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COMMERCE, REGULATION & LABOR

HOUSE FILE 2271  
BY HOGG

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the regulation, production, and consumption of  
2 energy including providing for sales tax exemptions, income  
3 tax credits, research and development, and use tax refunds,  
4 requiring an electricity renewable energy standard, providing  
5 for a certificate of public convenience, low-income  
6 weatherization, a community energy conservation plan program,  
7 providing for public education of energy efficiency, and  
8 renewable energy education, establishing emission reduction  
9 goals, providing for state certification of carbon  
10 sequestration, establishing a renewable energy for schools  
11 grant program, establishing high-performance standards for  
12 certain public buildings, and making appropriations.  
13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I  
ECONOMIC DEVELOPMENT  
CLEAN ENERGY ASSISTANCE

Section 1. NEW SECTION. 15E.400 CLEAN ENERGY ASSISTANCE.

1. The Iowa economic development board shall establish a clean energy assistance program to encourage the establishment, modernization, and expansion of facilities producing renewable energy or energy-efficient products or technology in this state. The board may award financial assistance to eligible persons in the form of a loan, loan guarantee, grant, or combination of financial assistance.

2. A person is eligible to apply for assistance under this section if the person satisfies all of the following requirements:

a. The existing or proposed facility for producing renewable energy or energy-efficient products or technology is located in this state.

b. The person applies to the department in a manner and according to procedures required by the board.

c. The person submits a business plan which demonstrates managerial and technical expertise.

3. The board shall select an applicant to receive financial assistance based on the following criteria:

a. The probability of actual or potential improvements to the environment including but not limited to reductions in emissions of greenhouse gases from the use of the product or technology by the facility owner or the customers of the facility owner.

b. The number and quality of jobs created or retained that provide living wages at or above the state average and eighty percent of the costs of comprehensive health insurance.

c. The use of natural resources from this state other than coal.

d. The use of research or technology developed in this state by a college, university, business, or governmental

1 agency in this state.

2 e. The potential research value or potential for further  
3 technological development to fund the business in the future.

4 f. The feasibility of the existing or proposed facility to  
5 remain a viable enterprise and the degree to which the  
6 facility will increase the utilization of renewable energy or  
7 energy-efficient products or technology.

8 4. The board shall not approve the awarding of financial  
9 assistance for the conversion of motor fuel pumps from  
10 gasoline to E-85 in an amount of more than ten thousand  
11 dollars per fuel pump or twenty thousand dollars per retail  
12 fueling station.

13 5. The board may consult with the department of natural  
14 resources, the department of agriculture and land stewardship,  
15 the university of Iowa, Iowa state university, and the  
16 university of northern Iowa when selecting applicants for  
17 financial assistance pursuant to this section.

18 Sec. 2. NEW SECTION. 15E.401 CLEAN ENERGY FINANCIAL  
19 ASSISTANCE FUND.

20 1. A clean energy financial assistance fund is created  
21 within the state treasury under the control of the Iowa  
22 economic development board. The fund shall consist of moneys  
23 appropriated from the general fund pursuant to 15E.402, and  
24 any other moneys available to and obtained or accepted by the  
25 board from the federal government or private sources for  
26 placement in the fund. The assets of the fund shall be used  
27 by the board only for administration and carrying out the  
28 purposes of section 15E.400.

29 2. In administering the fund and the clean energy  
30 financial assistance program, the board may do any of the  
31 following:

32 a. Contract, sue and be sued, and adopt administrative  
33 rules necessary to carry out the provisions of this section  
34 and section 15E.400. However, the board shall not in any  
35 manner directly or indirectly pledge the credit of the state.

1 b. Authorize payment from the fund for costs, commissions,  
2 attorney fees, and other reasonable expenses, including  
3 expenses related to carrying out duties necessary for issuing  
4 or guaranteeing loans under section 15E.400, and for the  
5 recovery of loan moneys issued or guaranteed or the management  
6 of property acquired in connection with such loans.

7 3. Payments of interest, recaptures of awards, or  
8 repayments of moneys loaned under the clean energy financial  
9 assistance program shall be deposited into the fund. Section  
10 8.33 does not apply to any moneys in the fund.

11 Sec. 3. NEW SECTION. 15E.402 APPROPRIATION.

12 There is appropriated from the general fund of the state  
13 each fiscal year of the fiscal period beginning July 1, 2006,  
14 and ending June 30, 2011, the sum of five million dollars to  
15 the clean energy financial assistance fund created in section  
16 15E.401. Of the amount appropriated under this section, not  
17 more than one million dollars shall be used to encourage the  
18 installation or conversion of infrastructure used by service  
19 stations to sell and dispense E-85 blended gasoline. Amounts  
20 appropriated pursuant to this section shall be in addition to,  
21 and shall not replace, funds otherwise appropriated to the  
22 department of economic development. Notwithstanding section  
23 8.33, moneys appropriated in this section that remain  
24 unencumbered or unobligated at the close of each fiscal year  
25 shall not revert but shall remain available for expenditure  
26 for the purposes designated.

27 This section is repealed June 30, 2011.

28 SMALL WIND TAX CREDITS

29 Sec. 4. Section 476C.1, subsection 6, paragraph d, Code  
30 Supplement 2005, is amended to read as follows:

31 d. Was initially placed into service on or after July 1,  
32 2005, and before January 1, ~~2011~~ 2012.

33 Sec. 5. Section 476C.3, subsection 4, Code Supplement  
34 2005, is amended to read as follows:

35 4. The maximum amount of nameplate generating capacity of

1 all wind energy conversion facilities the board may find  
2 approve as eligible under this chapter shall not exceed ninety  
3 one hundred eighty megawatts of nameplate generating capacity.  
4 The maximum amount of energy production capacity equivalent of  
5 all other facilities the board may find eligible under this  
6 chapter shall not exceed a combined output of ten twenty  
7 megawatts of nameplate generating capacity. If in the opinion  
8 of the board the maximum amount of nameplate generating  
9 capacity of wind energy has been reached, the board shall deny  
10 all subsequently filed applications for a determination of  
11 eligibility until the following July 1 at which time the board  
12 may accept new applications for additional capacity if such  
13 capacity is available.

14 Sec. 6. Section 476C.5, Code Supplement 2005, is amended  
15 to read as follows:

16 476C.5 CERTIFICATE ISSUANCE PERIOD.

17 A producer or purchaser of renewable energy may receive  
18 renewable energy tax credit certificates for a ten-year period  
19 for each eligible renewable energy facility under this  
20 chapter. The ten-year period for issuance of the tax credit  
21 certificates begins with the date the purchaser of renewable  
22 energy first purchases electricity, hydrogen fuel, methane gas  
23 or other biogas used to generate electricity, or heat for  
24 commercial purposes from the eligible renewable energy  
25 facility for which a tax credit is issued under this chapter.  
26 Renewable energy tax credit certificates shall not be issued  
27 for renewable energy purchased after December 31, ~~2020~~ 2021.

28 ENERGY STAR PRODUCTS SALES TAX EXEMPTION

29 Sec. 7. Section 423.3, Code Supplement 2005, is amended by  
30 adding the following new subsection:

31 NEW SUBSECTION. 89. The sales price of selected products  
32 that have received the energy star label developed by the  
33 United States environmental protection agency, that were  
34 manufactured or assembled in this state, and that were  
35 purchased in this state on or after January 1, 2007. The

1 products eligible for an exemption under this subsection shall  
2 be determined by rule by the department of natural resources.

3 GREEN BUILDING INCOME TAX CREDITS

4 Sec. 8. NEW SECTION. 422.11M GREEN BUILDING TAX CREDIT.

5 The taxes imposed under this division, less the credits  
6 allowed under sections 422.12 and 422.12B, shall be reduced by  
7 a green building tax credit under section 473B.6.

8 Sec. 9. Section 422.33, Code Supplement 2005, is amended  
9 by adding the following new subsection:

10 NEW SUBSECTION. 20. The taxes imposed under this division  
11 shall be reduced by a green building tax credit under section  
12 473B.6.

