

**Senate File 577 - Reprinted**

SENATE FILE 577  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1221)

(As Amended and Passed by the Senate May 3, 2023)

**A BILL FOR**

1 An Act relating to and making appropriations from the rebuild  
2 Iowa infrastructure fund and technology reinvestment fund,  
3 establishing a destination Iowa fund, providing for related  
4 matters, and including effective date provisions.

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

DIVISION I

REBUILD IOWA INFRASTRUCTURE FUND

Section 1. REBUILD IOWA INFRASTRUCTURE FUND —

4 APPROPRIATIONS. There is appropriated from the rebuild Iowa  
5 infrastructure fund to the following departments and agencies  
6 for the following fiscal years, the following amounts, or so  
7 much thereof as is necessary, to be used for the purposes  
8 designated:

9 1. DEPARTMENT OF ADMINISTRATIVE SERVICES

10 For safety and security on the state capitol complex,  
11 notwithstanding section 8.57, subsection 5, paragraph "c":

12 FY 2023-2024:

13 ..... \$ 200,000

14 2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

15 a. (1) For deposit in the water quality initiative fund  
16 created in [section 466B.45](#) for purposes of supporting the  
17 water quality initiative administered by the division of soil  
18 conservation and water quality as provided in [section 466B.42](#),  
19 including salaries, support, maintenance, and miscellaneous  
20 purposes, notwithstanding [section 8.57, subsection 5](#), paragraph  
21 "c":

22 FY 2023-2024:

23 ..... \$ 8,200,000

24 (2) (a) The moneys appropriated in this lettered  
25 paragraph shall be used to support demonstration projects in  
26 subwatersheds as designated by the department that are part  
27 of high-priority watersheds identified by the water resources  
28 coordinating council.

29 (b) The moneys appropriated in this lettered paragraph  
30 shall be used to support demonstration projects in watersheds  
31 generally, including regional watersheds, as designated by the  
32 division and high-priority watersheds identified by the water  
33 resources coordinating council.

34 (3) In supporting projects in watersheds and subwatersheds  
35 as provided in subparagraph (2), all of the following shall

1 apply:

2 (a) The demonstration projects shall utilize water quality  
3 practices as described in the latest revision of the document  
4 entitled "Iowa Nutrient Reduction Strategy" initially presented  
5 in November 2012 by the department of agriculture and land  
6 stewardship, the department of natural resources, and Iowa  
7 state university of science and technology.

8 (b) The division shall implement demonstration projects  
9 as provided in subparagraph division (a) by providing  
10 for participation by persons who hold a legal interest in  
11 agricultural land used in farming. To every extent practical,  
12 the division shall provide for collaborative participation by  
13 such persons who hold a legal interest in agricultural land  
14 located within the same subwatershed.

15 (c) The division shall implement demonstration projects on  
16 a cost-share basis as determined by the division. Except for  
17 edge-of-field practices, the state's share of the amount shall  
18 not exceed 50 percent of the estimated cost of establishing the  
19 practice as determined by the division or 50 percent of the  
20 actual cost of establishing the practice, whichever is less.

21 (d) The demonstration projects shall be used to educate  
22 other persons about the feasibility and value of establishing  
23 similar water quality practices. The division shall promote  
24 field day events for purposes of allowing interested persons to  
25 establish water quality practices on their agricultural land.

26 (e) The division shall conduct water quality evaluations  
27 within supported subwatersheds. Within a reasonable period  
28 after accumulating information from such evaluations, the  
29 division shall create an aggregated database of water quality  
30 practices. Any information identifying a person holding a  
31 legal interest in agricultural land or specific agricultural  
32 land shall be a confidential record.

33 (4) The moneys appropriated in this lettered paragraph  
34 shall be used to support education and outreach in a manner  
35 that encourages persons who hold a legal interest in

1 agricultural land used for farming to implement water quality  
2 practices, including the establishment of such practices in  
3 watersheds generally, and not limited to subwatersheds or  
4 high-priority watersheds.

5 (5) The moneys appropriated in this lettered paragraph  
6 may be used to contract with persons to coordinate the  
7 implementation of efforts provided in this paragraph.

