

**EIGHTY-SIXTH GENERAL ASSEMBLY
2016 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

APRIL 21, 2016

SENATE FILE 2312

S-5151

1 Amend Senate File 2312 as follows:

2 1. Page 2, line 12, by striking <sixteen million
3 five hundred thousand> and inserting <five million>

4 2. Page 2, lines 16 and 17, by striking <sixteen
5 million five hundred thousand> and inserting <five
6 million>

7 3. Page 2, line 35, by striking <sixteen million
8 five hundred thousand> and inserting <~~sixteen million~~
9 ~~five hundred thousand~~ five million>

10 4. Page 3, lines 13 and 14, by striking <sixteen
11 million five hundred thousand> and inserting <~~sixteen~~
12 ~~million five hundred thousand~~ five million>

13 5. Page 5, by striking lines 18 through 21 and
14 inserting <However, ~~not more than sixteen million five~~
15 ~~hundred thousand~~ the amount of rebates provided to a
16 baseball and softball complex shall not exceed the
17 amount of the award under section 15F.207, and not more
18 than five million dollars in total rebates shall be>

19 6. Page 6, by striking lines 16 through 19 and
20 inserting <subsection. ~~Not more than sixteen million~~
21 ~~five hundred thousand~~ The amount of rebates paid from
22 each baseball and softball complex's account within the
23 fund shall not exceed the amount of the award under
24 section 15F.207, and not more than five million dollars
25 in>

26 7. Page 6, lines 33 and 34, by striking <sixteen
27 million five hundred thousand> and inserting <~~sixteen~~
28 ~~million five hundred thousand~~ five million>

29 8. By renumbering as necessary.

By WILLIAM A. DOTZLER, JR.

S-5151 FILED APRIL 20, 2016
ADOPTED

SENATE FILE 2322

S-5153

1 Amend Senate File 2322 as follows:

2 1. Page 8, after line 30 by inserting:

3 ~~<It is the intent of the general assembly that the~~
4 ~~first judicial district department of correctional~~
5 ~~services maintain the drug courts operated by the~~
6 ~~district department.>~~

7 2. Page 8, after line 34 by inserting:

8 ~~<It is the intent of the general assembly that the~~
9 ~~second judicial district department of correctional~~
10 ~~services establish and maintain two drug courts to be~~
11 ~~operated by the district department.>~~

12 3. Page 9, after line 12 by inserting:

13 ~~<It is the intent of the general assembly that the~~
14 ~~fifth judicial district department of correctional~~
15 ~~services maintain the drug court operated by the~~
16 ~~district department.>~~

17 4. Page 9, after line 16 by inserting:

18 ~~<It is the intent of the general assembly that the~~
19 ~~sixth judicial district department of correctional~~
20 ~~services maintain the drug court operated by the~~
21 ~~district department.>~~

22 5. Page 9, after line 20 by inserting:

23 ~~<It is the intent of the general assembly that the~~
24 ~~seventh judicial district department of correctional~~
25 ~~services maintain the drug court operated by the~~
26 ~~district department.>~~

27 6. Page 14, lines 23 and 24, by striking <lettered
28 paragraph> and inserting <subsection>

29 7. Page 22, by striking lines 12 through 14 and
30 inserting <paragraph "b", to implement the provisions
31 of this section of this Act. Any rules adopted>

By THOMAS G. COURTNEY

S-5153 FILED APRIL 20, 2016

SENATE FILE 2324

S-5147

1 Amend Senate File 2324 as follows:

2 1. Page 1, after line 22 by inserting:

3 <In addition, of the moneys appropriated in this
4 subsection, \$250,000 is allocated for the costs of
5 installing outdoor lighting at the Iowa state capitol.>

6 2. Page 5, line 15, by striking <28,000> and
7 inserting <35,000>

By MATT McCOY

S-5147 FILED APRIL 20, 2016

ADOPTED

SENATE FILE 2324

S-5149

- 1 Amend Senate File 2324 as follows:
2 1. Page 6, line 16, before <For furniture> by
3 inserting <a.>
4 2. Page 6, after line 24 by inserting:
5 <b. For grants to counties with a population
6 of 25,000 or less as determined by the 2010
7 federal decennial census for costs associated with
8 infrastructure and technology projects for courthouse
9 security purposes, notwithstanding section 8.57,
10 subsection 5, paragraph "c":
11 \$ 250,000>
12 3. Page 7, by striking line 11 and inserting:
13 \$ 1,750,000>
14 4. By renumbering as necessary.