13 Sec. 10. NEW SECTION. 473B.1 DEFINITIONS.

14 As used in this chapter, unless the context otherwise  
15 requires:

16 1. a. "Allowable costs" means amounts properly chargeable  
17 to a capital account, other than for land, that are paid or  
18 incurred on or after July 1, 2006, for all of the following:

19 (1) Construction or rehabilitation.

20 (2) Commissioning costs.

21 (3) Interest paid or incurred during the construction or  
22 rehabilitation period.

23 (4) Architectural, engineering, and other professional  
24 fees allocable to construction or rehabilitation.

25 (5) Closing costs for construction, rehabilitation, or  
26 mortgage loans.

27 (6) Recording taxes and filing fees incurred with respect  
28 to construction or rehabilitation.

29 (7) Finishes and furnishings consistent with rules adopted  
30 by the department under this chapter, lighting, plumbing,  
31 electrical wiring, and ventilation.

32 b. "Allowable costs" does not include any of the  
33 following:

34 (1) The cost of telephone systems and computers other than  
35 electrical wiring costs.

1 (2) Legal fees allocable to construction or  
2 rehabilitation.

3 (3) Site costs, including temporary electric wiring,  
4 scaffolding, demolition costs, and fencing and security  
5 facilities.

6 (4) Finishes or furnishings that are not consistent with  
7 rules adopted by the department under this chapter.

8 (5) The cost of purchasing or installing fuel cells.

9 2. "Base building" means all areas of a building not  
10 intended for occupancy by a tenant or owner, including the  
11 structural components of the building, exterior walls, floors,  
12 windows, roofs, foundations, chimneys and stacks, parking  
13 areas, mechanical rooms and mechanical systems, and owner-  
14 controlled or operated service spaces, sidewalks, main lobby,  
15 shafts and vertical transportation mechanisms, stairways, and  
16 corridors.

17 3. "Commissioning" means all of the following:

18 a. The testing and fine-tuning of heat, ventilating, and  
19 air-conditioning systems and other systems to assure proper  
20 functioning and adherence to design criteria.

21 b. The preparation of system operation manuals and  
22 instruction of maintenance personnel.

23 4. "Credit allowance year" means the later of either of  
24 the following:

25 a. The taxable year during which either of the following  
26 occur:

27 (1) The property, construction, completion, or  
28 rehabilitation on which the credit allowed under this section  
29 is based is originally placed in service.

30 (2) A fuel cell, wind turbine, or photovoltaic module  
31 constitutes a qualifying alternate energy source and is fully  
32 operational.

33 b. The earliest taxable year for which the credit may be  
34 claimed under the green building tax credit certificate issued  
35 under section 473B.5.

1 5. "Department" means the department of economic  
2 development.

3 6. "Economic development area" means an area as defined by  
4 rule by the department.

5 7. "Eligible building" means a building located in this  
6 state that meets all of the following requirements:

7 a. (1) Is a building used primarily for nonresidential  
8 purposes if the building contains at least twenty thousand  
9 square feet of interior space.

10 (2) Is a residential multifamily building with at least  
11 twelve dwelling units that contains at least twenty thousand  
12 square feet of interior space.

13 (3) Is any combination of buildings described in  
14 subparagraphs (1) and (2).

15 b. In the case of a newly constructed building for which a  
16 certificate of occupancy was not issued before July 1, 2006,  
17 is any of the following:

18 (1) Is located on a brownfield site, as defined in section  
19 15.291.

20 (2) Is located in a priority funding area as defined by  
21 the department.

22 (3) Is not located on wetlands, the alteration of which  
23 requires a permit under § 404 of the federal Clean Water Act,  
24 as defined in section 455B.291.

25 c. In the case of the rehabilitation of a building, is any  
26 of the following:

27 (1) Is located in a priority funding area as defined by  
28 the director or on a brownfield site as defined in section  
29 15.291.

30 (2) Is not an increase of more than twenty-five percent in  
31 the square footage of the building.

32 8. "Fuel cell" means a device that produces electricity  
33 directly from hydrogen or hydrocarbon fuel through a  
34 noncombustive electrochemical process that meets the minimum  
35 standards adopted by rule pursuant to 473B.9.

1 9. "Green base building" means a base building that is  
2 part of an eligible building that meets the LEED silver rating  
3 standard of the United States green building council adopted  
4 by rule under section 473B.9.

5 10. "Green tenant space" means tenant space in a building  
6 if the building is an eligible building and the tenant space  
7 meets the LEED silver rating standard of the United States  
8 green building council adopted by rule under section 473B.9.

9 11. "Green whole building" means a building for which the  
10 base building is a green base building and all tenant space is  
11 green tenant space.

12 12. "Incremental cost of building-integrated photovoltaic  
13 modules" means all of the following:

14 a. The cost of building-integrated photovoltaic modules  
15 and any associated inverter, additional wiring or other  
16 electrical equipment for the photovoltaic modules, or  
17 additional mounting or structural materials, less the cost of  
18 spandrel glass or other building material that would have been  
19 used if building-integrated photovoltaic modules were not  
20 installed.

21 b. Incremental labor costs properly allocable to on-site  
22 preparation, assembly, and original installation of  
23 photovoltaic modules.

24 13. "LEED silver rating standard" means the United States  
25 green building council leadership in energy and environmental  
26 design green building rating standard, referred to as the  
27 silver standard.

28 14. "Photovoltaic modules" means semiconductor devices,  
29 also called solar cells, that convert sunlight into direct  
30 current electricity that meet the minimum standards adopted by  
31 rule under section 473B.9.

32 15. "Qualifying alternate energy source" means a building-  
33 integrated and non-building-integrated photovoltaic module,  
34 wind turbine, or fuel cell installed to serve the base  
35 building or tenant space that meet all of the following

1 requirements:

2 a. Have the capability to monitor their actual power  
3 output.

4 b. Are fully commissioned upon installation, and annually  
5 thereafter, to ensure that the systems meet their design  
6 specifications.

7 c. In the case of a wind turbine, meets any applicable  
8 noise and bird protection ordinances.

9 16. "Tenant improvements" means improvements that are  
10 necessary or appropriate to support or conduct the business of  
11 a tenant or occupying owner.

12 17. "Tenant space" means the portion of a building  
13 intended for occupancy by a tenant or occupying owner.

14 18. "Wind turbine" means a wind energy conversion system  
15 that collects and converts wind into energy to generate  
16 electricity that meets the minimum standards adopted by rule  
17 pursuant to section 473B.9.

18 Sec. 11. NEW SECTION. 473B.2 PROVISIONAL GREEN BUILDING  
19 CERTIFICATE.

20 1. A person may apply to the department for provisional  
21 certification of eligibility for a green building tax credit  
22 by submitting a completed application to the department  
23 containing all of the following information:

24 a. Sufficient information to identify each building or  
25 space as the department shall require.

26 b. Proof of the person's ownership or tenancy of the  
27 building.

28 c. An itemization of estimated allowable costs with  
29 supporting documentation.

30 d. Any other information the department may require.

31 2. If upon receipt of the completed application the  
32 department finds that the applicant has shown that the  
33 applicant is likely within a reasonable time to place in  
34 service property which would warrant the allowance of a credit  
35 under section 473B.4, the department shall issue a provisional

1 green building certificate. The provisional green building  
2 certificate shall describe the property for which the  
3 certificate was issued and shall contain an expiration date.  
4 The certificate shall apply only to property placed in service  
5 by such expiration date which may be extended at the  
6 discretion of the department, in order to avoid unwarranted  
7 hardship.

8 3. A person whose application for a provisional green  
9 building certificate is denied may file an appeal with the  
10 department within sixty days from the date of denial pursuant  
11 to the provisions of chapter 17A.

12 Sec. 12. NEW SECTION. 473B.3 ELIGIBILITY CERTIFICATE.

13 1. For each taxable year for which a person claims a green  
14 building tax credit under this chapter, the person shall  
15 obtain from an architect or professional engineer licensed to  
16 practice in this state an eligibility certificate.

