

House File 2772 - Reprinted

HOUSE FILE 2772

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 773)

(As Amended and Passed by the House April 28, 2026)

A BILL FOR

1 An Act relating to and making appropriations for the economic
2 development of the state, including to the economic
3 development authority, Iowa finance authority, department
4 of workforce development, and state board of regents and
5 certain regents institutions, and codifying the housing
6 renewal program.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

DIVISION I

FY 2026-2027 APPROPRIATIONS

Section 1. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

1. For the fiscal year beginning July 1, 2026, the goals for the economic development authority shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the economic development authority shall do all of the following for the fiscal year beginning July 1, 2026:

a. Concentrate its efforts on programs and activities that result in commercially viable products and services.

b. Adopt practices and services consistent with free market, private sector philosophies.

c. Ensure economic growth and development throughout the state.

d. Work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans.

e. Establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. The authority shall prioritize recruitment of new businesses, business expansion, and retention of existing Iowa businesses. In addition, the authority shall emphasize entrepreneurial development through helping entrepreneurs secure capital, and developing networks and a business climate conducive to entrepreneurs and small businesses.

f. Encourage the development of communities and quality of life to foster economic growth.

g. Prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

h. Develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism

1 organizations, and political subdivisions in this state to
2 assist in the development of advertising efforts.

3 Sec. 2. ECONOMIC DEVELOPMENT AUTHORITY.

4 1. APPROPRIATION

5 a. There is appropriated from the general fund of the state
6 to the economic development authority for the fiscal year
7 beginning July 1, 2026, and ending June 30, 2027, the following
8 amount, or so much thereof as is necessary, to be used for the
9 purposes designated in this subsection, and for not more than
10 the following full-time equivalent positions:

11	\$ 12,903,510
12	FTEs 111.50

13 b. (1) For salaries, support, miscellaneous purposes,
14 programs, marketing, administration, business development,
15 community development, small business development, and any
16 divisions the authority may organize.

17 (2) For business development operations and programs,
18 international trade, export assistance, workforce recruitment,
19 and the partner state program.

20 (3) For transfer to a fund created pursuant to section
21 15.313 for purposes of financing strategic infrastructure
22 projects.

23 (4) For community economic development programs, tourism
24 operations, community assistance, and the community development
25 block grant.

26 (5) For achieving the goals and accountability, and
27 fulfilling the requirements and duties required under this Act.

28 (6) The full-time equivalent positions authorized under
29 this subsection are funded, in whole or in part, by the moneys
30 appropriated under this subsection or by other moneys received
31 by the authority, including certain federal moneys.

32 c. Notwithstanding [section 8.33](#), moneys appropriated in
33 this subsection that remain unencumbered or unobligated at the
34 close of the fiscal year shall not revert but shall remain
35 available for expenditure for the purposes designated in this

1 subsection until the close of the succeeding fiscal year.

2 2. FINANCIAL ASSISTANCE RESTRICTIONS

3 a. A business creating jobs through moneys appropriated in
4 subsection 1 shall be subject to contract provisions requiring
5 new and retained jobs to be filled by individuals who are
6 citizens of the United States who reside within the United
7 States, or individuals authorized to work in the United States
8 pursuant to federal law, including legal resident aliens
9 residing in the United States.

10 b. Any vendor who receives moneys appropriated in
11 subsection 1 shall adhere to such contract provisions and
12 provide periodic assurances as the state shall require that the
13 jobs are filled solely by citizens of the United States who
14 reside within the United States, or individuals authorized to
15 work in the United States pursuant to federal law, including
16 legal resident aliens residing in the United States.

17 c. A business that receives financial assistance from
18 the authority from moneys appropriated in subsection 1 shall
19 only employ individuals legally authorized to work in this
20 state. In addition to all other applicable penalties provided
21 by current law, all or a portion of the assistance received
22 by a business which is found to knowingly employ individuals
23 not legally authorized to work in this state is subject to
24 recapture by the authority.