By MATT McCOY

S-5149 FILED APRIL 20, 2016

ADOPTED

HOUSE FILE 2449

S-5152

- 1 Amend House File 2449, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by striking lines 3 through 5 and
4 inserting:
5 <NEW SUBSECTION. 10. a. If a provision of an Act
6 of the general assembly expressly requires rulemaking
7 by an agency, or if another statute that governs or
8 is directly related to a provision of an Act of the
9 general assembly expressly requires rulemaking by an
10 agency, the>
11 2. Page 1, line 9, by striking <a.> and inserting
12 <(1)>
13 3. Page 1, line 12, by striking <b.> and inserting
14 <(2)>
15 4. Page 1, line 17, by striking <required or
16 necessary,> and inserting <required,>
17 5. Page 1, after line 21 by inserting:
18 <b. This subsection shall not be construed to
19 prohibit an agency from conducting rulemaking relating
20 to a provision of an Act of the general assembly
21 for which a submission was not made pursuant to
22 paragraph "a". This subsection shall not be construed
23 to prohibit an agency from conducting additional
24 rulemaking subsequent to completion of any rulemaking
25 for which a submission was made pursuant to paragraph
26 "a".>
27 6. Page 1, by striking lines 24 and 25 and
28 inserting:
29 <Sec. _____. RETROACTIVE APPLICABILITY. This Act
30 applies retroactively to any provisions of Acts enacted
31 on or after January 11, 2016.>
32 7. Title page, line 3, before <applicability> by
33 inserting <retroactive>
34 8. By renumbering as necessary.

COMMITTEE ON GOVERNMENT OVERSIGHT
ROBERT M. HOGG, CHAIRPERSON

S-5152 FILED APRIL 20, 2016

HOUSE FILE 2455

S-5150

1 Amend House File 2455, as passed by the House, as
2 follows:

3 1. Page 9, line 28, by striking <\$1,105,628> and
4 inserting <\$580,783>

5 2. Page 11, line 25, by striking <400,000> and
6 inserting <557,000>

7 3. Page 17, after line 10 by inserting:

8 <DIVISION ____

9 MISCELLANEOUS PROVISIONS – BUILDING REMEDIATION
10 PROGRAM AND FUND

11 Sec. ____ . NEW SECTION. 15.231 Community catalyst
12 building remediation program – fund.

13 1. a. The economic development authority
14 shall, pursuant to section 15.106A, subsection 1,
15 paragraph "o", establish a community catalyst building
16 remediation fund for the purpose of providing grants to
17 cities for the remediation of underutilized buildings.
18 The authority shall administer the fund in a manner to
19 make grant moneys annually available to cities for the
20 purposes of this section.

21 b. The fund may consist of any moneys appropriated
22 by the general assembly for purposes of this section
23 and any other moneys that are lawfully available to the
24 authority, including moneys transferred or deposited
25 from other funds created pursuant to section 15.106A,
26 subsection 1, paragraph "o".

27 c. The authority shall use any moneys specifically
28 appropriated for purposes of this section only for the
29 purposes of this section. The authority may use all
30 other moneys in the fund, including interest, earnings,
31 and recaptures for purposes of this section, or the
32 authority may transfer the other moneys to other funds
33 created pursuant to section 15.106A, subsection 1,
34 paragraph "o".

35 d. Notwithstanding section 8.33, moneys in the

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1 community catalyst building remediation fund at the
2 end of each fiscal year shall not revert to any other
3 fund but shall remain in the fund for expenditure for
4 subsequent fiscal years.