17 2. The eligibility certificate shall consist of a  
18 certification, under the seal of such architect or engineer,  
19 that the building, base building, or tenant space with respect  
20 to which the credit is claimed is a green whole building,  
21 green base building, or green tenant space, respectively, that  
22 the fuel cell, wind turbine, or photovoltaic modules  
23 constitute a qualifying alternate energy source and remains in  
24 service. The eligibility certification shall be made in  
25 accordance with the standards and guidelines in effect at the  
26 time the property which is the basis for the credit was placed  
27 in service adopted by rule pursuant to section 473B.9. The  
28 eligibility certificate shall set forth the specific findings  
29 upon which the certification was based.

30 3. The eligibility certificate shall include sufficient  
31 information to identify each building or space, and such other  
32 information as the department shall require.

33 4. The taxpayer shall file a copy of each eligibility  
34 certificate with the department.

35 Sec. 13. NEW SECTION. 473B.4 TAX CREDITS.

1 A green building tax credit may consist of any or all of  
2 the following credits:

3 1. GREEN WHOLE BUILDING TAX CREDIT. The green whole  
4 building tax credit shall be equal to the one and four-tenths  
5 percent of the allowable costs paid or incurred by the  
6 applicant, for either the construction of a green whole  
7 building or the rehabilitation of a building which is not a  
8 green whole building to be a green whole building for which a  
9 certificate of occupancy has been issued. If the building is  
10 located in an economic development area, the applicable  
11 percentage shall be one and six-tenths percent of the  
12 allowable costs. The allowable costs for a green whole  
13 building shall not exceed, in the aggregate, one hundred fifty  
14 dollars per square foot with respect to the portion of the  
15 building which comprises the base building and seventy-five  
16 dollars per square foot with respect to the portion of the  
17 building which comprises the tenant space.

18 2. GREEN BASE BUILDING TAX CREDIT. The green base  
19 building tax credit shall be equal to one percent of the  
20 allowable costs paid or incurred by the taxpayer, if the  
21 owner, for either the construction of a green base building or  
22 for the rehabilitation of a base building which is not a green  
23 base building to be a green base building for which a  
24 certificate of occupancy for the building has been issued. If  
25 the building is located in an economic development area, the  
26 applicable percentage shall be one and two-tenths percent of  
27 the allowable costs. The allowable costs for the green base  
28 building shall not exceed, in the aggregate, one hundred fifty  
29 dollars per square foot.

30 3. GREEN TENANT SPACE TAX CREDIT. The green tenant space  
31 tax credit shall be equal to one percent of allowable costs  
32 for tenant improvements paid or incurred by the taxpayer in  
33 constructing or completing green tenant space, or  
34 rehabilitating tenant space which is not green tenant space to  
35 be green tenant space. If the building is located in an

1 economic development area the applicable percentage shall be  
2 one and two-tenths percent of the allowable costs. Provided,  
3 however, that the owner, or a tenant who occupies fewer than  
4 ten thousand square feet, shall qualify for a green tenant  
5 space tax credit only if the base building is a green base  
6 building. The allowable costs for green tenant space shall  
7 not exceed, in the aggregate, seventy-five dollars per square  
8 foot. If both an owner and tenant incur such costs for green  
9 tenant space with respect to the same green tenant space and  
10 such costs in the aggregate exceed seventy-five dollars per  
11 square foot, the owner shall have priority as to costs  
12 constituting the basis for the green tenant space tax credit.

13 4. FUEL CELL TAX CREDIT. A fuel cell tax credit shall be  
14 allowed for the installation of a fuel cell which is a  
15 qualifying alternate energy source, installed to serve a green  
16 building, green base building, or green tenant space. The  
17 amount of the credit shall equal six percent of the sum of the  
18 capitalized costs paid or incurred by the applicant with  
19 respect to each fuel cell installed to serve such building or  
20 space, including the cost of the foundation or platform and  
21 the labor cost associated with installation, such capitalized  
22 costs not to exceed one thousand dollars per kilowatt of  
23 installed direct current rated capacity. The amount of any  
24 federal, state, or local grant received by the applicant and  
25 used for the purchase and installation of such fuel cell,  
26 which was not included in the federal gross income of the  
27 applicant, shall be subtracted from the amount of such costs.

28 5. PHOTOVOLTAIC MODULE TAX CREDIT. A photovoltaic module  
29 tax credit shall be allowed for the installation of  
30 photovoltaic modules which constitute a qualifying alternate  
31 energy source installed to serve a green building, green base  
32 building, or green tenant space. The amount of the tax credit  
33 component shall equal twenty percent of the incremental cost  
34 paid or incurred by the applicant for building-integrated  
35 photovoltaic modules and five percent of the cost of non-

1 building-integrated photovoltaic modules, in either case such  
2 cost not to exceed the product of three dollars and the number  
3 of watts included in the direct current rated capacity of the  
4 photovoltaic modules. The amount of any federal, state, or  
5 local grant received by the applicant and used for the  
6 purchase and installation of such photovoltaic modules which  
7 was not included in the federal gross income of the applicant,  
8 shall be subtracted from the amount of such cost.

9 6. WIND TURBINE TAX CREDIT. A wind turbine tax credit  
10 shall be allowed for the installation of a wind turbine that  
11 is a qualifying alternative energy source and is installed to  
12 serve a green whole building, green base building, or green  
13 tenant space. The amount of the tax credit shall be an amount  
14 equal to twenty-five percent of the sum of the capitalized  
15 costs paid or incurred by the applicant with respect to each  
16 wind turbine installed, including the cost of the foundation  
17 or platform and the labor costs associated with installation.  
18 The amount of any federal, state, or other grant received by  
19 the applicant and used for the purchase of the wind turbine,  
20 which was not included in the federal gross income of the  
21 applicant, shall be subtracted from the amount of the  
22 capitalized costs.

23 Sec. 14. NEW SECTION. 473B.5 APPLICATION FOR TAX CREDIT  
24 CERTIFICATE.

25 1. To receive a green building tax credit described in  
26 section 473B.4, the taxpayer shall file an application with  
27 the department for a tax credit certificate. The application  
28 shall contain all of the following:

- 29 a. All applicable provisional green building certificates.
  - 30 b. All applicable eligibility certificates.
  - 31 c. A certificate of occupancy if required.
  - 32 d. Documentation supporting actual allowable costs  
33 incurred.
  - 34 e. Any other information required by the department.
- 35 2. If upon receipt of a completed application, the

1 department finds that the person is qualified for a green  
2 building tax credit, the department shall calculate the amount  
3 of the tax credit for which the person is eligible and shall  
4 issue a green building tax credit certificate to the person or  
5 notify the person in writing of its refusal to do so. The tax  
6 credit certificate may be applied against tax owed pursuant to  
7 chapter 422, division II and division III. Each green  
8 building tax credit certificate issued pursuant to this  
9 section shall be allowed for the tax credit allowance year and  
10 for each of the next four succeeding taxable years with  
11 respect to which the person has obtained and filed an  
12 eligibility certificate pursuant to section 473B.3.

13 3. The green building tax credit certificate shall state  
14 all of the following:

15 a. The credit allowance year for which the credit may be  
16 claimed and a description of the property for which  
17 eligibility was granted.

18 b. The certificate's expiration date and shall apply only  
19 to property placed in service by such expiration date. Such  
20 expiration date may be extended at the discretion of the  
21 department, in order to avoid unwarranted hardship.

22 c. The maximum amount of the tax credit allowable for each  
23 of the five taxable years for which the credit is allowed  
24 under section 473B.4.

25 d. The maximum amount of the tax credit allowable in the  
26 aggregate for all credits allowed under section 473B.4.

27 4. The amount of each green building tax credit shall not  
28 exceed the limit set forth in the provisional green building  
29 certificate obtained pursuant to section 473B.3. The  
30 department shall not issue green building tax credit  
31 certificates, in the aggregate, for more than four million  
32 dollars worth of credits pursuant to this chapter in any  
33 fiscal year.

34 5. A person whose application for a green building tax  
35 credit certificate is denied may file an appeal with the

1 department within sixty days from the date of denial pursuant  
2 to the provisions of chapter 17A.

3 6. If the department has reason to believe that an  
4 architect or professional engineer, in making any eligibility  
5 certification under this chapter engaged in professional  
6 misconduct, the department may revoke a provisional green  
7 building certificate or green building tax credit certificate  
8 issued pursuant to this chapter and report the misconduct to  
9 the appropriate professional board or commission.