25 3. USES OF APPROPRIATIONS

26 a. From the moneys appropriated in subsection 1, the
27 authority may provide financial assistance in the form of
28 grants, loans, or forgivable loans for advanced research and
29 commercialization projects involving value-added agriculture,
30 advanced technology, or biotechnology.

31 b. The authority shall not use any moneys appropriated in
32 subsection 1 for purposes of providing financial assistance
33 for any program or project that involves the installation of
34 geothermal systems for melting snow and ice from streets or
35 sidewalks.

1 4. WORLD FOOD PRIZE

2 In lieu of the standing appropriation in [section 15.368](#),
3 there is appropriated from the general fund of the state to the
4 economic development authority for the fiscal year beginning
5 July 1, 2026, and ending June 30, 2027, the following amount to
6 be used for support of the world food prize:

7 \$ 450,000

8 5. TOURISM OFFICE

9 a. There is appropriated from the general fund of the state
10 to the economic development authority for the fiscal year
11 beginning July 1, 2026, and ending June 30, 2027, the following
12 amount, or so much thereof as is necessary, to be used for the
13 tourism office for the advertisement, promotion, placement,
14 and implementation of the economic development authority's
15 strategic plan for tourism and travel:

16 \$ 1,050,000

17 b. Notwithstanding [section 8.33](#), moneys appropriated in
18 this subsection that remain unencumbered or unobligated at the
19 close of the fiscal year shall not revert but shall remain
20 available for expenditure for the purposes designated until the
21 close of the succeeding fiscal year.

22 c. The economic development authority shall submit an
23 annual report on or before January 15 to the general assembly
24 regarding the tourism office's activities funded with moneys
25 appropriated under this subsection. The report must be
26 provided in an electronic format and must include metrics
27 and criteria that allow the general assembly to quantify and
28 evaluate the effectiveness and economic impact of the tourism
29 office's activities related to the advertisement, promotion,
30 placement, and implementation of the economic development
31 authority's strategic plan for tourism and travel.

32 6. CULTURAL AFFAIRS ACTIVITIES

33 a. There is appropriated from the general fund of the state
34 to the economic development authority for the fiscal year
35 beginning July 1, 2026, and ending June 30, 2027, the following

1 amount, or so much thereof as is necessary, to be used for
2 support of the Iowa arts council:

3 \$ 1,601,800

4 b. Of the moneys appropriated in paragraph "a", the economic
5 development authority shall allocate \$321,800 for deposit in
6 the arts and culture enhancement fund established in section
7 15.436.

8 c. Notwithstanding section 8.33, moneys appropriated in
9 this subsection that remain unencumbered or unobligated at the
10 close of the fiscal year shall not revert but shall remain
11 available for expenditure for the purposes designated until the
12 close of the succeeding fiscal year.

13 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS — FY
14 2026-2027. Notwithstanding the standing appropriations in the
15 following designated sections for the fiscal year beginning
16 July 1, 2026, and ending June 30, 2027, the amount appropriated
17 from the general fund of the state pursuant to the following
18 sections for the following purposes shall not exceed the
19 following amounts:

20 1. For the arts and culture enhancement fund under section
21 99F.11, subsection 4, paragraph "d", subparagraph (1):
22 \$ 448,403

23 2. For the purposes of tourism marketing under section
24 99F.11, subsection 4, paragraph "d", subparagraph (2):
25 \$ 1,443,700

26 Sec. 4. FINANCIAL ASSISTANCE REPORTING — ECONOMIC
27 DEVELOPMENT AUTHORITY. The economic development authority
28 shall submit an annual report to the general assembly no later
29 than November 1, 2026, that details the amount of every direct
30 loan, forgivable loan, tax credit, tax exemption, tax refund,
31 grant, or any other financial assistance awarded to a person
32 during the prior fiscal year by the authority under an economic
33 development program administered by the authority. The report
34 must identify the county where the project associated with each
35 such award is located.