8 (6) The moneys appropriated in this lettered paragraph  
9 may be used by the department to support urban soil and water  
10 conservation efforts, which may include but are not limited  
11 to management practices related to bioretention, landscaping,  
12 the use of permeable or pervious pavement, and soil quality  
13 restoration. The moneys shall be allocated on a cost-share  
14 basis as provided in [chapter 161A](#).

15 (7) Notwithstanding any other provision of law to the  
16 contrary, the department may use moneys appropriated in  
17 this lettered paragraph to carry out the provisions of this  
18 paragraph on a cost-share basis in combination with other  
19 moneys available to the department from a state or federal  
20 source.

21 (8) Not more than 10 percent of the moneys appropriated in  
22 this lettered paragraph may be used for costs of administration  
23 and implementation of the water quality initiative administered  
24 by the soil conservation division.

25 b. For deposit in the renewable fuels infrastructure fund  
26 created in [section 159A.16](#) for renewable fuel infrastructure  
27 programs:

28 FY 2023-2024:  
29 ..... \$ 10,000,000

30 c. For deposit in the renewable fuels infrastructure fund  
31 created in [section 159A.16](#) for renewable fuel infrastructure  
32 programs:

33 FY 2023-2024:  
34 ..... \$ 5,000,000

35 The appropriation made in this paragraph shall be in lieu of

1 the standing appropriation in section 159A.17 for the fiscal  
2 year beginning July 1, 2023, and ending June 30, 2024.

3 d. For updating the maximum return to nitrogen modeling  
4 system for fertilizer management, notwithstanding section 8.57,  
5 subsection 5, paragraph "c":

6 FY 2023-2024:

7 ..... \$ 1,000,000

8 Any information received, collected, or held for purposes  
9 of this paragraph is a confidential record exempt from public  
10 release if the information identifies a person who holds a  
11 legal interest in agricultural land or who has previously  
12 held a legal interest in agricultural land, a person who is  
13 involved or who has previously been involved in managing  
14 the agricultural land or producing crops or livestock on  
15 the agricultural land, or the identifiable location of the  
16 agricultural land.

17 3. DEPARTMENT FOR THE BLIND

18 For building repairs for the building located at 524 Fourth  
19 Street, Des Moines, Iowa:

20 FY 2023-2024:

21 ..... \$ 232,000

22 4. DEPARTMENT OF CORRECTIONS

23 a. For the purchase of prison body scanners at corrections  
24 facilities, notwithstanding section 8.57, subsection 5,  
25 paragraph "c":

26 FY 2023-2024:

27 ..... \$ 865,000

28 b. For construction of an apprenticeship building at the  
29 Mount Pleasant correctional facility:

30 FY 2023-2024:

31 ..... \$ 1,200,000

32 c. For electrical service upgrades at the Iowa medical and  
33 classification center:

34 FY 2023-2024:

35 ..... \$ 2,800,000

1 5. ECONOMIC DEVELOPMENT AUTHORITY

2 a. For deposit in the community attraction and tourism fund  
3 created in section 15F.204:

4 FY 2023-2024:

5 ..... \$ 10,000,000

6 b. For deposit in the destination Iowa fund created in  
7 section 15.281, notwithstanding section 8.57, subsection 5,  
8 paragraph "c":

9 FY 2023-2024:

10 ..... \$ 6,500,000

11 c. For equal distribution to regional sports authority  
12 districts certified by the department pursuant to section  
13 15E.321, notwithstanding section 8.57, subsection 5, paragraph  
14 "c":

15 FY 2023-2024:

16 ..... \$ 700,000

17 d. For grants to nonprofit organizations committed to  
18 strengthening communities through youth development, healthy  
19 living, and social responsibility for costs associated with  
20 the renovation and maintenance of facility infrastructure at  
21 facilities located in cities with a population of less than  
22 28,000 as determined by the 2020 federal decennial census:

23 FY 2023-2024:

24 ..... \$ 250,000

25 6. DEPARTMENT OF EDUCATION

26 For heating, cooling, electrical, lighting, and fire  
27 detection system upgrades and exterior building repairs at the  
28 girls' dormitory at the Iowa school for the deaf:

29 FY 2023-2024:

30 ..... \$ 5,700,000

31 7. DEPARTMENT OF HEALTH AND HUMAN SERVICES

32 a. For tunnel decentralization for the state resource  
33 center at Woodward:

34 FY 2023-2024:

35 ..... \$ 5,572,736

1 b. For costs associated with the newborn safe haven Act,  
2 chapter 233, notwithstanding section 8.57, subsection 5,  
3 paragraph "c":

4 ..... \$ 15,000

5 Moneys appropriated in this paragraph shall be used for a  
6 one-time grant for the installation of a newborn safety device  
7 at a location authorized by and in accordance with chapter 233.

8 c. For a grant to a nonprofit organization specializing in  
9 brain injury rehabilitation by providing post-acute inpatient  
10 and outpatient rehabilitation, as well as long-term skilled,  
11 supported, and independent living services for people who have  
12 sustained a traumatic brain injury due to a stroke, tumor,  
13 aneurysm, or other brain injury, headquartered in a city with  
14 a population between 67,500 and 68,500 as determined by the  
15 2020 federal decennial census, for renovation of a facility  
16 to accommodate individuals served by the organization who are  
17 being relocated from the organization's site on the Glenwood  
18 state resource center campus:

19 ..... \$ 750,000

20 8. DEPARTMENT OF NATURAL RESOURCES

21 a. For implementation of lake projects that have  
22 established watershed improvement initiatives and community  
23 support in accordance with the department's annual lake  
24 restoration plan and report, notwithstanding section 8.57,  
25 subsection 5, paragraph "c":

26 FY 2023-2024:

27 ..... \$ 9,600,000

28 b. For state park infrastructure improvements:

29 FY 2023-2024:

30 ..... \$ 5,000,000

31 c. For water trails and low head dam safety grants,  
32 including grants for projects relating to eligible water  
33 bodies, as defined in section 456A.33C:

34 FY 2023-2024:

35 ..... \$ 1,500,000

1 d. For grants to communities or organizations for tree  
2 planting projects through the community forestry grant program,  
3 notwithstanding section 8.57, subsection 5, paragraph "c":  
4 FY 2023-2024:  
5 ..... \$ 250,000  
6 e. For costs associated with infrastructure improvements on  
7 the state fairgrounds:  
8 FY 2023-2024:  
9 ..... \$ 500,000  
10 f. For deferred maintenance costs at the honey creek resort  
11 state park required to be completed pursuant to a contract:  
12 FY 2023-2024:  
13 ..... \$ 6,000,000  
14 9. DEPARTMENT OF PUBLIC DEFENSE  
15 a. For major maintenance projects at national guard  
16 armories and facilities:  
17 FY 2023-2024:  
18 ..... \$ 2,100,000  
19 b. For improvement projects for Iowa national guard  
20 installations and readiness centers to support operations and  
21 training requirements:  
22 FY 2023-2024:  
23 ..... \$ 2,100,000  
24 c. For construction improvement projects at the Camp Dodge  
25 facility:  
26 FY 2023-2024:  
27 ..... \$ 550,000  
28 d. For replacement of the heating and cooling system at the  
29 joint force headquarters at Camp Dodge:  
30 FY 2023-2024:  
31 ..... \$ 2,442,000  
32 e. For costs associated with the construction of a readiness  
33 center in West Des Moines:  
34 FY 2023-2024:  
35 ..... \$ 1,000,000



1 f. The department of public defense shall report to the  
2 general assembly by December 15, 2023, regarding the projects  
3 the department has funded or intends to fund from moneys  
4 appropriated to the department pursuant to this subsection.