10 Sec. 15. NEW SECTION. 473B.6 SUCCESSOR OWNER OR TENANT.

11 1. If a green building tax credit is allowed to a building  
12 owner pursuant to this chapter with respect to property, and  
13 such property or an interest therein is sold, the credit for  
14 the period after the sale which would have been allowable  
15 under this chapter to the prior owner had the property not  
16 been sold shall be allowable to the new owner. A tax credit  
17 for the year of sale shall be allocated between the parties on  
18 the basis of the number of days during such year that the  
19 property or interest was held by each.

20 2. If a tax credit is allowed to a tenant pursuant to this  
21 chapter with respect to property, and if such tenancy is  
22 terminated but such property remains in use in the building by  
23 a successor tenant, the tax credit for the period after such  
24 termination which would have been allowable under this chapter  
25 to the prior tenant had the tenancy not been terminated shall  
26 be allowable to the successor tenant. A tax credit for the  
27 year of termination shall be allocated between the parties on  
28 the basis of the number of days during such year that the  
29 property was used by each.

30 3. Notwithstanding any other provision of law to the  
31 contrary, in the case of allowance of a tax credit under this  
32 section to a successor owner or tenant, as provided in  
33 subsection 1 or 2, the department shall have the authority to  
34 reveal to the successor owner or tenant any information, with  
35 respect to the credit of the prior owner or tenant, which is

1 the basis for the denial in whole or in part of the credit  
2 claimed by such successor owner or tenant.

3 Sec. 16. NEW SECTION. 473B.7 RECORDKEEPING.

4 Each person shall, for any taxable year for which the green  
5 building tax credit provided for under this chapter is  
6 claimed, maintain and provide to the department upon request  
7 records of the following information as applicable:

- 8 1. Annual energy consumption for the green whole building,  
9 green base building, or green tenant space.
- 10 2. Annual results of air monitoring, if conducted.
- 11 3. Annual confirmation that the green whole building, base  
12 building, or green tenant space continues to meet requirements  
13 regarding smoking areas, if required.
- 14 4. All written notification of tenants and requests to  
15 remedy any indoor air quality problems.
- 16 5. Initial and annual results of validation of performance  
17 of photovoltaic modules and fuel cells.
- 18 6. Certifications as to off-gassing and other  
19 contamination, if conducted.

20 Sec. 17. NEW SECTION. 473B.8 REPORTING.

21 1. On or before July 1, 2010, the department shall submit  
22 a written report to the governor and the general assembly  
23 regarding all of the following:

- 24 a. The number and value of provisional green building  
25 certificates and green building tax credit certificates issued  
26 under this chapter.
- 27 b. The amount of the green building tax credits redeemed.
- 28 c. The geographical distribution of the provisional green  
29 building certificates and green building tax credit  
30 certificates issued and redeemed.
- 31 d. Any other such available information the department may  
32 deem meaningful and appropriate.

33 2. A preliminary version of the report required by  
34 subsection 1 shall be issued by July 1, 2008.

35 3. The department shall make recommendations regarding the

1 establishment of a permanent green building tax credit  
2 program. Recommendations may include methods to enhance the  
3 effectiveness, simplicity, or other aspects of the program.

4 Sec. 18. NEW SECTION. 473B.9 RULES.

5 1. The department shall, with assistance from the  
6 department of natural resources, adopt rules adopting by  
7 reference the LEED silver rating standard as adopted and  
8 published by the United States green building council  
9 regarding standards for a property to qualify as a green whole  
10 building, green base building, or green tenant space, that is  
11 eligible for a green building tax credit under this chapter.

12 2. The department shall adopt by rule reasonable minimum  
13 standards for fuel cells, photovoltaic modules, and wind  
14 turbines that are eligible for a green building tax credit  
15 under this chapter.

16 3. The department shall adopt additional rules necessary  
17 to administer this chapter.

18 Sec. 19. EMERGENCY RULES. The Iowa utilities board may  
19 adopt emergency rules to implement the sections of this  
20 division of this Act amending chapter 476C.

21 DIVISION II

22 UNIVERSITY-BASED RESEARCH AND DEVELOPMENT

23 IOWA CENTER FOR ADVANCED RENEWABLE ENERGY

24 Sec. 20. NEW SECTION. 266.39G ADVANCED RENEWABLE ENERGY  
25 TECHNOLOGY RESEARCH AND DEVELOPMENT -- APPROPRIATION.

26 1. The Iowa center for advanced renewable energy is  
27 established at the Iowa energy center at Iowa state university  
28 of science and technology to improve the economic and  
29 environmental performance and feasibility of renewable energy  
30 products and production in Iowa. The center shall conduct and  
31 sponsor research for and assist in the commercialization of  
32 cellulose-based ethanol, advanced soy diesel, methane  
33 recapture, and other renewable energy conversion systems that  
34 may reduce the dependence of Iowans on nonrenewable energy,  
35 create jobs and economic growth in Iowa, and reduce the

1 emissions of greenhouse gases.

2 2. The center shall be directed by the director of the  
3 Iowa energy center who shall employ necessary research and  
4 support staff. No more than one hundred fifty thousand  
5 dollars of the moneys made available by appropriation of state  
6 revenues in any one year shall be expended by the center for  
7 advanced renewable energy for the salaries and benefits of the  
8 employees of the center. The remainder of the state moneys  
9 appropriated shall be used to sponsor research grants and  
10 projects submitted on a competitive basis by Iowa colleges and  
11 universities and private nonprofit agencies and foundations.  
12 The center may also solicit additional grants and funding from  
13 public and private nonprofit agencies and foundations.

14 3. There is appropriated from the general fund of the  
15 state each fiscal year for the fiscal period beginning July 1,  
16 2006, and ending June 30, 2011, to the state board of regents  
17 the sum of five million dollars to be used for the Iowa center  
18 for advanced renewable energy. Amounts appropriated pursuant  
19 to this section shall be in addition to, and shall not  
20 replace, funds otherwise appropriated to the state board of  
21 regents. Notwithstanding section 8.33, moneys appropriated in  
22 this section that remain unencumbered or unobligated at the  
23 close of each fiscal year shall not revert but shall remain  
24 available for expenditure for the purposes designated.

25 This section is repealed June 30, 2011.

26 DIVISION III

27 MOTOR VEHICLES

28 FEDERAL ENERGY INCENTIVES PUBLIC EDUCATION

29 Sec. 21. NEW SECTION. 473.45 APPROPRIATION FOR EDUCATION  
30 OF ALTERNATIVE MOTOR VEHICLE TAX CREDIT.

31 There is appropriated from the general fund of the state  
32 each fiscal year for the fiscal period beginning July 1, 2006,  
33 and ending June 30, 2011, to the department of natural  
34 resources the sum of one hundred thousand dollars to be used  
35 for public education of the federal alternative motor vehicles

1 and fuel credit allowed pursuant to section 1341 of the  
2 federal Energy Act of 2005, 26 U.S.C. § 30B. Amounts  
3 appropriated pursuant to this section shall be in addition to,  
4 and shall not replace, funds otherwise appropriated to the  
5 department of natural resources. Notwithstanding section  
6 8.33, moneys appropriated in this section that remain  
7 unencumbered or unobligated at the close of each fiscal year  
8 shall not revert but shall remain available for expenditure  
9 for the purposes designated.

10 This section is repealed June 30, 2011.

11 FUEL-EFFICIENT VEHICLES USE TAX REFUND

12 Sec. 22. NEW SECTION. 423.6A FUEL-EFFICIENT MOTOR  
13 VEHICLES -- REFUND.

14 1. A person who purchases a new motor vehicle may apply to  
15 the department for a refund of a portion of the amount of use  
16 tax imposed and paid at the time of purchase of the new motor  
17 vehicle by the applicant in the amount issued on a tax refund  
18 certificate issued pursuant to section 473.46.

19 2. The refund may be obtained only in the following manner  
20 and under the following conditions:

21 a. On forms furnished by the department and filed by April  
22 30 after the end of the calendar year in which the tax refund  
23 certificate is to be applied, the applicant shall report to  
24 the department the total amount of use tax paid for the new  
25 motor vehicle for which the tax refund certificate was issued  
26 pursuant to section 473.46.