1 Sec. 8. DEPARTMENT OF WORKFORCE DEVELOPMENT. There
2 is appropriated from the general fund of the state to the
3 department of workforce development for the fiscal year
4 beginning July 1, 2026, and ending June 30, 2027, the following
5 amounts, or so much thereof as is necessary, to be used for the
6 purposes designated:

7 1. WORKFORCE DEVELOPMENT OPERATIONS

8 a. For the operation of field offices and the workforce
9 development board, and for not more than the following
10 full-time equivalent positions:

11 \$ 6,902,636
12 FTEs 157.09

13 b. Of the moneys appropriated in paragraph "a", the
14 department shall allocate \$150,000 to the state library for
15 the purpose of licensing an online resource which prepares
16 individuals to succeed in the workplace through programs which
17 improve job skills and vocational test-taking abilities.

18 2. OFFENDER REENTRY PROGRAM

19 a. For the development and administration of an offender
20 reentry program to provide offenders with employment skills,
21 and for not more than the following full-time equivalent
22 positions:

23 \$ 387,158
24 FTEs 4.00

25 b. The department of workforce development shall partner
26 with the department of corrections to provide staff within
27 the correctional facilities resources to improve offenders'
28 abilities to find and retain productive employment.

29 3. STATE ACCOUNTING SYSTEM

30 For the payment of services provided by the department of
31 administrative services related to the state accounting system:

32 \$ 228,822

33 4. WORKPLACE INJURY AND SAFETY SURVEYS

34 For the operation of workplace safety surveys and workplace
35 data collection and analysis, including salaries, support,

1 maintenance, and miscellaneous purposes, and for not more than
2 the following full-time equivalent positions:

3 \$ 125,555
4 FTEs 1.90

5 5. VOCATIONAL REHABILITATION SERVICES DIVISION

6 a. For salaries, support, maintenance, and miscellaneous
7 purposes, and for not more than the following full-time
8 equivalent positions:

9 \$ 6,226,739
10 FTEs 233.00

11 For purposes of optimizing the job placement of individuals
12 with disabilities, the division shall make its best efforts
13 to work with community rehabilitation program providers for
14 job placement and retention services for individuals with
15 significant disabilities and most significant disabilities. By
16 January 15, 2027, the division shall submit a written report to
17 the general assembly regarding the division's outreach efforts
18 with community rehabilitation program providers.

19 b. For the entrepreneurs with disabilities program
20 described in [section 84H.4](#):

21 \$ 138,506

22 6. ADULT EDUCATION AND LITERACY PROGRAMS

23 For distribution as grants to community colleges for
24 the purpose of adult basic education programs for students
25 requiring instruction in English as a second language:

26 \$ 500,000

27 In issuing grants under this subsection, the department of
28 workforce development shall use the same application process
29 and criteria as are used for purposes of awarding grants to
30 community colleges for the purpose of adult basic education
31 programs for students requiring instruction in English as a
32 second language using moneys that are appropriated to the
33 department from the Iowa skilled worker and job creation fund
34 created in [section 8.57J](#).

35 7. REGISTERED APPRENTICESHIP PROGRAMS

1 For the funding of the registered apprenticeship programs
2 under [chapter 84F](#) to encourage small to midsize businesses to
3 start or grow registered apprenticeships:
4 \$ 760,000

5 8. REVERSION

6 Notwithstanding [section 8.33](#), moneys appropriated in this
7 section that remain unencumbered or unobligated at the close of
8 the fiscal year shall not revert but shall remain available for
9 expenditure for the purposes designated until the close of the
10 succeeding fiscal year.

11 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT — SPECIAL
12 EMPLOYMENT SECURITY CONTINGENCY FUND.

13 1. There is appropriated from the special employment
14 security contingency fund created in [section 96.13](#) to the
15 department of workforce development for the fiscal year
16 beginning July 1, 2026, and ending June 30, 2027, the following
17 amount, or so much thereof as is necessary, to be used for
18 field offices:

19 \$ 4,616,084

20 2. Any remaining additional penalty and interest revenue
21 collected by the department of workforce development is
22 appropriated to the department for the fiscal year beginning
23 July 1, 2026, and ending June 30, 2027, to accomplish the
24 mission of the department.

