursuant to subsection 1 and identified in the  
25 agreement, the authority shall do one of the following:

26     (a) If the project costs do not cause the housing project's  
27 average dwelling unit cost to exceed the applicable maximum  
28 amount authorized in section 15.353, subsection 3, the  
29 authority may consider the agreement fulfilled and may issue a  
30 tax credit certificate.

31     (b) If the project costs cause the housing project's  
32 average dwelling unit cost to exceed the applicable maximum  
33 amount authorized in section 15.353, subsection 3, but does not  
34 cause the average dwelling unit cost to exceed one hundred ten  
35 percent of such applicable maximum amount, the authority may

1 consider the agreement fulfilled and may issue a tax credit  
 2 certificate. In such case, the authority shall reduce the tax  
 3 incentive award and the corresponding amount of tax incentives  
 4 the eligible housing project may claim under section 15.355,  
 5 subsections 2 and 3, by the same percentage that the housing  
 6 project's average dwelling unit cost exceeds the applicable  
 7 maximum amount under section 15.353, subsection 3, and such  
 8 tax incentive reduction shall be reflected on the tax credit  
 9 certificate. If the authority issues a certificate pursuant  
 10 to this subparagraph division, the department of revenue  
 11 shall accept the certificate notwithstanding that the housing  
 12 project's average dwelling unit costs exceeds the maximum  
 13 amount specified in section 15.353, subsection 3.

14 (c) If the project costs cause the housing project's  
 15 average dwelling unit cost to exceed one hundred ten percent  
 16 of the applicable maximum amount authorized in section 15.353,  
 17 subsection 3, the authority shall determine the eligible  
 18 housing business to be in default under the agreement, shall  
 19 revoke the tax incentive award, and shall not issue a tax  
 20 credit certificate. The housing business shall not be allowed  
 21 a refund of sales and use tax under section 15.355, subsection  
 22 2.

23 Sec. 23. Section 15.354, subsection 4, Code 2019, is amended  
 24 by striking the subsection and inserting in lieu thereof the  
 25 following:

26 4. *Maximum tax incentives amount.*

27 a. (1) For fiscal years beginning on or after July 1, 2019,  
 28 the authority shall not award in any fiscal year an amount of  
 29 tax incentives for housing projects located in small cities, or  
 30 for other housing projects, in excess of the amounts allocated  
 31 for each category in section 15.119, subsection 2, paragraph  
 32 "g". This paragraph "a" applies to housing projects awarded tax  
 33 incentives pursuant to subsection 2 on or after July 1, 2019,  
 34 and to housing projects registered prior to July 1, 2019, under  
 35 section 15.354, subsection 2, Code 2019.

1 (2) Notwithstanding subparagraph (1), and section 15.119,  
2 subsection 2, paragraph "g", if the sum of the amount of tax  
3 incentives applied for in valid applications submitted in a  
4 given fiscal year beginning on or after July 1, 2019, for  
5 housing projects located in small cities, plus the amount  
6 of tax incentives eligible for issuance to housing projects  
7 located in small cities that were registered prior to July  
8 1, 2019, under section 15.354, subsection 2, Code 2019, does  
9 not exceed the amount reserved for housing projects located  
10 in small cities pursuant to section 15.119, subsection 2,  
11 paragraph "g", the authority may award the remaining amount of  
12 tax incentives reserved for housing projects located in small  
13 cities to other housing projects during that same fiscal year.

14 (3) Notwithstanding subparagraph (1), and section 15.119,  
15 subsection 2, paragraph "g", the authority may award during a  
16 fiscal year an aggregate amount of tax incentives to housing  
17 projects located in small cities that is less than the amount  
18 reserved for allocation to small cities under section 15.119,  
19 subsection 2, paragraph "g", provided the difference between  
20 the amount of the small city reservation and the aggregate  
21 amount actually awarded to small cities during that fiscal year  
22 is awarded during that same fiscal year to housing projects  
23 registered prior to July 1, 2018.

24 b. With regard to a housing project registered prior to  
25 July 1, 2019, a tax incentive shall be considered awarded for  
26 purposes of paragraph "a" when the authority enters into an  
27 agreement with the housing business for that housing project  
28 as provided under section 15.354, subsection 3, Code 2019.  
29 Notwithstanding any provision of law to the contrary, a housing  
30 business shall have no right to enter into an agreement with  
31 the authority for a housing project registered prior to July 1,  
32 2019, until the authority allocates an amount of tax incentives  
33 to the housing project and notifies the housing business  
34 that the authority is prepared to execute the agreement  
35 and make a tax incentive award for the housing project. A

1 housing business shall have no right to receive a tax credit  
2 certificate or claim a tax incentive for a housing project  
3 registered prior to July 1, 2019, until the housing business  
4 enters into an agreement with the authority.