27 b. If required by the department, the applicant shall  
28 prove that the person making the sale has included the amount  
29 thereof in the computation of the sales price of such person  
30 and that such person has paid the tax levied under section  
31 423.5 based upon such computation of the sales price.

32 c. The applicant shall provide the tax refund certificate  
33 issued pursuant to section 473.46 to the department with the  
34 forms required by paragraph "a".

35 3. If satisfied that the foregoing conditions and

1 requirements have been complied with, the department shall  
2 refund the amount claimed by the applicant for an amount not  
3 greater than the amount of tax refunds issued in tax refund  
4 certificates pursuant to section 473.46. The department shall  
5 not issue refunds for an amount more than the amount  
6 appropriated for the refunds in section 423.6B. An  
7 application for a refund under this section received after the  
8 amount of appropriated funds under section 423.6B has been  
9 depleted shall be held by the department until the following  
10 fiscal year at which time the department shall reconsider the  
11 application.

12 Sec. 23. NEW SECTION. 423.6B APPROPRIATION FOR FUEL-  
13 EFFICIENT MOTOR VEHICLE REFUND.

14 There is appropriated from the general fund of the state  
15 each fiscal year for the fiscal period beginning July 1, 2006,  
16 and ending June 30, 2011, to the department of revenue the sum  
17 of five million dollars to be used for fuel-efficient motor  
18 vehicle use tax refunds established under section 423.6A.  
19 Amounts appropriated pursuant to this section shall be in  
20 addition to, and shall not replace, funds otherwise  
21 appropriated to the department of revenue. Notwithstanding  
22 section 8.33, moneys appropriated in this section that remain  
23 unencumbered or unobligated at the close of each fiscal year  
24 shall not revert but shall remain available for expenditure  
25 for the purposes designated.

26 This section is repealed June 30, 2011.

27 Sec. 24. NEW SECTION. 473.46 FUEL-EFFICIENT MOTOR  
28 VEHICLES TAX REFUND -- CERTIFICATE.

29 1. A person who has purchased a new motor vehicle from a  
30 new motor vehicle dealer in this state on or after July 1,  
31 2006, may apply to the department for a refund pursuant to  
32 section 423.6A of use tax paid. If approved by the  
33 department, the amount of the use tax refund shall equal ten  
34 dollars for each mile per gallon that the motor vehicle's  
35 highway gasoline mileage rating averaged for city and highway

1 driving as estimated by the United States environmental  
2 protection agency is above twenty-seven and one-half miles per  
3 gallon but a refund issued shall not be for an amount less  
4 than twenty-five dollars.

5 2. To apply, the person shall submit a completed  
6 application to the department containing all of the following  
7 information:

8 a. A copy of the motor vehicle dealer invoice for the  
9 motor vehicle.

10 b. A copy of a valid Iowa vehicle registration for the  
11 motor vehicle. The name appearing on the vehicle registration  
12 shall be the same name as the name of the purchaser on the  
13 dealer invoice.

14 c. Proof of the vehicle purchase which may include but is  
15 not limited to a copy of the front and back of a canceled  
16 check, the finance agreement, or a dealer invoice indicating a  
17 zero balance due and receipt of payment in full.

18 d. Any other information the department may require.

19 3. If upon receipt of the completed application the  
20 department finds that the person is qualified for a use tax  
21 refund pursuant to section 423.6A and this section, the  
22 department shall calculate the amount of the tax refund for  
23 which the person is eligible and shall issue a tax refund  
24 certificate to the person or notify the person in writing of  
25 its refusal to do so. A person whose application is denied  
26 may file an appeal with the department within sixty days from  
27 the date of denial pursuant to the provision of chapter 17A.

28 4. For the purposes of this section, "motor vehicle" means  
29 the same as defined in section 321.1 but shall not include a  
30 motorcycle, motorized bicycle, snowmobile, or all-terrain  
31 vehicle.

32 5. Once a tax refund certificate is issued pursuant to  
33 this section, the person may apply to the department of  
34 revenue for the use tax refund pursuant to section 423.6A.

35

DIVISION IV

## 1 UTILITY REGULATION

## 2 RENEWABLE ENERGY PRODUCTION STANDARD

3 Sec. 25. Section 476.44, subsection 2, Code 2005, is  
4 amended to read as follows:

5 2. An electric utility subject to this division, except a  
6 utility that elects rate regulation pursuant to section  
7 476.1A, shall not be required to own or purchase ~~at any one~~  
8 ~~time, more than its share of one hundred five megawatts of~~  
9 power at least the following percentages of its total annual  
10 Iowa retail electric sales from alternative energy production  
11 facilities or small hydro facilities at the rates established  
12 pursuant to section 476.43:

13 a. By December 31, 2010, five percent.

14 b. By December 31, 2015, seven percent.

15 c. By December 31, 2020, and annually thereafter, at least  
16 ten percent.

17 ~~The board shall allocate the one hundred five megawatts based~~  
18 ~~upon each utility's percentage of the total Iowa retail peak~~  
19 ~~demand for the year beginning January 1, 1990, of all~~  
20 ~~utilities subject to this section. If a utility undergoes~~  
21 ~~reorganization as defined in section 476.76, the board shall~~  
22 ~~combine the allocated purchases of power for each utility~~  
23 ~~involved in the reorganization.~~

24 ~~Notwithstanding the one hundred five megawatt maximum, the~~  
25 ~~board may increase the amount of power that a utility is~~  
26 ~~required to own or purchase at the rates established pursuant~~  
27 ~~to section 476.43 if the board finds that a utility, including~~  
28 ~~a reorganized utility, exceeds its 1990 Iowa retail peak~~  
29 ~~demand by twenty percent and the additional power the utility~~  
30 ~~is required to purchase will encourage the development of~~  
31 ~~alternate energy production facilities and small hydro~~  
32 ~~facilities. The increase shall not exceed the utility's~~  
33 ~~increase in peak demand multiplied by the ratio of the~~  
34 ~~utility's share of the one hundred five megawatt maximum to~~  
35 ~~its 1990 Iowa retail peak demand.~~

1 ELECTRIC POWER GENERATION AND FOSSIL FUEL USE

2 Sec. 26. Section 476A.6, subsection 3, Code 2005, is  
3 amended to read as follows:

- 4 3. The construction, maintenance, and operation of the  
5 facility will be consistent with reasonable land use and  
6 environmental policies and consonant with reasonable  
7 utilization of air, land, and water resources, considering  
8 ~~available-technology-and-the-economics~~ all of the following:  
9 a. Available technology.  
10 b. Costs of available alternatives.  
11 c. The potential for cogeneration of electricity and heat.  
12 d. The potential for capture or offset of carbon dioxide  
13 emissions.  
14 e. Depletion of fossil fuel resources.  
15 f. Financial protection of Iowans in the event of future  
16 federal greenhouse gas regulations.  
17 g. The greenhouse gas reduction goals in section 473.51.

18 DIVISION V

19 CONSERVATION AND EDUCATION

20 LOW-INCOME WEATHERIZATION

21 Sec. 27. NEW SECTION. 216A.100 APPROPRIATION - LOW-  
22 INCOME HOME ENERGY ASSISTANCE.

23 There is appropriated from the general fund of the state  
24 each fiscal year for the fiscal period beginning July 1, 2006,  
25 and ending June 30, 2011, to the division of community action  
26 agencies of the department of human rights the sum of two  
27 million dollars to be used for residential weatherization or  
28 other related home repairs for low-income households. Amounts  
29 appropriated pursuant to this section shall be in addition to,  
30 and shall not replace, funds otherwise appropriated to the  
31 department of human rights. Notwithstanding section 8.33,  
32 moneys appropriated in this section that remain unencumbered  
33 or unobligated at the close of each fiscal year shall not  
34 revert but shall remain available for expenditure for the  
35 purposes designated.

1 This section is repealed June 30, 2011.

2 Sec. 28. Section 216A.101, Code 2005, is amended to read  
3 as follows:

4 216A.101 EMERGENCY WEATHERIZATION FUND.