5 10. DEPARTMENT OF PUBLIC SAFETY

6 a. For payments and other costs due under a financing  
7 agreement entered into by the treasurer of state for building  
8 the statewide interoperable communications system pursuant to  
9 section 29C.23, subsection 2, notwithstanding section 8.57,  
10 subsection 5, paragraph "c":

11 FY 2023-2024:

12 ..... \$ 6,754,358

13 b. For deposit in the public safety equipment fund created  
14 in section 80.48, notwithstanding section 8.57, subsection 5,  
15 paragraph "c":

16 FY 2023-2024:

17 ..... \$ 2,500,000

18 11. BOARD OF REGENTS

19 a. For allocation by the state board of regents to the  
20 state university of Iowa, Iowa state university of science  
21 and technology, and the university of northern Iowa to  
22 reimburse the institutions for deficiencies in the operating  
23 funds resulting from the pledging of tuition, student fees  
24 and charges, and institutional income to finance the cost of  
25 providing academic and administrative buildings and facilities  
26 and utility services at the institutions:

27 FY 2023-2024:

28 ..... \$ 27,900,000

29 b. For an addition to the veterinary diagnostic laboratory  
30 at Iowa state university of science and technology:

31 FY 2023-2024:

32 ..... \$ 18,000,000

33 12. DEPARTMENT OF TRANSPORTATION

34 a. For acquiring, constructing, and improving recreational  
35 trails within the state:

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1     FY 2023-2024:  
2 ..... \$ 2,500,000

3     b. For deposit in the public transit infrastructure grant  
4 fund created in section 324A.6A, for projects that meet  
5 the definition of vertical infrastructure in section 8.57,  
6 subsection 5, paragraph "c":

7     FY 2023-2024:  
8 ..... \$ 1,000,000

9     c. For deposit in the railroad revolving loan and grant  
10 fund created in section 327H.20A, notwithstanding section 8.57,  
11 subsection 5, paragraph "c":

12     FY 2023-2024:  
13 ..... \$ 500,000

14     d. For vertical infrastructure improvements at the  
15 commercial service airports within the state:

16     FY 2023-2024:  
17 ..... \$ 1,900,000

18     e. For vertical infrastructure improvements at general  
19 aviation airports within the state:

20     FY 2023-2024:  
21 ..... \$ 1,000,000

22     f. For vertical infrastructure improvements at commercial  
23 service airports within the state:

24     FY 2023-2024:  
25 ..... \$ 10,000,000

26     Moneys appropriated in this paragraph shall be awarded as  
27 grants to commercial service airports within the state for  
28 commercial service airport terminal improvements. Commercial  
29 service airports shall provide a ninety percent match for  
30 grants awarded pursuant to this paragraph and shall not utilize  
31 federal funds to provide the required match.

32     13. TREASURER OF STATE

33     For distribution in accordance with chapter 174 to qualified  
34 fairs that belong to the association of Iowa fairs for county  
35 fair vertical infrastructure improvements:

1     FY 2023-2024:  
2     ..... \$ 1,060,000  
3     14. ETHICS AND CAMPAIGN DISCLOSURE BOARD  
4     For office space improvements and security upgrades:  
5     FY 2023-2024:  
6     ..... \$ 66,000  
7     15. IOWA COMMUNICATIONS NETWORK  
8     For heating and cooling replacement in the Lucas building  
9     switch room:  
10    FY 2023-2024:  
11    ..... \$ 578,412  
12    16. JUDICIAL BRANCH  
13    For construction projects at the Woodbury county law  
14    enforcement center:  
15    FY 2023-2024:  
16    ..... \$ 100,000  
17    Sec. 2. REVERSION. For purposes of section 8.33, unless  
18    specifically provided otherwise, unencumbered or unobligated  
19    moneys from an appropriation made in this division of this Act  
20    shall not revert but shall remain available for expenditure for  
21    the purposes designated until the close of the fiscal year that  
22    ends two years after the end of the fiscal year for which the  
23    appropriation is made. However, if the project or projects for  
24    which such appropriation was made are completed in an earlier  
25    fiscal year, unencumbered or unobligated moneys shall revert at  
26    the close of that same fiscal year.