25 Sec. 10. IOWA SKILLED WORKER AND JOB CREATION FUND.

26 1. There is appropriated from the Iowa skilled worker and
27 job creation fund created in [section 8.57J](#) to the following
28 departments, agencies, and institutions for the fiscal year
29 beginning July 1, 2026, and ending June 30, 2027, the following
30 amounts, or so much thereof as is necessary, to be used for the
31 purposes designated:

32 a. ECONOMIC DEVELOPMENT AUTHORITY

33 (1) For providing financial assistance to eligible
34 businesses for the business incentives for growth program
35 pursuant to chapter 15, subchapter II, part 33:

1 \$ 11,700,000

2 (a) Of the moneys appropriated in this subparagraph (1),
3 not more than \$1,000,000 may be used for purposes of providing
4 infrastructure grants to main street communities under the main
5 street Iowa program.

6 (b) As a condition of receiving moneys appropriated in this
7 subparagraph (1), an entity shall testify upon the request of
8 the joint appropriations subcommittee on economic development
9 regarding the expenditure of such moneys.

10 (2) For support of the manufacturing 4.0 technology
11 investment program established in [section 15.371](#):

12 \$ 2,350,000

13 (3) For the empower rural Iowa program:

14 \$ 700,000

15 b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

16 (1) STATE BOARD OF REGENTS

17 For capacity building infrastructure in areas related
18 to technology commercialization, marketing and business
19 development efforts in areas related to technology
20 commercialization, entrepreneurship, and business growth,
21 and infrastructure projects and programs needed to assist in
22 implementation of activities under [chapter 262B](#):

23 \$ 3,000,000

24 (a) Of the moneys appropriated pursuant to this
25 subparagraph (1), 35 percent shall be allocated for Iowa state
26 university of science and technology, 35 percent shall be
27 allocated for the state university of Iowa, and 30 percent
28 shall be allocated for the university of northern Iowa.

29 (b) The institutions shall provide a one-to-one match
30 of additional moneys for the activities funded with moneys
31 appropriated under this subparagraph (1).

32 (c) The state board of regents shall submit a report by
33 January 15, 2027, to the governor and the general assembly
34 regarding the activities, projects, and programs funded with
35 moneys appropriated under this subparagraph (1). The report

1 must be provided in an electronic format and must include a
2 list of metrics and criteria mutually agreed to in advance by
3 the board of regents and the economic development authority.
4 The metrics and criteria must allow the governor's office and
5 the general assembly to quantify and evaluate the progress
6 of the board of regents institutions with regard to their
7 activities, projects, and programs in the areas of technology
8 commercialization, entrepreneurship, regional development, and
9 market research.

10 (2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

11 For small business development centers, the research park,
12 and the center for industrial research and service, and for not
13 more than the following full-time equivalent positions:

14	\$	2,424,302
15	FTEs	50.94

16 (a) Of the moneys appropriated in this subparagraph (2),
17 Iowa state university of science and technology shall allocate
18 at least \$735,728 for purposes of funding small business
19 development centers. Iowa state university of science and
20 technology may allocate the appropriated moneys to the various
21 small business development centers in any manner necessary to
22 achieve the purposes of this subparagraph (2).

23 (b) Iowa state university of science and technology shall
24 do all of the following:

25 (i) Direct expenditures for research toward projects that
26 will provide economic stimulus for Iowa.

27 (ii) Emphasize providing services to Iowa-based companies.

28 (c) It is the intent of the general assembly that the
29 center for industrial research and service industrial incentive
30 program focus on Iowa industrial sectors and seek contributions
31 and in-kind donations from businesses, industrial foundations,
32 and trade associations, and that moneys for the program shall
33 be allocated only for projects which are matched by private
34 sector moneys for directed contract research or for nondirected
35 research. The match required of small businesses as defined

1 in section 15.102 for directed contract research or for
2 nondirected research shall be \$1 for each \$3 of state funds.
3 The match required for other businesses for directed contract
4 research or for nondirected research shall be \$1 for each \$1 of
5 state funds. The match required of industrial foundations or
6 trade associations shall be \$1 for each \$1 of state funds.