5 e. The authority may use not more than five percent
6 of the moneys in the fund at the beginning of the
7 fiscal year for purposes of administrative costs,
8 marketing, and technical assistance and other program
9 support.

10 2. The authority shall use moneys in the fund
11 to provide grants to cities for the remediation of
12 underutilized buildings. The authority may provide
13 grants under this section using a competitive scoring
14 process.

15 3. In providing grants under this section, the
16 authority shall dedicate forty percent of the moneys
17 available at the beginning of each fiscal year to
18 cities with populations of less than one thousand five
19 hundred as shown by the most recent federal decennial
20 census. If at the end of each application period the
21 amount of grants awarded to cities with a population
22 of less than one thousand five hundred is less than
23 the amount to be dedicated to such cities under this
24 subsection, the balance may be awarded to any approved
25 applicant city regardless of city population.

26 4. The authority shall enter into an agreement
27 with each city for the receipt of grants under this
28 section. For a city to receive grant moneys under this
29 section, the agreement must require the city to provide
30 resources, including financial or in-kind resources, to
31 the remediation project. The authority may negotiate
32 the terms of the agreement.

33 5. In providing grants under this section, the
34 authority shall coordinate with a city to develop a
35 plan for the use of grant moneys that is consistent

1 with the community development, housing, and economic
2 development goals of the city. The terms of the
3 agreement entered into pursuant to subsection 4 and the
4 use of grants provided under this section shall reflect
5 the plan developed.

6 6. If a city receives a grant under this section,
7 the amount of any lien created for costs related to
8 the remediation of the building shall not include any
9 moneys that the city received pursuant to this section.

10 7. The authority shall submit a report to the
11 general assembly and the governor's office on or
12 before January 31, 2020, describing the results of the
13 program implemented pursuant to this section and making
14 recommendations for program changes.

15 Sec. _____. Section 15.335B, subsection 2, paragraph
16 a, Code 2016, is amended by adding the following new
17 subparagraph:

18 NEW SUBPARAGRAPH. (9) For deposit in the community
19 catalyst building remediation fund established pursuant
20 to section 15.231.

21 DIVISION ____
22 MISCELLANEOUS PROVISIONS – RENEWABLE CHEMICAL
23 PRODUCTION TAX CREDIT PROGRAM

24 Sec. _____. Section 15.316, subsection 3, as enacted
25 by 2016 Iowa Acts, [Senate File 2300](#), section 5, is
26 amended to read as follows:

27 3. "Building block chemical" means a molecule
28 converted from biomass feedstock as a first product
29 or a secondarily derived product that can be further
30 refined into a higher-value chemical, material, or
31 consumer product. "Building block chemical" includes
32 but is not limited to high-purity glycerol, oleic
33 acid, lauric acid, methanoic or formic acid, arabonic
34 acid, erythronic acid, glyceric acid, glycolic acid,
35 lactic acid, 3-hydroxypropionate, propionic acid,

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Page 4

1 malonic acid, serine, succinic acid, fumaric acid,
2 malic acid, aspartic acid, 3-hydroxybutyrolactone,
3 acetoin, threonine, itaconic acid, furfural, levulinic
4 acid, glutamic acid, xylonic acid, xylaric acid,
5 xylitol, arabitol, citric acid, aconitic acid,
6 5-hydroxymethylfurfural, lysine, gluconic acid,
7 glucaric acid, sorbitol, gallic acid, ferulic acid,
8 butyric acid, nonfuel butanol, nonfuel ethanol, or
9 such additional molecules as may be included by the
10 authority by rule after consultation with appropriate
11 experts from Iowa state university, including but
12 not limited to the Iowa state university center for
13 biorenewable chemicals.>

14 4. Title page, line 5, after <institutions> by
15 inserting <, and properly related matters>

16 5. By renumbering as necessary.

By WILLIAM A. DOTZLER, JR.