DIVISION II

TECHNOLOGY REINVESTMENT FUND

27  
28     Sec. 3. TECHNOLOGY REINVESTMENT FUND. There is  
29     appropriated from the technology reinvestment fund created in  
30     section 8.57C to the following departments and agencies for the  
31     fiscal year beginning July 1, 2023, and ending June 30, 2024,  
32     the following amounts, or so much thereof as is necessary, to  
33     be used for the purposes designated:  
34     be used for the purposes designated:

35     1. DEPARTMENT OF JUSTICE

1 For cybersecurity and technology projects:  
2 ..... \$ 278,503  
3 2. AUDITOR OF STATE  
4 For the upgrade and relocation of servers and server  
5 hardware:  
6 ..... \$ 292,500  
7 3. DEPARTMENT OF CORRECTIONS  
8 a. For camera system upgrades at corrections institutions:  
9 ..... \$ 1,879,936  
10 b. For body cameras at corrections institutions:  
11 ..... \$ 325,000  
12 4. DEPARTMENT OF EDUCATION  
13 a. For the continued development and implementation of an  
14 educational data warehouse that will be utilized by teachers,  
15 parents, school district administrators, area education agency  
16 staff, department of education staff, and policymakers:  
17 ..... \$ 600,000  
18 Of the moneys appropriated in this lettered paragraph, the  
19 department may use a portion for an e-transcript data system  
20 capable of tracking students throughout their education via  
21 interconnectivity with multiple schools.  
22 b. For maintenance and lease costs associated with  
23 connections for part III of the Iowa communications network:  
24 ..... \$ 2,727,000  
25 c. To the public broadcasting division for costs associated  
26 with a searchable digital asset management system:  
27 ..... \$ 343,808  
28 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
29 a. For the cost of equipment and computer software for the  
30 continued development and implementation of Iowa's criminal  
31 justice information system:  
32 ..... \$ 1,400,000  
33 b. For the costs associated with the justice enterprise data  
34 warehouse:  
35 ..... \$ 282,664

1 c. For technology costs associated with the state poison  
2 control center:  
3 ..... \$ 34,000

4 6. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
5 For the continuing implementation of a statewide mass  
6 notification and emergency messaging system:  
7 ..... \$ 400,000

8 7. IOWA LAW ENFORCEMENT ACADEMY  
9 For replacement of a simulator:  
10 ..... \$ 100,000

11 8. DEPARTMENT OF MANAGEMENT  
12 a. For the continued development and implementation of  
13 a searchable database that can be placed on the internet for  
14 budget and financial information:  
15 ..... \$ 45,000

16 b. For the continued development and implementation of the  
17 comprehensive electronic grant management system:  
18 ..... \$ 50,000

19 c. For the upgrade of the local government budget and  
20 property tax system:  
21 ..... \$ 120,000

22 d. For the annual licensing of a searchable database that is  
23 placed on the internet for budget and financial information:  
24 ..... \$ 382,131

25 e. For the installation of specified applications on state  
26 of Iowa mobile devices and installation of other computer  
27 programming to restrict state employees from accessing  
28 specified internet sites, to include accessing specified  
29 internet sites from an internet browser:  
30 ..... \$ 3,180,000

31 f. For technology costs associated with implementing the  
32 requirements of 2023 Iowa Acts, House File 718, if enacted:  
33 ..... \$ 100,000

34 9. BOARD OF PAROLE  
35 For programming enhancements to the Iowa corrections

1 offender network (ICON) data system:  
 2 ..... \$ 20,000  
 3 10. DEPARTMENT OF REVENUE  
 4 For tax system modernization:  
 5 ..... \$ 4,070,460  
 6 11. JUDICIAL BRANCH  
 7 a. For technology projects at the Woodbury county law  
 8 enforcement center:  
 9 ..... \$ 125,290  
 10 b. For audio and visual systems in courtrooms across the  
 11 state:  
 12 ..... \$ 565,000  
 13 Sec. 4. REVERSION. For purposes of section 8.33, unless  
 14 specifically provided otherwise, unencumbered or unobligated  
 15 moneys from an appropriation made in this division of this Act  
 16 shall not revert but shall remain available for expenditure for  
 17 the purposes designated until the close of the fiscal year that  
 18 ends two years after the end of the fiscal year for which the  
 19 appropriation is made. However, if the project or projects for  
 20 which such appropriation was made are completed in an earlier  
 21 fiscal year, unencumbered or unobligated moneys shall revert at  
 22 the close of that same fiscal year.

