

- c. The establishment date of the urban renewal area and the expiration date of the urban renewal area, if applicable or otherwise, the term of the indebtedness.
- d. The designation under which the urban renewal area was established.
- e. The base year valuation of the urban renewal area.
- f. The amount of incremental valuation in the urban renewal area.
- g. A description of the use for the incremental funding.
- h. The number of businesses that have located in each urban renewal area.
- i. The number of urban renewal projects that have been completed in each urban renewal area.
- j. The type and term length of financing for urban renewal projects.
- k. The amount of loans, advances, indebtedness, or bonds which qualified for payment from the special fund for each urban renewal project in the preceding fiscal year.
  - 1. The total of the amount specified in paragraph "k" for each urban renewal area located in the municipality.
  - 2. At the request of the legislative fiscal bureau, the department of management shall provide the reports and additional information to the legislative fiscal bureau. The department of management, in consultation with the legislative fiscal bureau, shall determine reporting criteria for reports filed with the department pursuant to this section.

Approved May 24, 1999

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## CHAPTER 177

### LINKED INVESTMENT PROGRAMS

*H.F. 779*

**AN ACT** providing for economic development programs, including linked investment loan programs, and providing an effective date.

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

Section 1. Section 12.32, Code 1999, is amended by adding the following new subsection:  
NEW SUBSECTION. 4. "Qualified linked investment" means a linked investment in which a certificate of deposit is placed by the treasurer of state with an eligible lending institution under the traditional livestock producers linked investment program established under section 12.43A.

Sec. 2. Section 12.34, Code 1999, is amended to read as follows:

12.34 LINKED INVESTMENTS — LIMITATIONS — RULES — MATURITY AND RENEWAL OF CERTIFICATES.

1. The treasurer of state may invest up to the lesser of ~~sixty-eight~~ one hundred eight million dollars or ten percent of the balance of the state pooled money fund in certificates of deposit in eligible lending institutions pursuant to as provided in this division. The moneys invested pursuant to this section shall be used as follows:

a. The treasurer of state may invest up to sixty-eight million dollars to support programs provided in this division other than the traditional livestock producers linked investment loan program as provided in section 12.43A and the value-added agricultural linked investment loan program as provided in section 12.43B.

b. The treasurer of state shall invest the remaining amount as follows:

(1) At least twenty million dollars shall be invested in order to support the traditional livestock producers linked investment loan program as provided in section 12.43A.

(2) At least twenty million dollars shall be invested in order to support the value-added agricultural linked investment loan program as provided in section 12.43B.

2. a. The treasurer of state shall adopt rules pursuant to chapter 17A to administer this division.

b. The treasurer of state in cooperation with the board of directors of the agricultural development authority as established in section 175.3 shall adopt rules for the administration of the traditional livestock producers linked investment loan program as provided in section 12.43A. The treasurer of state in cooperation with the agricultural products advisory council established in section 15.203 shall adopt rules for the administration of the value-added agricultural linked investment loan program as provided in section 15.204.

3. ~~Certificates~~ A certificate of deposit, which is placed by the treasurer of state with an eligible lending institution on or after July 1, 1996, pursuant to this division may be renewed at the option of the treasurer. The following shall apply to the certificate of deposit:

a. For a linked investment other than a qualified linked investment, the initial certificate of deposit for a given borrower shall have a maturity of one year, and the certificate of deposit may be renewed for eight additional one-year periods on an annual basis for a total term not to exceed five years.

b. For a qualified linked investment, the initial certificate of deposit for a given borrower shall have a maturity of one year. The certificate of deposit may be renewed on an annual basis for a total term not to exceed three years.

Sec. 3. Section 12.41, Code 1999, is amended by adding the following new subsection:  
NEW SUBSECTION. 1A. The gross income earned by the borrower's business of producing, processing, or marketing horticultural or nontraditional crops is not more than three hundred thousand dollars for the borrower's last tax year.

Sec. 4. NEW SECTION. 12.43A TRADITIONAL LIVESTOCK PRODUCER'S LINKED INVESTMENT LOAN PROGRAM.

1. As used in this section, unless the context otherwise requires:

a. "Farm operation" means the same as defined in section 352.2.

b. "Livestock" means cattle or swine.

c. "Livestock operation" means an animal feeding operation as defined in section 455B.161 in which livestock is provided care and feeding, or any other area which is used for raising crops or other vegetation and upon which livestock is fed or allowed to graze.

d. "Traditional livestock producer" means a person who is the owner and operator of livestock subject to care and feeding at a livestock operation in which the person holds a legal interest. The person may own the livestock or own the livestock jointly with another person. As the owner operator, the person must make daily management decisions and perform physical work which significantly contributes to the care and feeding of the livestock.

2. The treasurer of state shall adopt rules as provided in section 12.34 to implement a traditional livestock producers linked investment loan program. The purpose of the program is to increase the availability of lower cost loans to traditional livestock producers.

3. In order to qualify for a loan in accordance with an investment agreement under this division, all of the following requirements must be satisfied:

a. In order to be an eligible borrower, all of the following must apply:

(1) The borrower must be a traditional livestock producer.

(2) The borrower must be a resident of this state who is at least eighteen years of age.

