

CHAPTER 125**LOW-INCOME HOUSING CREDITS***S.F. 499*

AN ACT relating to the federal low-income housing credit allowance.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 220.1, Code 1987, is amended by adding the following new subsections:
NEW SUBSECTION. 36. "State housing credit ceiling" means the state housing credit ceiling as defined in I.R.C. § 42(h)(3)(C).

NEW SUBSECTION. 37. "Low-income housing credit" means the low-income housing credit as defined in I.R.C. § 42(a).

Sec. 2. Section 220.1, unnumbered paragraph 2, Code 1987, is amended by striking the paragraph and inserting in lieu thereof the following:

The authority shall establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as necessary to assure eligibility for funds available under federal housing laws, or to assure compliance with federal tax laws relating to the issuance of tax exempt mortgage subsidy bonds pursuant to I.R.C. § 103A, or relating to the issuance of tax exempt residential rental property bonds for qualified residential housing under I.R.C. § 103, or relating to the allowance of low-income credits under I.R.C. § 42.

Sec. 3. **NEW SECTION. 220.52 STATE HOUSING CREDIT CEILING ALLOCATION.**

1. The authority is designated the housing credit agency for the allowance of low-income housing credit under the state housing credit ceiling.

2. The authority shall adopt rules and allocation procedures which will ensure the maximum use of available tax credits in order to encourage development of low-income housing in the state. The authority shall consider the following factors in the adoption and application of the allocation rules:

- a. Timeliness of the application.
- b. Location of the proposed housing project.
- c. Relative need in the proposed area for low-income housing.
- d. Availability of low-income housing in the proposed area.
- e. Economic feasibility of the proposed project.
- f. Ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

The authority shall adopt rules specifying the application procedure and the allowance of low-income housing credits under the state housing credit ceiling.

3. The authority shall not allow more than ninety percent of the low-income housing credits under the state housing credit ceiling to projects other than qualified low-income housing projects as defined in I.R.C. § 42(h)(5)(B).

Approved May 13, 1987

CHAPTER 126**TAXES ON PROPERTY OF GOVERNMENTAL BODIES***S.F. 458*

AN ACT relating to the abatement of taxes by the county.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. **NEW SECTION. 445.63 ABATEMENT OF TAXES.**

When delinquent mobile home taxes, regular property taxes, or special assessments are owing against property owned or claimed by the state or a political subdivision of this state and the

taxes or special assessments are owing before the property is acquired by the state or a political subdivision of this state, the county treasurer shall give notice to the appropriate governing body which shall pay the amount of the delinquent mobile home taxes, regular property taxes, or special assessments due. If the governing body fails to immediately pay the taxes or special assessments due, the board of supervisors may abate all of the delinquent mobile home taxes, regular property taxes, or special assessments.

Approved May 13, 1987

CHAPTER 127

AGRICULTURAL LOAN ASSISTANCE AGREEMENTS

S.F. 146

AN ACT relating to the agricultural loan assistance program of the Iowa agricultural development authority.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 175.35, subsection 5, paragraph a, Code 1987, is amended to read as follows:

a. Enter into an agreement with the lending institution and the farmer to supplement the assistance to be received pursuant to the federal program in which agreement the lending institution shall agree to reduce for ~~one year~~ up to three years the interest rate on the farmer's operating loan to the rate determined by the authority to be necessary to qualify the farmer and lending institution for participation in the federal program and the farmer shall agree to comply with the rules and requirements established by the authority.

Sec. 2. Section 175.35, subsection 6, paragraph c, Code 1987, is amended to read as follows:

c. Not give a grant pursuant to subsection 5, paragraph "b" in an amount greater than three percent per annum of up to one hundred thousand dollars of the principal balance of the farmer's operating loan outstanding from time to time, for the term of the loan or for ~~one year~~ three years, whichever is less.

Sec. 3. Section 175.35, subsection 7, paragraphs a and b, Code 1987, are amended to read as follows:

a. Enter into an agreement with the lending institution and the farmer in which the lending institution shall agree to reduce for ~~one year~~ up to three years the interest rate on the farmer's operating loan to a rate determined by the authority below the lending institution's farm operating loan rate as certified to the authority and the farmer shall agree to comply with the rules and requirements established by the authority.

b. Agree to give to the lending institution, for the benefit of the farmer, a grant in the amount, as determined by the authority, up to three percent per annum of up to one hundred thousand dollars of the principal balance of the farmer's operating loan outstanding from time to time, for the term of the loan or for ~~one year~~ three years, whichever is less, to partially reimburse the lending institution for the reduction of the interest rate on the borrower's operating loan. However, the grant shall not exceed fifty percent of the amount of interest foregone by the lending institution pursuant to the rate reduction under paragraph "a".

Approved May 13, 1987