S-5150 FILED APRIL 20, 2016

ADOPTED

HOUSE FILE 2457

S-5148

1 Amend House File 2457, as passed by the House, as
2 follows:

3 1. Page 2, by striking lines 15 through 18 and
4 inserting:

5 ~~<5. It is the intent of the general assembly that
6 the offices of the clerks of the district court operate
7 in all 99 counties and be accessible to the public as
8 much as is reasonably possible in order to address the
9 relative needs of the citizens~~ The judicial branch
10 shall operate and maintain the offices of the clerks
11 of the district court in all 99 counties during normal
12 business hours, and such offices shall be accessible
13 to the public in order to address the relative needs
14 of the citizens>

By JULIAN GARRETT

S-5148 FILED APRIL 20, 2016

LOST



SF 2319 – Vehicle Facility Tax Credit (LSB1380SZ)

Analyst: Jeff Robinson (Phone: 515-281-4614) (jeff.robinson@legis.iowa.gov)

Fiscal Note Version – New

Description

Senate File 2319 creates a new refundable income tax credit for the purchase and installation of commercial, residential, and agricultural electric, natural gas, or liquid propane vehicle refueling infrastructure. The credit is equal to 30.0% of the cost of purchasing and installing the equipment. Commercial and agricultural installation tax credits may be claimed in equal installments over three tax years. Residential tax credits may be claimed entirely in the initial tax year. All qualified installations must be placed in service prior to January 1, 2019. The bill limits the total dollar amount of tax credits that may be approved to \$5.0 million across all tax years. The tax credits are allowed on a first-come, first-served basis. The tax credit is effective January 1, 2017, and repealed January 1, 2025. Tax credits cannot be issued until July 1, 2017, and cannot be redeemed prior to September 1, 2017.

Assumptions

- The number and type of refueling stations eligible for the credit, along with the purchase and installation costs for each station type, was estimated by the Iowa Department of Revenue based on information from the U.S. Department of Energy, the Iowa Department of Transportation, and the Rocky Mountain Institute.
- Over the three years of credit availability, the Department estimates \$3.4 million of the available \$5.0 million in tax credits will be claimed. By installation type, the number of units and tax credit claims are assumed as follows:
 - Residential electric vehicle = 210 units, \$77,000 in credits
 - Commercial/agricultural electric vehicle = 37 units, \$358,000 in credits
 - Commercial/agricultural compressed natural gas = 14 units, \$2,039,000 in credits
 - Commercial/agricultural liquid propane = 16 units, \$886,000 in credits
- The tax credits are refundable. Residential credits may be redeemed in one tax year, while commercial and agricultural installation credits must be redeemed in three equal installments over three tax years. For residential installations, the credits are assumed to be redeemed in the fiscal year following the year of installation. For commercial and agricultural installations, the first of three equal credit redemption years is assumed to be the fiscal year following the year of installation.
- As a refundable tax credit, there is no impact on the local option income tax for schools.

Fiscal Impact

The new Alternative Fuel Vehicle Facility Tax Credit will reduce net General Fund revenue by the following estimated amounts:

- FY 2018 = \$ 0.3 million
- FY 2019 = \$ 0.7 million
- FY 2020 = \$ 1.1 million
- FY 2021 = \$ 0.8 million
- FY 2022 = \$ 0.5 million

Based on the assumptions used in this estimate, \$3.4 million of the maximum \$5.0 million in available tax credits will be used. Since the tax credit is refundable, there is no impact to the Local Option Income Surtax for Schools.

The Department of Revenue indicates that the enactment of this new tax credit will require the development of a new component to their Tax Credit Award, Claim & Transfer Administration System (CACTAS). This one-time development cost is estimated by the Department to be \$100,000. In addition, ongoing tax credit monitoring will result in annual administrative costs of \$25,000 for the period FY 2018 through FY 2020.

