

FEB 15 2005
ECONOMIC GROWTH

HOUSE FILE 305
BY RAECKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the endow Iowa program and county endowment
2 funds, making appropriations, and including effective date and
3 retroactive applicability provisions.

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

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HF 305

1 Section 1. Section 15E.305, subsections 2 and 4, Code
2 2005, are amended to read as follows:

3 2. a. The aggregate amount of tax credits authorized
4 pursuant to this section shall not exceed a total of ~~two~~ three
5 million dollars each calendar year for the time period
6 beginning January 1, 2005, and ending December 31, 2008. Any
7 tax credits remaining undistributed on December 31, 2005,
8 December 31, 2006, or December 31, 2007, may be carried
9 forward to the succeeding calendar year. The maximum amount
10 of tax credits granted to a taxpayer shall not exceed five
11 percent of the aggregate amount of tax credits authorized.

12 b. Ten percent of the aggregate amount of tax credits
13 authorized in a calendar year shall be reserved for those
14 endowment gifts in amounts of thirty thousand dollars or less.
15 If by September 1 of a calendar year the entire ten percent of
16 the reserved tax credits is not distributed, the remaining tax
17 credits shall be available to any other eligible applicants.

18 4. A tax credit shall not be authorized pursuant to this
19 section after December 31, ~~2005~~ 2008.

20 Sec. 2. Section 15E.311, subsection 3, paragraphs a and c,
21 Code 2005, are amended to read as follows:

22 a. At the end of each fiscal year, moneys in the fund
23 shall be transferred into separate accounts within the fund
24 and designated for use by each county in which no licensee
25 authorized to conduct gambling games under chapter 99F was
26 located during that fiscal year. Moneys transferred to county
27 accounts shall be divided equally among the counties. Moneys
28 transferred into an account for a county shall be transferred
29 by the department to an eligible county recipient for that
30 county. Of the moneys transferred, an eligible county
31 recipient shall distribute seventy-five percent of the moneys
32 as grants to charitable organizations for ~~educational, civic,~~
33 ~~public, charitable, patriotic, or religious uses, as defined~~
34 ~~in section 99B.7, subsection 3, paragraph "b",~~ charitable
35 purposes in that county and shall retain twenty-five percent

1 of the moneys for use in establishing a permanent endowment
2 fund for the benefit of charitable organizations for
3 ~~educational, civic, public, charitable, patriotic, or~~
4 ~~religious uses, as defined in section 99B.7, subsection 3,~~
5 paragraph "b" charitable purposes.

6 ~~c. For purposes of~~

7 3A. As used in this subsection section, an "eligible
8 unless the context otherwise requires:

9 a. "Charitable organization" means an organization that is
10 described in section 501(c)(3) of the Internal Revenue Code
11 that is exempt from taxation under section 501(a) of the
12 Internal Revenue Code or an organization that is established
13 for a charitable purpose.

14 b. "Charitable purpose" means a purpose described in
15 section 501(c)(3) of the Internal Revenue Code, or a
16 benevolent, educational, philanthropic, humane, scientific,
17 patriotic, social welfare or advocacy, public health,
18 environmental conservation, civic, or other eleemosynary
19 objective.

20 c. "Eligible county recipient" means a qualified community
21 foundation or community affiliate organization, as defined in
22 section 15E.303, that is selected, in accordance with the
23 procedures described in section 15E.304, to receive moneys
24 from an account created in this section for a particular
25 county. To be selected as an eligible county recipient, a
26 community affiliate organization shall establish a county
27 affiliate fund to receive moneys as provided by this section.

28 Sec. 3. Section 15E.311, Code 2005, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 5. Three percent of the moneys deposited
31 in the county endowment fund shall be used by the lead
32 philanthropic organization identified by the department
33 pursuant to section 15E.304 for purposes of administering and
34 marketing the county endowment fund.

35 Sec. 4. ENDOW IOWA GRANTS APPROPRIATIONS.

1 1. There is appropriated from the general fund of the
2 state to the department of economic development for the fiscal
3 period beginning July 1, 2005, and ending June 30, 2008, the
4 following amounts, or so much thereof as is necessary, to be
5 used for the purpose designated:

6 For endow Iowa grants to lead philanthropic entities
7 pursuant to section 15E.304:

8 FY 2005-2006.....	\$ 2,000,000
9 FY 2006-2007.....	\$ 2,000,000
10 FY 2007-2008.....	\$ 2,000,000

11 2. Notwithstanding section 8.33, moneys that remain
12 unexpended at the end of the fiscal year shall not revert to
13 any fund but shall remain available for expenditure for the
14 designated purposes during the succeeding fiscal year.

15 Sec. 5. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
16 This Act, being deemed of immediate importance, takes effect
17 upon enactment and applies retroactively to January 1, 2005.

18 EXPLANATION

19 This bill relates to the endow Iowa program and the county
20 endowment funds and makes appropriations.

21 The bill provides that the aggregate amount of tax credits
22 authorized for endowment gifts made to a qualified community
23 foundation for a permanent endowment fund shall not exceed a
24 total of \$3 million each calendar year for the time period
25 beginning January 1, 2005, and ending December 31, 2008. The
26 bill provides that any tax credits remaining undistributed on
27 December 31, 2005, December 31, 2006, or December 31, 2007,
28 may be carried forward to the succeeding calendar year. The
29 bill provides that 10 percent of the aggregate amount of tax
30 credits authorized in a calendar year shall be reserved for
31 those endowment gifts in amounts of \$30,000 or less. If by
32 September 1 of a calendar year the entire 10 percent of the
33 reserved tax credits is not distributed, the remaining tax
34 credits shall be available to any other eligible applicants.
35 The bill provides that a tax credit shall not be authorized

1 after December 31, 2008.

2 The bill provides that moneys in the county endowment fund
3 shall be either distributed to charitable organizations for
4 charitable purposes or retained for use in establishing a
5 permanent endowment fund for the benefit of charitable
6 organizations for charitable purposes. The bill defines
7 "charitable purpose" as a purpose described in section
8 501(c)(3) of the Internal Revenue Code, or a benevolent,
9 educational, philanthropic, humane, scientific, patriotic,
10 social welfare or advocacy, public health, environmental
11 conservation, civic, or other eleemosynary objective. The
12 bill provides that 3 percent of the moneys deposited in the
13 county endowment fund shall be used for purposes of
14 administering and marketing the county endowment fund.

15 The bill appropriates from the general fund of the state to
16 the department of economic development for the fiscal period
17 beginning July 1, 2005, and ending June 30, 2008, \$2 million
18 each fiscal year for endow Iowa grants to lead philanthropic
19 entities.

20 The bill takes effect upon enactment and applies
21 retroactively to January 1, 2005.

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