DIVISION III

CHANGES TO PRIOR APPROPRIATIONS

25 Sec. 5. 2020 Iowa Acts, chapter 1120, section 1, subsection  
 26 10, paragraph b, as amended by 2022 Iowa Acts, chapter 1150,  
 27 section 9, is amended to read as follows:

28 b. For the renovation and construction of an industrial  
 29 technology center at the university of northern Iowa to  
 30 include reimbursement of infrastructure costs incurred by the  
 31 university for construction of the facility in the prior fiscal  
 32 year:

33 (1) FY 2021-2022:  
 34 ..... \$ 13,000,000  
 35 (2) FY 2022-2023:

1 ..... \$ 26,500,000

2 Of the money appropriated in this subparagraph, the  
3 board of regents is authorized to expend such amount as the  
4 board determines for purposes of steam tunnel repairs at the  
5 university of northern Iowa.

6 Sec. 6. 2021 Iowa Acts, chapter 167, section 2, is amended  
7 to read as follows:

8 SEC. 2. REVERSION. 1. For Except as provided in subsection  
9 2, for purposes of section 8.33, unless specifically provided  
10 otherwise, unencumbered or unobligated moneys from an  
11 appropriation made in this division of this Act shall not  
12 revert but shall remain available for expenditure for the  
13 purposes designated until the close of the fiscal year that  
14 ends two years after the end of the fiscal year for which the  
15 appropriation is made. However, if the project or projects for  
16 which such appropriation was made are completed in an earlier  
17 fiscal year, unencumbered or unobligated moneys shall revert at  
18 the close of that same fiscal year.

19 2. For purposes of section 8.33, unless specifically  
20 provided otherwise, unencumbered or unobligated moneys from  
21 an appropriation made in section 1, subsection 10, paragraph  
22 "d", of this division of this 2021 Iowa Act, as amended by 2022  
23 Iowa Acts, chapter 1150, section 11, shall not revert but shall  
24 remain available for expenditure for the purposes designated  
25 until the project for which the appropriation was made is  
26 completed.

27 Sec. 7. EFFECTIVE DATE. This division of this Act, being  
28 deemed of immediate importance, takes effect upon enactment.

29 DIVISION IV

30 MISCELLANEOUS PROVISIONS

31 Sec. 8. Section 8.57C, subsection 3, paragraph a,  
32 subparagraph (3), Code 2023, is amended to read as follows:

33 (3) For the fiscal year beginning July 1, ~~2023~~ 2024, and for  
34 each subsequent fiscal year thereafter, the sum of seventeen  
35 million five hundred thousand dollars.

1     Sec. 9. Section 8.57C, subsection 3, Code 2023, is amended  
2 by adding the following new paragraph:

3     NEW PARAGRAPH. *k.* There is appropriated from the rebuild  
4 Iowa infrastructure fund for the fiscal year beginning July 1,  
5 2023, and ending June 30, 2024, the sum of eighteen million  
6 three hundred ninety thousand two hundred ninety dollars to the  
7 technology reinvestment fund, notwithstanding section 8.57,  
8 subsection 5, paragraph "c".

9

DIVISION V

10

DESTINATION IOWA FUND

11     Sec. 10. NEW SECTION. 15.281 Destination Iowa fund.

12     1. For purposes of this section:

13     *a.* "Eligible applicant" means a city, county, or  
14 not-for-profit organization.

15     *b.* "Rural community" means a community that has a population  
16 of fewer than twenty thousand persons as determined by the most  
17 recent population estimate produced by the United States bureau  
18 of census or the most recent decennial census released by the  
19 United States bureau of census.

20     *c.* "Vertical infrastructure" means land acquisition  
21 and construction, major renovation and major repair of  
22 buildings, all appurtenant structures, utilities, site  
23 development, recreational trails, and water trails. "Vertical  
24 infrastructure" does not include routine, recurring maintenance  
25 or operational expenses or leasing of a building, appurtenant  
26 structure, or utility without a lease-purchase agreement.

27     2. A destination Iowa fund is created in the state treasury  
28 under the control of the authority. The fund shall consist of  
29 all moneys appropriated to the fund. The board will oversee  
30 and administer the destination Iowa fund.