(3) The borrower must not be any of the following:

(a) A party to a pending legal or administrative action, including a contested case proceeding under chapter 17A, relating to an alleged violation involving an animal feeding operation as regulated by the department of natural resources, regardless of whether the pending action is brought by the department or the attorney general.

(b) Classified as a habitual violator for a violation of state law involving an animal feeding operation as regulated by the department of natural resources.

b. The livestock operation must be located in this state.

c. The gross income earned by the borrower's farm operation must be more than fifty thousand dollars but not more than three hundred thousand dollars for the borrower's last tax year.

d. At least fifty percent of the gross income earned by the borrower's farm operation during the last tax year must derive from livestock owned and sold by the borrower.

4. An investment agreement shall not be for a loan of more than one hundred thousand dollars.

5. A borrower is not eligible to receive a loan as part of a linked investment loan package under this program, if the borrower has received three loans pursuant to a linked investment loan package under this program approved by the treasurer of state within the last ten years. For purposes of this subsection, a loan provided as part of a renewed certificate of deposit shall be deemed to be a new loan.

Sec. 5. NEW SECTION. 12.43B VALUE-ADDED AGRICULTURAL LINKED INVESTMENT LOAN PROGRAM.

1. The treasurer of state shall establish and administer, and adopt rules as necessary to establish and administer, a value-added agricultural linked investment loan program. The purpose of the program is to provide capital in the form of low-interest loans in order to do any of the following:

a. Stimulate existing businesses or encourage the establishment of new businesses that add value through the processing of agricultural commodities.

b. Encourage the production of agricultural commodities, if a shortage in production exists.

2. A borrower shall be eligible to participate in the value-added agricultural linked investment loan program, to the extent that the borrower meets eligibility requirements established by the treasurer of state as provided in section 12.34.

3. A borrower shall not receive a loan of more than two hundred fifty thousand dollars under this program.

Sec. 6. NEW SECTION. 15.204 VALUE-ADDED AGRICULTURAL LINKED INVESTMENT LOAN PROGRAM.

The agricultural products advisory council established in section 15.203, in cooperation with the department of economic development and the department of agriculture and land stewardship, shall recommend to the treasurer of state eligibility requirements for borrowers to participate in the value-added agricultural linked investment loan program established in section 12.43B. The treasurer of state shall establish the eligibility requirements by rule adopted pursuant to section 12.34.

Sec. 7. CURRENT INVESTMENT AGREEMENTS. The treasurer of state shall not renew a certificate of deposit in an eligible lending institution, if the total term for the certificate of deposit exceeds the requirements of section 12.34, subsection 3, as amended by this Act. However, nothing in this Act shall affect the terms or conditions of an investment agreement executed by the treasurer of state with an eligible lending institution that is in effect on the effective date of this Act.

Sec. 8. AGENCY REVIEW OF LINKED INVESTMENT FOR TOMORROW ACT PROGRAMS.

1. The department of economic development and the department of agriculture and land stewardship shall include a review of the linked investments for tomorrow Act.

a. The department of economic development shall conduct a review of the rural small business transfer linked investment loan program as provided in section 12.40, the focused

small business linked investments program as provided in section 12.43, and the value-added agricultural linked investment loan program as provided in section 12.43B.

b. The department of agriculture and land stewardship shall conduct a review of the horticultural and nontraditional crops linked investment loan program as provided in section 12.41, and the traditional livestock producers linked investment loan program as provided in section 12.43A.

2. In conducting the reviews, each department shall investigate the economic conditions that could justify the program under review and the need for the continuation or modification of the program. The departments shall jointly review the allocation of moneys to the programs.

3. The departments shall submit a combined report to the department of management which shall forward the report to the treasurer of state and to the general assembly on or before February 1, 2000. The report shall include findings and any recommendations. The report shall include a recommendation regarding the allocation of moneys to the programs.

Sec. 9. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 24, 1999

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## CHAPTER 178

### SCHOOL FINANCE — STATE AID — GIFTED AND TALENTED CHILDREN PROGRAM PLANS

S.F. 459

**AN ACT** relating to state school aid for budget years beginning on or after July 1, 1999, and making appropriations and including effective and applicability date provisions.

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

Section 1. Section 257.1, subsection 2, unnumbered paragraph 2, Code 1999, is amended to read as follows:

For the budget year commencing July 1, ~~1996~~ 1999, and for each succeeding budget year the regular program foundation base per pupil is ~~\*eighty-seven and five-tenths eighty-eight\*~~ *eighty-eight* percent of the regular program state cost per pupil, ~~except that the regular program foundation base per pupil for the portion of weighted enrollment that is additional enrollment because of special education is seventy-nine percent of the regular program state cost per pupil.~~ For the budget year commencing July 1, ~~1991~~ 1999\*, and for each succeeding budget year the special education support services foundation base is ~~\*seventy-nine eighty-eight\*~~ *eighty-eight* percent of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base and the special education support services foundation base.

Sec. 2. Section 257.8, Code 1999, is amended by adding the following new subsections:

**NEW SUBSECTION.** 2A. Notwithstanding the calculation in subsection 2, the department of management shall calculate the regular program allowable growth for the budget year beginning July 1, 1999, *\*for a school district which has requested and received approval to fund a gifted and talented program pursuant to section 257.46, Code 1999, for the budget year beginning July 1, 1999,\** by multiplying the state percent of growth for the budget year

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\* Item veto; see message at end of the Act