5 1. The division of community action agencies of the  
6 department of human rights shall identify all participants in  
7 the low-income home energy assistance program ~~for the 1987-~~  
8 ~~1988~~ each winter heating season whose household income was  
9 less than seventy-five percent of the poverty level.

10 2. The division shall conduct within each community action  
11 agency an inventory of the residences of these individuals to  
12 determine the number of residences eligible for weatherization  
13 under the two programs currently administered by the division  
14 but which will not be weatherized in the next twelve months  
15 due to the current priorities imposed by the federal programs.

16 3. One and one-half percent of the total amount of funds  
17 appropriated ~~by 1988 Iowa Acts, chapter 1280,~~ each fiscal year  
18 to the division of community action agencies ~~for the fiscal~~  
19 ~~year beginning October 1, 1987,~~ for the low-income home energy  
20 assistance block grants, shall be expended by the division for  
21 the operation of the program under this section. The one and  
22 one-half percent shall be taken from those funds to be used  
23 for low-income residential weatherization or other related  
24 home repairs for low-income households; however, no less than  
25 ten percent of the total amount of funds appropriated for the  
26 low-income home energy assistance block grants shall be  
27 expended by the division for other low-income residential  
28 weatherization or related home repairs for low-income  
29 households.

30 4. The division shall allocate the available funds among  
31 the nineteen community action agencies and shall establish  
32 weatherization goals for each agency based upon the inventory  
33 in subsection 2 ~~of this section~~. The division shall give  
34 priority to weatherizing these residences.

35 5. In consultation with the Iowa utilities board the

1 division may adopt by rule criteria for eligibility for  
2 weatherization assistance by fee for households with income  
3 that exceeds one hundred percent of the federal poverty level  
4 and for owners of rental housing subject to chapter 562A.  
5 Fees for weatherization pursuant to this subsection shall be  
6 established on a sliding scale based on family income and  
7 size.

8 5. 6. The division shall submit a report to the general  
9 assembly on each year by February 17-1989. The report shall  
10 include the number of residences identified as eligible for  
11 weatherization in this project for the last winter heating  
12 season, the number of residences weatherized from July-17  
13 1987-to-December-31-1988, the average cost per dwelling  
14 weatherized, and the range of costs for individual  
15 weatherizations. In addition, the report shall include the  
16 department's recommendation for a program to complete the  
17 weatherization of the remaining residences in this category.  
18 The report shall ~~also~~ include an inventory of the number of  
19 residences not weatherized for the 1987-1988 participants  
20 whose household incomes fall between seventy-five percent and  
21 one hundred percent of the poverty level. The report shall  
22 also include the number of residences identified as eligible  
23 for weatherization based on a sliding fee scale pursuant to  
24 subsection 5, the number of residences weatherized based on a  
25 fee, and the amount of fees collected for such  
26 weatherizations.

27 COMMUNITY ENERGY CONSERVATION PLANS

28 Sec. 29. NEW SECTION. 476.64 COMMUNITY ENERGY  
29 CONSERVATION PLAN PROGRAM.

30 The board, with assistance from the Iowa energy center  
31 established pursuant to section 266.39C, shall establish a  
32 program to provide financial and technical assistance to  
33 communities to prepare and adopt community energy conservation  
34 plans to reduce the consumption of natural gas and electricity  
35 in the community. A plan may provide for public education,

1 weatherization, volunteer participation, and specific energy  
2 conservation improvements by residential property owners,  
3 local businesses, and institutions. A plan may utilize  
4 available utility energy efficiency programs under section  
5 476.6, subsection 16. A plan shall provide for the  
6 measurement of consumption of energy and provide for public  
7 reporting of results of the implementation of the plan. A  
8 plan shall be submitted to the board pursuant to requirements  
9 adopted by the board by rule.

10 Sec. 30. NEW SECTION. 476.65 APPROPRIATION -- COMMUNITY  
11 ENERGY CONSERVATION PLAN PROGRAM.

12 There is appropriated from the general fund of the state  
13 each fiscal year for the fiscal period beginning July 1, 2006,  
14 and ending June 30, 2011, to the utilities division of the  
15 department of commerce the sum of five hundred thousand  
16 dollars to be used for the community energy conservation plan  
17 program established in section 476.64. Amounts appropriated  
18 pursuant to this section shall be in addition to, and shall  
19 not replace, funds otherwise appropriated to the department of  
20 commerce. Notwithstanding section 8.33, moneys appropriated  
21 in this section that remain unencumbered or unobligated at the  
22 close of each fiscal year shall not revert but shall remain  
23 available for expenditure for the purposes designated.

24 This section is repealed June 30, 2011.

25 ENERGY CONSERVATION TRAINING

26 Sec. 31. Section 216A.96, Code 2005, is amended by adding  
27 the following new subsection:

28 NEW SUBSECTION. 5. Provide free energy management and  
29 conservation training to recipients of assistance under  
30 section 476.66. An agency may also provide energy management  
31 and conservation training to other members of the public for a  
32 fee as established by rule by the commission.

33 Sec. 32. NEW SECTION. 216A.96A APPROPRIATION -- ENERGY  
34 CONSERVATION TRAINING.

35 There is appropriated from the general fund each of the

1 state fiscal year for the fiscal period beginning July 1,  
2 2006, and ending June 30, 2011, to the division of community  
3 action agencies of the department of human rights the sum of  
4 three hundred thousand dollars to be used for energy  
5 conservation training under section 216A.96, subsection 5.  
6 Amounts appropriated pursuant to this section shall be in  
7 addition to, and shall not replace, funds otherwise  
8 appropriated to the department of human rights.

9 Notwithstanding section 8.33, moneys appropriated in this  
10 section that remain unencumbered or unobligated at the close  
11 of each fiscal year shall not revert but shall remain  
12 available for expenditure for the purposes designated.

13 This section is repealed June 30, 2011.

14 Sec. 33. Section 476.66, Code 2005, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 5A. As a condition of receiving  
17 assistance pursuant to this section, a person shall  
18 participate in energy management and conservation training  
19 offered by a community action agency pursuant to section  
20 216A.96, subsection 5, unless waived for cause by the  
21 utilities board.

22 STATE BUILDING CODE EFFICIENCY ENFORCEMENT

23 Sec. 34. NEW SECTION. 103A.27 APPROPRIATION -- ENERGY-  
24 EFFICIENCY EDUCATION.

25 There is appropriated from the general fund of the state  
26 each fiscal year for the fiscal period beginning July 1, 2006,  
27 and ending June 30, 2011, to the office of the state fire  
28 marshal of the department of public safety the sum of two  
29 hundred thousand dollars to be used to provide public  
30 education and enforcement of energy-efficiency requirements of  
31 the state building code. Amounts appropriated pursuant to  
32 this section shall be in addition to, and shall not replace,  
33 funds otherwise appropriated to the department of public  
34 safety. Notwithstanding section 8.33, moneys appropriated in  
35 this section that remain unencumbered or unobligated at the

1 close of each fiscal year shall not revert but shall remain  
2 available for expenditure for the purposes designated.

3 This section is repealed June 30, 2011.

4 RENEWABLE ENERGY EDUCATION GRANTS

5 Sec. 35. NEW SECTION. 473.47 RENEWABLE ENERGY EDUCATION  
6 GRANTS.

7 1. The department of natural resources shall establish and  
8 administer a renewable energy education grant program to  
9 educate the public about the environmental benefits of energy-  
10 efficient design and technology and the generation of  
11 electricity through biomass conversion facilities, methane gas  
12 recovery facilities, and other renewable energy conversion  
13 systems in this state.

14 2. A renewable energy education fund is created in the  
15 office of the treasurer of state to be administered by the  
16 department of natural resources. The fund shall include  
17 moneys appropriated or otherwise directed to the fund.  
18 Section 8.33 shall not apply to the moneys in the fund.

19 3. Any person residing in this state, a nonpublic school  
20 or public school district, or an institution of higher  
21 learning located in this state may apply to the department of  
22 natural resources for a grant under this section by filing a  
23 completed application as directed by the department of natural  
24 resources.

