

**CHAPTER 1144**

## NOTARIAL ACTS BY JUDICIAL OFFICERS

*H.F. 2191*

**AN ACT** relating to notarial acts by judicial officers.

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

Section 1. Section 9E.6A, unnumbered paragraph 1, Code Supplement 2001, is amended to read as follows:

Each person performing a notarial act pursuant to section 9E.10 must acquire and use a stamp or seal as provided in this chapter. However, this section shall not apply to a ~~person performing a notarial act under~~ performed by a judicial officer as defined in section 602.1101, if the notarial act is performed in accordance with state or federal statutory authority.

PARAGRAPH DIVIDED. The stamp or seal as required in this section shall contain all of the following:

Approved May 2, 2002

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**CHAPTER 1145**

## ENTERPRISE ZONES

*H.F. 2378*

**AN ACT** relating to the enterprise zone program and providing effective and retroactive applicability dates.

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

Section 1. Section 15E.192, subsections 2, 3, and 4, Code 2001, are amended to read as follows:

2. A city with a population of twenty-four thousand or more, as shown by the 1990 2000 certified federal census, may create an economic development enterprise zone as authorized in this division, subject to certification by the department of economic development, by designating one or more contiguous census tracts, as determined in the most recent federal census, or designating other geographic units approved by the department of economic development for that purpose. If there is an area in the city which meets the requirements for eligibility for an urban or rural enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, such area shall be designated by the state an economic development enterprise zone. The area meeting the requirements for eligibility for an urban or rural enterprise community shall not be included for the purpose of determining the area limitation pursuant to subsection 4. In creating an enterprise zone, a city with a population of twenty-four thousand or more, as shown by the 1990 2000 certified federal census, may designate as part of the area tracts or approved geographic units located in a contiguous city if such tracts or approved geographic units meet the criteria and the city agrees to being included. The city may establish more than one enterprise zone. Reference in this division to "city" means a city with a population of twenty-four thousand or more, as shown by the 1990 2000 certified federal census.

3. a. A county may designate an enterprise zone within an area located in one or more contiguous census tracts or other geographic units of the county that meets at least two of the following distress criteria:

(1) The area has a per capita income of nine thousand six hundred dollars or less based according to the 1990 census.

(2) The area has a family poverty rate of twelve percent or more according to the 1990 census.

(3) Ten percent or more of the housing units in the area are vacant.

(4) The valuations of each class of property in the designated area of the census tract is seventy-five percent or less of the countywide average for that classification based upon the most recent valuations for property tax purposes.

(5) The area is a blighted area, as defined in section 403.17.

b. The department shall not approve more than five enterprise zones designated under this subsection prior to July 1, 2001.

4. a. A county or city which meets the distress criteria provided in section 15E.194, Code 2001, may apply to the department for an area to be certified as an enterprise zone at any time prior to July 1, 2003. However, the total amount of land designated as enterprise zones under subsections 1 and 2, and any other enterprise zones certified by the department, excluding those approved pursuant to section 15E.194, subsection 4, shall not exceed in the aggregate one percent of the total county area.

b. An enterprise zone certified by the department shall not be decertified or amended.

c. A county or city may apply to the department for an area to be certified as an enterprise zone at any time prior to July 1, 2005. However, the total amount of land designated as enterprise zones under subsections 1 and 2, and any other enterprise zones certified by the department, excluding those approved pursuant to section 15E.194, subsection 4, shall not exceed in the aggregate one percent of the total county area.

Sec. 2. Section 15E.193B, subsection 1, Code Supplement 2001, is amended to read as follows:

1. A housing business qualifying under this section is eligible to receive incentives and assistance only as provided in this section. An eligible housing business shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to section 15E.194, subsection 4. Sections 15E.193 and 15E.196 do not apply to an eligible housing business qualifying under this section.

Sec. 3. Section 15E.193B, subsection 6, paragraph a, Code Supplement 2001, is amended to read as follows:

a. An eligible housing business may claim a tax credit up to a maximum of ten percent of the new investment which is directly related to the building or rehabilitating of a minimum of four single-family homes located in that part of a city or county in which there is a designated enterprise zone or one multiple dwelling unit building containing three or more individual dwelling units located in that part of a city or county in which there is a designated enterprise zone. The new investment that may be used to compute the tax credit shall not exceed the new investment used for the first one hundred forty thousand dollars of value for each single-family home or for each unit of a multiple dwelling unit building containing three or more units. The tax credit may be used to reduce the tax liability imposed under chapter 422, division II, III, or V, or chapter 432. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. If the business is a partnership, S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust.

Sec. 4. Section 15E.193C, subsections 2, 5, and 10, Code Supplement 2001, are amended to read as follows:

2. An eligible development business includes a developer or development contractor that constructs, expands, or rehabilitates a building space within a designated enterprise zone with a minimum capital investment of at least five hundred thousand dollars ~~in that part of a city or county in which there is a designated enterprise zone.~~ A development business is eligible to receive incentives and assistance under this section if businesses locating into the building space have not closed or reduced its operation in one area of the state or a city and relocated substantially the same operation in the enterprise zone. An eligible development business is eligible for one, but not both, of the following exemptions to the capital investment requirements:

a. For an eligible development business purchasing a vacant building suitable for industrial use, the fair market value of the building and land, not to exceed two hundred fifty thousand dollars, as determined by the local enterprise zone commission, shall be deducted from the capital investment requirement.

b. For an eligible development business that rehabilitates a building space that has been in an enterprise zone for at least five years, the fair market value as established by an appraisal of the building, not to exceed two hundred fifty thousand dollars, shall be deducted from the capital investment requirement.