5 *c.* In making tax incentive awards during any fiscal year  
6 in which there are housing projects registered prior to July  
7 1, 2019, which are eligible to receive tax incentives under  
8 the program, the authority shall give priority in making tax  
9 incentive awards to housing projects registered prior to July  
10 1, 2019. The authority shall create and maintain a wait list  
11 of housing projects registered prior to July 1, 2019, and such  
12 housing projects shall be placed on the wait list in the order  
13 the housing projects were registered.

14 *d.* The maximum aggregate amount of tax incentives that  
15 may be awarded and issued under section 15.355 to a housing  
16 business for a housing project shall not exceed one million  
17 dollars.

18 *e.* If a housing business qualifies for a higher amount  
19 of tax incentives under section 15.355 than is allowed by  
20 the limitation imposed in paragraph "*d*", the authority and  
21 the housing business may negotiate an apportionment of the  
22 reduction in tax incentives between the sales tax refund  
23 provided in section 15.355, subsection 2, and the workforce  
24 housing investment tax credits provided in section 15.355,  
25 subsection 3, provided the total aggregate amount of tax  
26 incentives after the apportioned reduction does not exceed the  
27 amount in paragraph "*d*".

28 *f.* The authority shall issue tax incentives under the  
29 program on a first-come, first-served basis until the maximum  
30 amount of tax incentives allocated under section 15.119,  
31 subsection 2, paragraph "*g*", is reached. The authority shall  
32 maintain a list of housing projects registered prior to July  
33 1, 2019, and of housing projects awarded tax incentives on or  
34 after July 1, 2019, so that if the maximum aggregate amount  
35 of tax incentives is reached in a given fiscal year, such

1 registered housing projects that were completed but for which  
2 tax incentives were not issued, and such housing projects that  
3 were completed and are awarded tax incentives but for which tax  
4 incentives have not been issued, shall be placed on a wait list  
5 in the order the housing projects were registered or awarded  
6 tax incentives and shall be given priority for receiving tax  
7 incentives in succeeding fiscal years.

8 Sec. 24. Section 15.354, subsection 5, Code 2019, is amended  
9 to read as follows:

10 5. *Termination and repayment.* The failure by a housing  
11 business in completing a housing project to comply with any  
12 requirement of this program or any of the terms and obligations  
13 of an agreement entered into pursuant to [this section](#) may  
14 result in the revocation, reduction, termination, or rescission  
15 of the tax incentive award or the approved tax incentives and  
16 may subject the housing business to the repayment or recapture  
17 of tax incentives claimed under [section 15.355](#). The repayment  
18 or recapture of tax incentives pursuant to [this section](#) shall  
19 be accomplished in the same manner as provided in section  
20 15.330, subsection 2.

21 Sec. 25. Section 15.354, Code 2019, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 6. *Disaster recovery housing projects.*

24 a. For purposes of this subsection, "*disaster recovery*  
25 *housing project*" means a qualified housing project located in a  
26 county that has been declared a major disaster by the president  
27 of the United States on or after March 12, 2019, and that is  
28 also a county in which individuals are eligible for federal  
29 individual assistance.

30 b. Notwithstanding subsection 1, the authority may accept  
31 applications for disaster recovery housing projects on a  
32 continuous basis.

33 c. Notwithstanding subsection 2, paragraphs "*a*", "*b*", and  
34 "*d*", upon review of a housing business's application, the  
35 authority may make a tax incentive award to a disaster recovery

1 housing project. The tax incentive award shall represent the  
 2 maximum amount of tax incentives that the disaster recovery  
 3 housing project may qualify for under the program. In  
 4 determining a tax incentive award, the authority shall not use  
 5 an amount of project costs that exceeds the amount included in  
 6 the application of the housing business. Tax incentive awards  
 7 shall be approved by the director of the authority.