7 (d) Iowa state university of science and technology shall
8 report annually to the general assembly the total amount of
9 private contributions, the proportion of contributions from
10 small businesses and other businesses, and the proportion for
11 directed contract research and nondirected research of benefit
12 to Iowa businesses and industrial sectors.

13 (3) STATE UNIVERSITY OF IOWA

14 (a) For the state university of Iowa research park and for
15 university of Iowa pharmaceuticals located at the research
16 park, including salaries, support, maintenance, equipment, and
17 miscellaneous purposes, and for not more than the following
18 full-time equivalent positions:

19	\$	209,279
20	FTEs	6.00

21 The state university of Iowa shall do all of the following:

22 (i) Direct expenditures for research toward projects that
23 will provide economic stimulus for Iowa.

24 (ii) Emphasize providing services to Iowa-based companies.

25 (b) For the purpose of implementing the entrepreneurship
26 and economic growth initiative, and for not more than the
27 following full-time equivalent positions:

28	\$	2,000,000
29	FTEs	8.00

30 (4) UNIVERSITY OF NORTHERN IOWA

31 (a) For the metal casting and foundry 4.0 centers,
32 advance Iowa, family business center, and the institute for
33 decision making, including salaries, support, maintenance, and
34 miscellaneous purposes, and for not more than the following
35 full-time equivalent positions:

1 \$ 1,466,419

2 FTEs 13.00

3 The university of northern Iowa shall do all of the
4 following:

5 (i) Direct expenditures for research toward projects that
6 will provide economic stimulus for Iowa.

7 (ii) Emphasize providing services to Iowa-based companies.

8 (b) For the purpose of providing in-state undergraduate
9 tuition and undergraduate mandatory fees to individuals
10 who reside in a state contiguous to Iowa, who enroll in an
11 undergraduate program offered by the university of northern
12 Iowa, and who are classified as residents of this state for
13 purposes of undergraduate tuition and undergraduate mandatory
14 fees:

15 \$ 1,000,000

16 (c) For the purpose of expanding the nursing program:

17 \$ 600,000

18 (5) DUTY TO TESTIFY

19 As a condition of receiving moneys appropriated in this
20 lettered paragraph "b", an entity shall testify upon the
21 request of the joint appropriations subcommittee on economic
22 development regarding the expenditure of such moneys.

23 c. DEPARTMENT OF WORKFORCE DEVELOPMENT

24 (1) For staffing costs related to completing workforce
25 preparation outcome reporting in conjunction with the
26 department of education:

27 \$ 125,000

28 (2) For distribution to community colleges for the purposes
29 of implementing adult education and literacy programs pursuant
30 to [section 84A.19](#):

31 \$ 4,500,000

32 (a) From the moneys appropriated in this numbered
33 subparagraph, \$3,125,000 shall be allocated pursuant to the
34 formula established in [section 260C.18C](#).

35 (b) From the moneys appropriated in this numbered

1 subparagraph, not more than \$150,000 shall be used by the
2 department of workforce development for implementation of adult
3 education and literacy programs pursuant to [section 84A.19](#).

4 (c) From the moneys appropriated in this numbered
5 subparagraph, not more than \$1,015,000 shall be distributed
6 as grants to community colleges for the purpose of adult
7 basic education programs for students requiring instruction
8 in English as a second language. The department of workforce
9 development shall establish an application process and criteria
10 to award grants pursuant to this subparagraph division to
11 community colleges. The criteria must be based on need for
12 instruction in English as a second language in the region
13 served by each community college as determined by factors
14 including data from the latest federal decennial census and
15 outreach efforts to determine regional needs.