5. Prior to applying for assistance under this section, an eligible development business shall enter into an agreement with at least one business for purposes of locating the business in all or a portion of the building space for a period of at least five years. Nonretail businesses locating in a building space must create at least ten full-time positions, meet the criteria provided in section 15E.193, subsection 1, paragraphs "a", "b", and "c", and not share common ownership or common management with the development business. A development business shall receive a pro rata share of the total incentives and assistance available to the development business based on the percentage of the building that is leased to nonretail businesses. The department shall determine the procedure for issuing the incentives and assistance on a pro rata basis.

~~10. An eligible business under section 15E.193 is not eligible for incentives and assistance listed in section 15E.196 if the property is owned, or was previously owned, by an approved development business that has received incentives and assistance under this section.~~

Sec. 5. Section 15E.193C, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 12. An approved development business shall submit an annual report to the department of economic development detailing and certifying the number of signed leases, jobs created, and total occupancy of the building. An approved development business shall begin submitting annual reports the year upon approval of the application and shall continue to submit annual reports until incentives and assistance provided pursuant to this section are no longer received by the approved development business.

Sec. 6. Section 15E.194, subsections 1, 2, and 4, Code 2001, are amended to read as follows:

1. An enterprise zone may be designated by a county which meets at least two of the following criteria:

a. The county has an average weekly wage that ranks among the bottom twenty-five counties in the state based on the ~~1995~~ 2000 annual average weekly wage for employees in private business.

b. The county has a family poverty rate that ranks among the top twenty-five counties in the state based on the ~~1990~~ 2000 census.

c. The county has experienced a percentage population loss that ranks among the top twenty-five counties in the state between ~~1990 and 1995~~ and 2000.

d. The county has a percentage of persons sixty-five years of age or older that ranks among the top twenty-five counties in the state based on the ~~1990~~ 2000 census.

2. An enterprise zone may be designated by a city which meets at least two of the following criteria:

- a. The area has a per capita income of ~~nine thousand six hundred~~ twelve thousand six hundred forty-eight dollars or less based on the ~~1990~~ 2000 census.
- b. The area has a family poverty rate of twelve percent or higher based on the ~~1990~~ 2000 census.
- c. Ten percent or more of the housing units are vacant in the area.
- d. The valuations of each class of property in the designated area is seventy-five percent or less of the citywide average for that classification based upon the most recent valuations for property tax purposes.
- e. The area is a blighted area, as defined in section 403.17.

4. a. A city of any size or any county may designate an enterprise zone at any time prior to July 1, 2010, when a business closure occurs involving the loss of full-time employees, not including retail employees, at one place of business totaling at least one thousand employees or four percent or more of the county's resident labor force based on the most recent annual resident labor force statistics from the department of workforce development, whichever is lower. The enterprise zone may be established on the property of the place of business that has closed and the enterprise zone may include an area up to an additional ~~one mile~~ three miles adjacent to the property. The area meeting the requirements for enterprise zone eligibility under this subsection shall not be included for the purpose of determining the area limitation pursuant to section 15E.192, subsection 4. An eligible housing business under section 15E.193B shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to this subsection.

b. The area included in an enterprise zone designated under this subsection on or after June 1, 2000, may be amended to change the boundaries of the enterprise zone. Such an amendment must be approved by the department within three years of the date the enterprise zone was certified.

Sec. 7. Section 15E.192, subsection 4, paragraph a, Code 2003, is amended by striking the paragraph.

Sec. 8. Section 422.6, unnumbered paragraph 1, Code 2001, is amended to read as follows:  
The tax imposed by section 422.5 less the credits allowed under sections 15.333, 15.335, ~~15E.193A~~, 422.10, 422.11, 422.11A, and 422.11B, and the personal exemption credit allowed under section 422.12 apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries. However, for tax years ending after August 5, 1997, if the trust is a qualified preneed funeral trust as set forth in section 685 of the Internal Revenue Code and the trustee has elected the special tax treatment under section 685 of the Internal Revenue Code, neither the trust nor the beneficiary is subject to Iowa income tax on income accruing to the trust.

Sec. 9. Section 15E.193A, Code 2001, is repealed.

Sec. 10. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. Section 4 of this Act, amending section 15E.193C, subsections 2, 5, and 10, Code<sup>6</sup> 2001, being deemed of immediate importance, takes effect April 30, 2002, and, if approved by the governor after April 30, 2002, shall apply retroactively to April 30, 2002.

2. Section 7 of this Act, striking section 15E.192, subsection 4, paragraph "a", Code 2003, takes effect July 1, 2003.

Approved May 2, 2002

<sup>6</sup> See chapter 1175, §99 herein