8 *d.* The authority shall administer tax credit allocations  
 9 for disaster recovery housing projects separately from the  
 10 general allocation and separately from the allocation reserved  
 11 for small cities in section 15.119, subsection 2, paragraph  
 12 *g*. The authority shall issue tax incentives under the  
 13 program for disaster recovery housing projects on a first-come,  
 14 first-served basis until the maximum amount of tax incentives  
 15 allocated under section 15.119, subsection 5, is reached. The  
 16 authority shall maintain a list of disaster recovery housing  
 17 projects awarded tax incentives under the program, so that if  
 18 the maximum aggregate amount of tax incentives allocated for  
 19 disaster recovery housing projects under the program is reached  
 20 in a given fiscal year, such disaster recovery housing projects  
 21 that were completed but for which tax incentives were not  
 22 issued shall be placed on a wait list in the order the disaster  
 23 recovery housing projects were awarded tax incentives pursuant  
 24 to paragraph *c*, and shall be given priority for receiving tax  
 25 incentives in succeeding fiscal years.

26 Sec. 26. Section 15.355, subsection 2, Code 2019, is amended  
 27 to read as follows:

28 2. A housing business may claim a refund of the sales and  
 29 use taxes paid under [chapter 423](#) that are directly related to  
 30 a housing project and specified in the agreement. The refund  
 31 available pursuant to [this subsection](#) shall be as provided in  
 32 section 15.331A, excluding [subsection 2](#), paragraph *c*, of  
 33 that section. For purposes of the program, the term *project*  
 34 *completion*, as used in [section 15.331A](#), shall mean the date on  
 35 which the authority notifies the department of revenue that all

1 applicable requirements of an agreement entered into pursuant  
2 to [section 15.354](#) are satisfied.

3 Sec. 27. Section 15.355, subsection 3, paragraph a,  
4 subparagraphs (1) and (2), Code 2019, are amended to read as  
5 follows:

6 (1) For a housing project not located in a small city, ten  
7 percent of the qualifying new investment of a housing project  
8 specified in the agreement.

9 (2) For a housing project located in a small city, twenty  
10 percent of the qualifying new investment of a housing project  
11 specified in the agreement.

12 Sec. 28. Section 15.355, subsection 3, paragraph a, Code  
13 2019, is amended by adding the following new subparagraph:

14 NEW SUBPARAGRAPH. (3) For a housing project located in a  
15 county that has been declared a major disaster by the president  
16 of the United States on or after March 12, 2019, and that is  
17 also a county in which individuals are eligible for federal  
18 individual assistance, twenty percent of the qualifying new  
19 investment of a housing project.

20 Sec. 29. WORKFORCE HOUSING TAX INCENTIVES PROGRAM — FISCAL  
21 YEAR 2019-2020. Notwithstanding section 15.119, subsection 2,  
22 paragraph "g", for the fiscal year beginning July 1, 2019, and  
23 ending June 30, 2020, all moneys allocated pursuant to section  
24 15.119, subsection 2, paragraph "g", shall be allocated by the  
25 economic development authority to qualified housing projects  
26 in small cities, as defined in section 15.352, that were  
27 registered prior to July 1, 2019. If the sum of the amount of  
28 tax incentives allocated in the fiscal year beginning July 1,  
29 2019, and ending June 30, 2020, for housing projects located in  
30 small cities that were registered prior to July 1, 2019, does  
31 not exceed the moneys that may be allocated pursuant to section  
32 15.119, subsection 2, paragraph "g", the authority may allocate  
33 the remaining moneys to other qualified housing projects that  
34 were registered prior to July 1, 2019.

35 Sec. 30. EMERGENCY RULES. The economic development

1 authority may adopt emergency rules under section 17A.4,  
2 subsection 3, and section 17A.5, subsection 2, paragraph "b",  
3 to implement the provisions of this division of this Act and  
4 the rules shall be effective immediately upon filing unless  
5 a later date is specified in the rules. Any rules adopted  
6 in accordance with this section shall also be published as a  
7 notice of intended action as provided in section 17A.4.

8     Sec. 31. EFFECTIVE DATE. This division of this Act, being  
9 deemed of immediate importance, takes effect upon enactment.

10     Sec. 32. APPLICABILITY.

11     1. Except as provided in subsection 2, this division of  
12 this Act applies to housing projects awarded tax incentives by  
13 the authority under the program on or after July 1, 2019, and  
14 housing projects registered by the authority under the program  
15 prior to July 1, 2019, shall be governed by sections 15.352,  
16 15.354, and 15.355, Code 2019.

17     2. The provision of this division of this Act amending  
18 section 15.354, subsection 4, applies to housing projects  
19 registered by the authority under the program prior to July 1,  
20 2019, and to housing projects awarded tax incentives by the  
21 authority under the program on or after July 1, 2019.