16 (d) From the moneys appropriated in this numbered
17 subparagraph, \$210,000 shall be transferred to the department
18 of health and human services for purposes of administering
19 a program to provide access to international resources to
20 Iowans and new Iowans to provide economic and leadership
21 development resulting in Iowa being a more welcoming place
22 to live, work, and raise a family. The program must provide
23 supplemental support services for international refugees to
24 improve learning, English literacy, life skills, cultural
25 competencies, and integration in a county with a population
26 over 350,000 as determined by the 2020 federal decennial
27 census. The department of health and human services shall
28 utilize a request-for-proposals process to identify the entity
29 best qualified to implement the program.

30 2. Notwithstanding [section 8.33](#), moneys appropriated in
31 this section that remain unencumbered or unobligated at the
32 close of the fiscal year shall not revert but shall remain
33 available for expenditure for the purposes designated until the
34 close of the succeeding fiscal year.

35 Sec. 11. GENERAL FUND — CERTAIN REGENTS INSTITUTIONS.

1 1. There is appropriated from the general fund of the state
2 to the following institutions for the fiscal year beginning
3 July 1, 2026, and ending June 30, 2027, the following amounts,
4 or so much thereof as is necessary, to be used for the purposes
5 designated:

6 a. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

7 In cooperation with the economic development authority, for
8 support of a biosciences innovation ecosystem, to strengthen
9 Iowa's leadership positions in the area of bio-based chemicals,
10 digital agriculture, vaccines, and medical devices, including
11 salaries, support, maintenance, and miscellaneous purposes, and
12 for not more than the following full-time equivalent positions:

13 \$ 2,963,995
14 FTEs 14.81

15 b. STATE UNIVERSITY OF IOWA

16 In cooperation with the economic development authority, for
17 support of a biosciences innovation ecosystem, to strengthen
18 Iowa's leadership positions in the area of bio-based chemicals,
19 digital agriculture, vaccines, and medical devices, including
20 salaries, support, maintenance, and miscellaneous purposes, and
21 for not more than the following full-time equivalent positions:

22 \$ 1,000,000
23 FTEs 4.35

24 c. UNIVERSITY OF NORTHERN IOWA

25 For equipment and technology to expand the university's
26 additive manufacturing capabilities related to investment
27 castings technology and industry support, including salaries,
28 support, maintenance, and miscellaneous purposes, and for not
29 more than the following full-time equivalent positions:

30 \$ 394,321
31 FTEs 2.73

32 The university of northern Iowa shall make a good-faith
33 effort to coordinate with private entities to seek moneys to
34 supplement this appropriation to support the expansion of the
35 university's additive manufacturing capabilities.

1 2. Notwithstanding [section 8.33](#), moneys appropriated in
2 subsection 1, paragraphs "a" and "b", that remain unencumbered
3 or unobligated at the close of the fiscal year shall not revert
4 but shall remain available for expenditure for the purposes
5 designated until the close of the succeeding fiscal year.

6 DIVISION II

7 HOUSING RENEWAL PROGRAM

8 Sec. 12. NEW SECTION. 16.52 Housing renewal program.

9 1. For purposes of this section:

10 a. "*Eligible participant*" includes cities, counties,
11 consortiums of local governments, and organizations exempt from
12 taxation pursuant to section 501(c)(3) of the Internal Revenue
13 Code.

14 b. "*Nonprofit Iowa affiliate*" means a nonprofit Iowa
15 affiliate of a nonprofit international organization whose
16 primary activity is the promotion of the construction,
17 remodeling, or rehabilitation of one-family or two-family
18 dwellings for use by low-income families.

19 2. a. A housing renewal program fund is created in the
20 state treasury under the control of the authority. The fund
21 shall consist of moneys appropriated to or deposited in the
22 fund. Moneys in the fund are appropriated to the authority to
23 administer the housing renewal program.

24 b. Notwithstanding section 8.33, moneys appropriated to
25 the housing renewal program fund that remain unencumbered or
26 unobligated at the close of a fiscal year shall not revert
27 but shall remain available for expenditure for the purposes
28 designated until the close of the succeeding fiscal year.