25 4. A grant of funds issued pursuant to this section shall  
26 be used only for projects directly providing education to the  
27 public concerning the environmental benefits of energy-  
28 efficient design and technology and the generation of  
29 electricity through biomass conversion facilities, methane gas  
30 recovery facilities, and other renewable energy conversion  
31 systems in this state.

32 Sec. 36. NEW SECTION. 473.48 APPROPRIATION -- RENEWABLE  
33 ENERGY EDUCATION GRANTS.

34 There is appropriated from the general fund of the state  
35 each fiscal year for the fiscal period beginning July 1, 2006,

1 and ending June 30, 2011, to the renewable energy education  
2 fund established in section 473.47 the sum of two hundred  
3 thousand dollars to be used for the purposes described in  
4 section 473.47. Amounts appropriated pursuant to this section  
5 shall be in addition to, and shall not replace, funds  
6 otherwise appropriated to the department of natural resources.  
7 Notwithstanding section 8.33, moneys appropriated in this  
8 section that remain unencumbered or unobligated at the close  
9 of each fiscal year shall not revert but shall remain  
10 available for expenditure for the purposes designated.

11 This section is repealed June 30, 2011.

12 SOLAR ENERGY SYSTEMS SALES TAX EXEMPTION

13 Sec. 37. Section 423.3, Code Supplement 2005, is amended  
14 by adding the following new subsection:

15 NEW SUBSECTION. 89. The sales price of the sale of a  
16 solar energy system designed to provide thermal energy for the  
17 purpose of heating water or providing electrical power, the  
18 alternative to which would require the use of a conventional  
19 source of energy, such as petroleum products, natural gas,  
20 manufactured gas, or electricity.

21 a. A solar thermal system for water heating is not  
22 eligible for the exemption established by this subsection  
23 unless it is rated and certified by the solar rating and  
24 certification corporation, or another entity that rates and  
25 certifies complete solar systems.

26 b. A photovoltaic system is not eligible for the exemption  
27 established by this subsection unless it meets all applicable  
28 safety and performance standards established by the national  
29 electrical code, the institute of electrical and electronics  
30 engineers, and accredited testing laboratories, such as  
31 underwriters laboratories.

32 c. Only a complete solar energy system designed to provide  
33 thermal energy or electrical power may be eligible for this  
34 exemption, and spare or replacement parts or individual  
35 components are not eligible. For purposes of this paragraph,

1 a complete solar energy system includes all solar collectors,  
2 piping, wiring, pumps, controls, power conditioning equipment,  
3 thermal or battery storage, and other components as required  
4 for a complete and fully functioning system, which may be sold  
5 as a separate package without installation labor or as part of  
6 an installed system.

7 d. Conventional heating, pumping, wiring, or control  
8 equipment, such as a conventional water heater or internal  
9 building wiring, that could function independently in the  
10 intended application in the absence of a solar system, is not  
11 eligible for the exemption established by this subsection.

12 Sec. 38. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY. The  
13 section of this Act amending section 423.3 by enacting a new  
14 subsection 89 relating to solar energy systems, being deemed  
15 of immediate importance, takes effect upon enactment and is  
16 retroactively applicable to February 7, 2006.

17 DIVISION VI

18 CLIMATE AND ENVIRONMENT

19 CLIMATE CHANGE ADVISORY COUNCIL

20 Sec. 39. NEW SECTION. 473.49 ADVISORY COUNCIL ON CLIMATE  
21 CHANGE.

22 1. A state advisory council on climate change is created.  
23 The council shall consist of nine members appointed by the  
24 governor for three-year staggered terms. Members shall be  
25 eligible for reappointment. The members shall have an  
26 interest or experience in a field of research or an activity  
27 that relates to issues concerning greenhouse gas emissions or  
28 climatic change and represent at least one of the following  
29 areas or groups:

- 30 a. Transportation industry and regulators.  
31 b. Utility industry and regulators.  
32 c. Private industry.  
33 d. Agriculture industry and regulators.  
34 e. Faith.  
35 f. Environmental.

- 1 g. Higher education.
- 2 2. The director of the department of natural resources  
3 shall serve as chair of the council. The department of  
4 natural resources is the primary agency responsible for  
5 providing administrative personnel and services for the  
6 council.
- 7 3. The council shall meet at least two times annually and  
8 at the call of the chair. Members of the council shall serve  
9 without compensation but may receive their actual expenses  
10 incurred in the performance of their duties.
- 11 4. The objectives of the council shall include all of the  
12 following:
- 13 a. Serve as the central advisory body for climate change  
14 to the governor and general assembly of this state.
- 15 b. Serve as a coordinating body to facilitate cooperation  
16 among private industries and citizens, and regulatory agencies  
17 within the state on issues related to climate change.
- 18 c. Provide the most accurate climate information to the  
19 citizens of Iowa.
- 20 d. Identify the research and assessment needs regarding  
21 climate change for colleges and universities and private  
22 business in this state.
- 23 e. Interact with local schools, colleges and universities,  
24 and with other teaching community organizations on different  
25 aspects of climate change.
- 26 f. Investigate the effects of climatic changes on human  
27 health, agriculture, and natural resources, and develop  
28 forecasts that assist in resource management.
- 29 g. Evaluate current greenhouse gas mitigation projects and  
30 programs of the state and identify opportunities and  
31 prioritize measures for greenhouse gas mitigation.
- 32 h. Assess current information regarding sources of  
33 greenhouse gas emissions attributable to Iowa and develop  
34 additional measures if appropriate.
- 35 5. The council shall provide a report to the general

1 assembly of the council's findings and recommendations each  
2 year by December 1.

3 Sec. 40. NEW SECTION. 473.50 APPROPRIATION -- STATE  
4 ADVISORY COUNCIL ON CLIMATE CHANGE.

5 There is appropriated from the general fund of the state  
6 each fiscal year for the fiscal period beginning July 1, 2006,  
7 and ending June 30, 2011, to the department of natural  
8 resources the sum of one hundred thousand dollars to be used  
9 for the establishment and support of the state advisory  
10 council on climate change established in section 473.49.  
11 Amounts appropriated pursuant to this section shall be in  
12 addition to, and shall not replace, funds otherwise  
13 appropriated to the department of natural resources.  
14 Notwithstanding section 8.33, moneys appropriated in this  
15 section that remain unencumbered or unobligated at the close  
16 of each fiscal year shall not revert but shall remain  
17 available for expenditure for the purposes designated.

18 This section is repealed June 30, 2011.

19 EMISSIONS REDUCTIONS GOALS

20 Sec. 41. NEW SECTION. 473.51 EMISSION REDUCTION GOALS.

21 It shall be the goal of the state to reduce emissions of  
22 greenhouse gases in order to make an appropriate contribution  
23 to achieving the national and international goals of reducing  
24 emissions of greenhouse gases to or under those levels emitted  
25 in the year 1990. This state's goal shall be to reduce the  
26 per capita greenhouse gas emissions to not less than the per  
27 capita emissions in the year 1990 by the year 2020. The state  
28 advisory council on climate change established in section  
29 473.49 may establish a goal for reducing per capita greenhouse  
30 gas emissions below the level from the year 1990 for other  
31 dates as the council determines to be appropriate.

32 CLIMATE CHANGE MONITORING COLLABORATIVE

33 Sec. 42. NEW SECTION. 473.52 CLIMATE CHANGE MONITORING  
34 COLLABORATIVE.

35 A climate change monitoring collaborative is created. The

1 collaborative shall be coordinated by the center for global  
2 and regional environmental research at the university of Iowa.  
3 Other members of the collaborative shall include  
4 representatives from the university of northern Iowa, Iowa  
5 state university of science and technology, the department of  
6 agriculture and land stewardship, and the department of  
7 natural resources. The purpose of the collaboration is to  
8 cooperatively monitor and predict climatic changes in Iowa  
9 that may affect persons, animals, plants, industry, or the  
10 economy of this state.