31     3. Moneys in the destination Iowa fund are appropriated  
32 to the authority for purposes of providing grants to eligible  
33 applicants for any of the following types of projects:

34     *a.* Economically significant projects that increase tourism  
35 opportunities.



1     *b.* Development and enhancement of outdoor recreational  
2 opportunities.

3     *c.* Projects that contribute to quality of life in rural  
4 communities.

5     4. Projects must meet all of the following criteria to be  
6 eligible for a grant to an eligible applicant from the fund:

7     *a.* The project must be primarily vertical infrastructure.

8     *b.* The project must be available for year-round use by the  
9 public.

10    *c.* An eligible applicant must intend to own the property  
11 that is the subject of the project upon completion.

12    5. The board shall prioritize making awards to applicants  
13 that have not been awarded money from the destination Iowa fund  
14 or other programs intended to support community attraction  
15 and tourism projects after July 1, 2018. The board shall  
16 prioritize awarding grants to projects that include primarily  
17 new construction over projects that primarily renovate or  
18 replace existing facilities. The board shall not award a grant  
19 in an amount exceeding fifty percent of the total cost of the  
20 project.

21    6. At the beginning of each fiscal year, the authority  
22 shall allocate fifty percent of the moneys available in the  
23 destination Iowa fund to projects in rural communities. If  
24 any portion of the moneys allocated under this subsection has  
25 not been awarded by April 1 of the fiscal year for which the  
26 allocation is made, the portion which has not been awarded may  
27 be awarded to any eligible project in the state. If a county  
28 is the applicant, a project will be deemed to be located in a  
29 rural community if the geographic location of the project is in  
30 or near a city that is a rural community.

31    7. Applications for grants from the destination Iowa fund  
32 shall be submitted to the authority. For those applications  
33 that meet the eligibility criteria described in subsection  
34 4, the authority shall forward the applications and provide  
35 a staff evaluation to the board. Work completed and costs

1 incurred prior to the date of board approval of a grant are  
2 ineligible for reimbursement, except the acquisition of real  
3 estate.

4 8. The board shall make final funding decisions on  
5 each application and may approve, deny, defer, or modify  
6 applications for grants under the program. The board and the  
7 authority may negotiate with applicants regarding the details  
8 of projects and the amount and terms of any award. In making  
9 final funding decisions pursuant to this subsection, the board  
10 and the authority are exempt from chapter 17A.

11 9. If an application is approved, the authority shall enter  
12 into an agreement with the applicant to provide a grant awarded  
13 from the fund.

14 10. Notwithstanding section 12C.7, subsection 2,  
15 interest or earnings on moneys deposited in the destination  
16 Iowa fund shall be credited to the destination Iowa fund.  
17 Notwithstanding section 8.33, moneys credited to the  
18 destination Iowa fund shall not revert at the close of a fiscal  
19 year. The authority shall not use more than five percent of  
20 the moneys in the fund at the beginning of each fiscal year for  
21 purposes of administrative costs and program support.

22 DIVISION VI

23 ON-STREAM IMPOUNDMENT RESTORATION

24 Sec. 11. Section 456A.33C, subsections 2, 3, and 4, Code  
25 2023, are amended by striking the subsections and inserting in  
26 lieu thereof the following:

27 2. The department shall establish an on-stream impoundment  
28 restoration program for purposes of funding projects for the  
29 maintenance, restoration, and sustainability of eligible water  
30 bodies and their related watersheds from moneys appropriated to  
31 the department for this purpose.

32 3. a. The department shall fund projects for eligible water  
33 bodies that are designed to achieve the following goals:

34 (1) Ensure a cost-effective, positive return on investment  
35 for the citizens of Iowa.

1 (2) Ensure local community commitment to watershed  
2 protection.

3 (3) Ensure significant improvement in water clarity,  
4 safety, and quality.

5 (4) Provide for sustainable, healthy, and functioning  
6 bodies of water.

7 (5) Contribute to the department's fish and wildlife  
8 conservation plans.

9 *b.* The process and criteria the department shall utilize  
10 to fund projects under this section shall favor proposals  
11 which include nonstate matching funds of at least one dollar  
12 for every dollar of state funding, and funding for watershed  
13 improvement practices and participation of corresponding  
14 watershed management authority.