29 c. Notwithstanding section 12C.7, subsection 2, interest or
30 earnings on moneys in the housing renewal program fund shall be
31 credited to the fund. Payment of interest, income generated
32 from the sale of an ownership unit pursuant to subsection 6,
33 recaptures of financial assistance awards, and other repayments
34 under the housing renewal program shall be retained by the
35 nonprofit Iowa affiliate for the purpose of awarding financial

1 assistance under the housing renewal program to eligible
2 participants.

3 3. *a.* The authority shall provide moneys from the housing
4 renewal program fund to a nonprofit Iowa affiliate that shall
5 use the moneys to award financial assistance under the housing
6 renewal program to eligible participants.

7 *b.* Eligible participants shall use financial assistance
8 awarded under the housing renewal program only for purposes of
9 the acquisition, rehabilitation, and resale of ownership units;
10 the acquisition and demolition of blighted structures; and the
11 redevelopment of ownership units.

12 4. Twenty-five percent of moneys appropriated to the
13 housing renewal program fund shall be allocated to financial
14 assistance awards for eligible participants located in the
15 eighty-eight least populated counties in the state according to
16 the most recent federal decennial census.

17 5. *a.* The nonprofit Iowa affiliate shall determine the
18 criteria used to evaluate eligible participants and to award
19 financial assistance to eligible participants selected by the
20 nonprofit Iowa affiliate.

21 *b.* The nonprofit Iowa affiliate shall not award an eligible
22 participant more than one hundred thousand dollars per
23 ownership unit. The nonprofit Iowa affiliate may use up to
24 five percent of the financial assistance awarded to an eligible
25 participant for administrative expenses related to the housing
26 renewal program.

27 *c.* (1) An eligible participant shall have a maximum of
28 thirty-six months from the date a contract is executed between
29 the nonprofit Iowa affiliate and the eligible participant
30 for the eligible participant to complete the eligible
31 participant's project. The eligible participant's project
32 shall be considered complete when all financial assistance
33 awarded to the eligible participant has been expended, and all
34 ownership units that are covered by the contract are finished
35 and available for sale.

1 (2) Unless the nonprofit Iowa affiliate authorizes
2 additional time for good cause shown, if an eligible
3 participant has no project activity within twelve months
4 from the date a contract is executed between the nonprofit
5 Iowa affiliate and the eligible participant, the financial
6 assistance award shall be returned to the nonprofit Iowa
7 affiliate to be used to award financial assistance under the
8 housing renewal program to eligible participants.

9 d. An eligible participant shall sell each completed
10 ownership unit to a homebuyer whose household income is
11 equal to or less than the one hundred twenty percent area
12 median income and who must occupy the ownership unit as the
13 homebuyer's primary residence. The deed to the ownership unit
14 must contain a restrictive resale requirement that prohibits
15 the homebuyer or a subsequent owner from selling the ownership
16 unit to a person with a household income above the one hundred
17 twenty percent area median income for five calendar years from
18 the date the eligible participant sold the ownership unit to
19 the first homebuyer whose household income is equal to or less
20 than the one hundred twenty percent area median income.

21 6. The nonprofit Iowa affiliate shall use income generated
22 from the sale of an ownership unit only for the purpose of
23 awarding financial assistance to eligible participants under
24 the housing renewal program.

25 7. The authority shall not use more than five percent of
26 moneys appropriated to the housing renewal program fund for
27 administration and oversight of the housing renewal program.

28 8. The authority, in coordination with the nonprofit
29 Iowa affiliate, shall submit an annual report to the general
30 assembly on or before December 31 describing the community,
31 economic, and financial impact of the housing renewal program.

32 Sec. 13. REPEAL. 2022 Iowa Acts, chapter 1148, section 20,
33 as amended by 2023 Iowa Acts, chapter 110, section 18, and 2025
34 Iowa Acts, chapter 155, section 14, is repealed.