SENATE FILE 577
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1221)

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

A BILL FOR

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

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

DIVISION I

REBUILD IOWA INFRASTRUCTURE FUND

Section 1. REBUILD IOWA INFRASTRUCTURE FUND —— APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

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

FY 2023-2024:

..... $ 200,000

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

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

FY 2023-2024:

..... $ 8,200,000

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

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

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

apply:

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

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

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

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

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

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

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

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

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

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

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

b. For deposit in the renewable fuels infrastructure fund created in section 159A.16 for renewable fuel infrastructure programs:

FY 2023-2024:

..... $ 10,000,000

c. For deposit in the renewable fuels infrastructure fund created in section 159A.16 for renewable fuel infrastructure programs:

FY 2023-2024:

..... $ 5,000,000

The appropriation made in this paragraph shall be in lieu of

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

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

FY 2023-2024:

..... $ 1,000,000

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

3. DEPARTMENT FOR THE BLIND

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

FY 2023-2024:

..... $ 232,000

4. DEPARTMENT OF CORRECTIONS

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

FY 2023-2024:

..... $ 865,000

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

FY 2023-2024:

..... $ 1,200,000

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

FY 2023-2024:

..... $ 2,800,000

5. ECONOMIC DEVELOPMENT AUTHORITY

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

FY 2023-2024:

..... $ 10,000,000

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

FY 2023-2024:

..... $ 6,500,000

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

FY 2023-2024:

..... $ 700,000

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

FY 2023-2024:

..... $ 250,000

6. DEPARTMENT OF EDUCATION

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

FY 2023-2024:

..... $ 5,700,000

7. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

FY 2023-2024:

..... $ 5,572,736

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

..... $ 15,000

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

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

..... $ 750,000

8. DEPARTMENT OF NATURAL RESOURCES

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

FY 2023-2024:

..... $ 9,600,000

b. For state park infrastructure improvements:

FY 2023-2024:

..... $ 5,000,000

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

FY 2023-2024:

..... $ 1,500,000

d. For grants to communities or organizations for tree planting projects through the community forestry grant program, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2023-2024:

..... $ 250,000

e. For costs associated with infrastructure improvements on the state fairgrounds:

FY 2023-2024:

..... $ 500,000

f. For deferred maintenance costs at the honey creek resort state park required to be completed pursuant to a contract:

FY 2023-2024:

..... $ 6,000,000

9. DEPARTMENT OF PUBLIC DEFENSE

a. For major maintenance projects at national guard armories and facilities:

FY 2023-2024:

..... $ 2,100,000

b. For improvement projects for Iowa national guard installations and readiness centers to support operations and training requirements:

FY 2023-2024:

..... $ 2,100,000

c. For construction improvement projects at the Camp Dodge facility:

FY 2023-2024:

..... $ 550,000

d. For replacement of the heating and cooling system at the joint force headquarters at Camp Dodge:

FY 2023-2024:

..... $ 2,442,000

e. For costs associated with the construction of a readiness center in West Des Moines:

FY 2023-2024:

..... $ 1,000,000

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

10. DEPARTMENT OF PUBLIC SAFETY

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

FY 2023-2024:

..... $ 6,754,358

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

FY 2023-2024:

..... $ 2,500,000

11. BOARD OF REGENTS

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

FY 2023-2024:

..... $ 27,900,000

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

FY 2023-2024:

..... $ 18,000,000

12. DEPARTMENT OF TRANSPORTATION

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

FY 2023-2024:

..... $ 2,500,000

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

FY 2023-2024:

..... $ 1,000,000

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

FY 2023-2024:

..... $ 500,000

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

FY 2023-2024:

..... $ 1,900,000

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

FY 2023-2024:

..... $ 1,000,000

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

FY 2023-2024:

..... $ 10,000,000

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

13. TREASURER OF STATE

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

FY 2023-2024:

..... $ 1,060,000

14. ETHICS AND CAMPAIGN DISCLOSURE BOARD

For office space improvements and security upgrades:

FY 2023-2024:

..... $ 66,000

15. IOWA COMMUNICATIONS NETWORK

For heating and cooling replacement in the Lucas building switch room:

FY 2023-2024:

..... $ 578,412

16. JUDICIAL BRANCH

For construction projects at the Woodbury county law enforcement center:

FY 2023-2024:

..... $ 100,000

Sec. 2. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends two years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION II

TECHNOLOGY REINVESTMENT FUND

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

1. DEPARTMENT OF JUSTICE

For cybersecurity and technology projects:
..... $ 278,503

2. AUDITOR OF STATE

For the upgrade and relocation of servers and server hardware:
..... $ 292,500

3. DEPARTMENT OF CORRECTIONS

a. For camera system upgrades at corrections institutions:
..... $ 1,879,936

b. For body cameras at corrections institutions:
..... $ 325,000

4. DEPARTMENT OF EDUCATION

a. For the continued development and implementation of an educational data warehouse that will be utilized by teachers, parents, school district administrators, area education agency staff, department of education staff, and policymakers:
..... $ 600,000

Of the moneys appropriated in this lettered paragraph, the department may use a portion for an e-transcript data system capable of tracking students throughout their education via interconnectivity with multiple schools.

b. For maintenance and lease costs associated with connections for part III of the Iowa communications network:
..... $ 2,727,000

c. To the public broadcasting division for costs associated with a searchable digital asset management system:
..... $ 343,808

5. DEPARTMENT OF HEALTH AND HUMAN SERVICES

a. For the cost of equipment and computer software for the continued development and implementation of Iowa's criminal justice information system:
..... $ 1,400,000

b. For the costs associated with the justice enterprise data warehouse:
..... $ 282,664

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

6. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

For the continuing implementation of a statewide mass notification and emergency messaging system:
..... $ 400,000

7. IOWA LAW ENFORCEMENT ACADEMY

For replacement of a simulator:
..... $ 100,000

8. DEPARTMENT OF MANAGEMENT

a. For the continued development and implementation of a searchable database that can be placed on the internet for budget and financial information:
..... $ 45,000

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

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

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

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

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

9. BOARD OF PAROLE

For programming enhancements to the Iowa corrections

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

DIVISION III

CHANGES TO PRIOR APPROPRIATIONS

Sec. 5. 2020 Iowa Acts, chapter 1120, section 1, subsection 10, paragraph b, as amended by 2022 Iowa Acts, chapter 1150, section 9, is amended to read as follows:
b. For the renovation and construction of an industrial technology center at the university of northern Iowa to include reimbursement of infrastructure costs incurred by the university for construction of the facility in the prior fiscal year:
(1) FY 2021-2022:
..... $ 13,000,000
(2) FY 2022-2023:

..... $ 26,500,000

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

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

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

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

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

DIVISION IV

MISCELLANEOUS PROVISIONS

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

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

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

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

DIVISION V

DESTINATION IOWA FUND

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

1. For purposes of this section:

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

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

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

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

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

a. Economically significant projects that increase tourism opportunities.

b. Development and enhancement of outdoor recreational opportunities.

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

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

a. The project must be primarily vertical infrastructure.

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

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

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

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

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

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

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

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

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

DIVISION VI

ON-STREAM IMPOUNDMENT RESTORATION

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

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

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

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

(2) Ensure local community commitment to watershed protection.

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

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

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

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