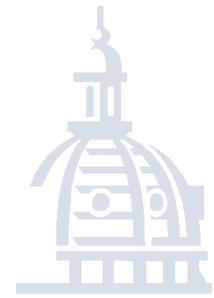
Source

Department of Revenue
Rocky Mountain Institute
Iowa Department of Transportation
U.S. Department of Energy

/s/ Holly M. Lyons

April 20, 2016

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



HF 2443 – Economic Development Authority Miscellaneous Administration Bill (LSB5171HZ.2)
Analyst: Ron Robinson (Phone: 515-281-6256) (ron.robinson@legis.iowa.gov)
Fiscal Note Version – As amended by Senate Ways and Means Committee Amendment **S-5146**

Description

House File 2443, as amended by Senate Ways and Means Committee Amendment **S-5146**, relates to the programs and duties of the Economic Development Authority (Authority) and modifies life cycle cost analysis provisions related to public facilities, makes technical changes pertaining to the High Quality Jobs Program, modifies the Authority's assistance provisions under the Business Outreach Program, modifies provisions concerning enterprise zones, and transfers certain duties to the Authority under the Historic Preservation and Cultural Entertainment District (HPCED) Tax Credit Program.

Division III of the bill relates to the Authority's Business Outreach Program. The Program provides technical and financial assistance to businesses applying for federal small business innovation research and small business technology transfer program grants and contracts.

Division V of the bill also relates to the HPCED Tax Credit by transferring administrative oversight of the Tax Credit from the Department of Cultural Affairs (DCA) to the Authority. In relation to the Tax Credit, for qualified rehabilitation projects with agreements entered into on or after July 1, 2014, Division V allows a taxpayer to elect to receive a refund of any Credit in excess of the taxpayer's liability or to credit the excess against the tax liability for the following five years or until depleted, whichever is earlier. Under current law, the Credit is refundable with interest; however, in lieu of a refund, the excess may be credited against tax liability for the following year.

The bill requires the Authority and the Department of Revenue (DOR) to agree on the cost to implement specified provisions of the bill and if they are unable to agree, the Department of Management (DOM) is required to determine the cost. The bill requires the costs to be paid from fees that are charged to taxpayers that apply to participate in the HPCED Tax Credit Program.

Background

Under current law, the Authority is allowed to provide financial assistance of up to \$25,000 to any single business and is allowed to provide such financial assistance as matching funds to allow a business to qualify for federal programs. Division III authorizes the Authority to provide financial assistance of up to \$100,000 to a business for any individual federal award and the financial assistance may be used for any purpose to allow a business to meet federal program requirements. The Authority uses an allocation for Innovation and Commercialization made from the High Quality Jobs Creation Financial Assistance appropriation to make awards, specified in Division III of the bill, pertaining to the federal small business programs. The bill does not change the total funding that is available for the awards.

The administration of the HPCED Tax Credit, as specified in Division V of the bill, is conducted within the Tax Credit Award, Claim, and Transfer Administration System (CACTAS). The CACTAS is a statewide system under construction by the DOR for all Iowa tax credit awards

and claims. The proposed changes to the administration of the HPCED Tax Credit will require changes to the various administrative rules built into the CACTAS for the HPCED Tax Credit.

Assumptions

The magnitude of changes for the CACTAS will only be known once the Authority and the DCA provide the DOR with business requirements about the change in the administration of the HPCED Tax Credit.

Fiscal Impact

- The cost to the state for the DOR to modify the CACTAS application and the award administration component for the HPCED Tax Credit ranges from an estimated \$20,000 to \$475,000 for FY 2017. The bill requires the DOR to utilize fee revenue to offset the cost of the modifications.
- The change to the HPCED Tax Credit process has the following potential negative fiscal impact on the State General Fund: The bill makes tax credits that have been transferred refundable for the transferee. Under current law the transferred tax credits are not refundable once transferred. If an entity currently has possession of transferred tax credit certificates and does not have Iowa tax liability, the tax credits cannot be used and cannot impact the State General Fund. With the transfer language included in the bill, the credits will be redeemed and will negatively impact the State General Fund. However, the DOR has not provided a fiscal estimate regarding this change.
- The remaining provisions of the bill are not expected to have a significant fiscal impact.

Sources

Department of Revenue
Iowa Economic Development Authority
Department of Cultural Affairs

/s/ Holly M. Lyons

April 20, 2016

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