11 Sec. 43. NEW SECTION. 473.53 APPROPRIATION -- CLIMATE  
12 CHANGE MONITORING COLLABORATIVE.

13 There is appropriated from the general fund of the state  
14 each fiscal year for the fiscal period beginning July 1, 2006,  
15 and ending June 30, 2011, to the state board of regents the  
16 sum of one hundred thousand dollars to be used for the  
17 coordination of the climate change monitoring collaborative  
18 created in section 473.52. Amounts appropriated pursuant to  
19 this section shall be in addition to, and shall not replace,  
20 funds otherwise appropriated to the state board of regents.  
21 Notwithstanding section 8.33, moneys appropriated in this  
22 section that remain unencumbered or unobligated at the close  
23 of each fiscal year shall not revert but shall remain  
24 available for expenditure for the purposes designated.

25 This section is repealed June 30, 2011.

26 CARBON SEQUESTRATION REGISTRY

27 Sec. 44. NEW SECTION. 159B.1 TITLE.

28 This chapter shall be known and may be cited as the "Iowa  
29 Carbon Sequestration Registry Act".

30 Sec. 45. NEW SECTION. 159B.2 DEFINITIONS.

31 As used in this chapter, unless the context otherwise  
32 requires:

33 1. "Carbon sequestration results" means the participant's  
34 applicable data on the removal of carbon dioxide from the  
35 atmosphere by sinks resulting from any of the following:

- 1 a. Direct human-induced land use change or forestry  
2 activities in this state.
- 3 b. Additional human-induced activities in this state  
4 related to removal by sinks in land use change and forestry  
5 categories.
- 6 c. Additional human-induced activities in this state  
7 related to removal by sinks in agricultural soils.
- 8 d. Additional human-induced activities in this state  
9 related to removals by sinks in products in use from harvested  
10 timber or agricultural crops.
- 11 e. Other human-induced activities in this state related to  
12 removals by sinks.
- 13 2. "Certification" means the determination of whether a  
14 given participant's carbon sequestration result has met a  
15 minimum quality standard and complied with an appropriate set  
16 of approved procedures and protocols for submitting carbon  
17 sequestration information.
- 18 3. "Department" means the department of agriculture and  
19 land stewardship.
- 20 4. "Forest" means lands that support, or can support, at  
21 least ten percent tree canopy cover and that allow for  
22 management of one or more forest resources including but not  
23 limited to timber, fish and wildlife, biodiversity, water  
24 quality, air quality, soil conservation, recreation,  
25 aesthetics, or other benefits.
- 26 5. "Greenhouse gases" means carbon dioxide, methane,  
27 nitrous oxide, hydrofluorocarbons, perfluorocarbons, and  
28 sulfur hexafluoride.
- 29 6. "Native forest" means a forest type, natural or  
30 artificially regenerated, composed of any one or more tree  
31 species identified as native to this state by the department  
32 in consultation with the department of natural resources  
33 including without limitation improved stock of such tree  
34 species developed through breeding programs.
- 35 7. "Participant" or "registry participant" means a

1 registrant of carbon sequestration results with the registry.

2 8. "Registry" means the carbon sequestration registry  
3 established by section 159B.3.

4 9. "Secretary" means the secretary of agriculture.

5 10. "Sink" means an ecosystem or crop or product thereof  
6 that absorbs or has absorbed carbon, thereby removing it from  
7 the atmosphere and offsetting emissions of carbon dioxide.

8 Sec. 46. NEW SECTION. 159B.3 ESTABLISHMENT OF REGISTRY.

9 1. A voluntary carbon sequestration registry is  
10 established in the department for the purpose described in  
11 section 159B.4.

12 2. The department may contract with another agency or  
13 designate a third party to operate and maintain a statewide  
14 uniform automated electronic information system for the  
15 purpose of the carbon sequestration registry. In furtherance  
16 of such purpose, the department shall have the ability to  
17 enter into contracts with any person that the department deems  
18 necessary to establish and maintain the registry.

19 Sec. 47. NEW SECTION. 159B.4 PURPOSE OF REGISTRY.

20 The purpose of the carbon sequestration registry shall be  
21 to do all of the following:

22 1. Encourage voluntary actions to reduce greenhouse gas  
23 emissions.

24 2. Enable participants to voluntarily record carbon  
25 sequestrations made on or after January 1, 1990, or such other  
26 beginning date as may be established by rule of the  
27 department, in a consistent format that is certified.

28 3. Ensure that sources in the state receive appropriate  
29 consideration for certified carbon sequestration results under  
30 any future federal or international regulatory regime relating  
31 to greenhouse gas emissions.

32 4. Recognize, publicize, and promote participants in the  
33 registry.

34 5. Recruit broad participation in the process from all  
35 economic sectors and regions of the state.

1 6. Promote economic opportunities associated with carbon  
2 credit trading or other marketing of environmental services.

3 Sec. 48. NEW SECTION. 159B.5 DUTIES OF THE DEPARTMENT.

4 1. To implement and maintain the registry established  
5 pursuant to section 159B.3, the department shall have the  
6 following powers and duties in addition to those otherwise  
7 provided by law:

8 a. To establish such registration and transaction fees to  
9 be charged and collected by the department or the department's  
10 designee.

11 b. To manage, control, and direct such funds as are  
12 remitted to the department and the expenditures made  
13 therefrom.

14 c. To distribute the funds at the discretion of the  
15 department in such manner and subject to such terms and  
16 limitations as the department in its discretion determines  
17 will best further the public purpose of the registry.

18 d. To exercise all other powers necessary for maintenance  
19 of the electronic information system for the registry.

20 2. The department, in consultation with the department of  
21 natural resources and the center for global and regional  
22 environmental research at the university of Iowa, shall adopt  
23 rules specifying acceptable types of carbon sequestration  
24 results and providing procedures and protocols for the  
25 monitoring, estimating, calculating, reporting, and  
26 certification of carbon sequestration results for purposes of  
27 participation in the registry. The rules adopted shall be  
28 based on forest management practices within a defined project  
29 area that meet or exceed the best management practices for  
30 forestry as determined by the department of natural resources.  
31 The rules adopted shall reflect the amount of time that net  
32 carbon gains are stored and shall maintain and promote native  
33 forests.

34 The department shall consider the availability and  
35 suitability of simplified techniques and tools when adopting

1 procedures and protocols for the certification of carbon  
2 sequestration results.

3 The procedures and protocols adopted by the department  
4 shall include a uniform format for reporting carbon  
5 sequestration results to facilitate their recognition in any  
6 future regulatory regime.

7 3. The department shall qualify third-party organizations  
8 that have the capability to certify reported baseline carbon  
9 sequestration results and that are capable of certifying the  
10 participant-reported results as provided in this division.

11 4. The department shall encourage organizations and  
12 individuals from various sectors of the state's economy, and  
13 those from various geographic regions of the state, to report  
14 carbon sequestration results.

15 Sec. 49. NEW SECTION. 159B.6 PROCEDURES ADOPTED.

16 The procedures and protocols for monitoring, estimating,  
17 calculating, reporting, and certifying carbon sequestration  
18 results established by, or approved pursuant to, this chapter  
19 shall be the only procedures and protocols recognized by the  
20 state for the purposes of the registry as described in section  
21 159B.3.

22 Sec. 50. NEW SECTION. 159B.7 VOLUNTARY PARTICIPATION.

23 Participation in the registry shall be voluntary, and  
24 participants may withdraw from the registry at any time.

25 Sec. 51. NEW SECTION. 159B.8 PARTICIPANT REQUIREMENTS.

26 1. Participants shall initially report their certified  
27 carbon sequestration results for the most recent year for  
28 which the participants have complete data as specified in this  
29 chapter. Participants that have complete data for earlier  
30 years that can be certified may establish their baseline as  
31 any year beginning on or after January 1, 1990, or such other  
32 beginning date as may be established by rule of the  
33 department. After establishing baseline results, participants  
34 shall report the certified carbon sequestration results in  
35 each subsequent year in order to show changes with respect to

1 the participant's baseline year. The department may allow  
2 participants to report carbon sequestration results without  
3 establishing a baseline for such results or for emissions as  
4 adopted by rule. Certified carbon sequestration results  
5 reported to the registry by a participant shall be credited in  
6 carbon mass units to an account established for the  
7 participant in the registry.

8 2. Registry credits for certified carbon sequestration  
9 results may be sold, purchased, or otherwise transferred in  
10 whole or in part without any regard to or effect on or being  
11 affected by ownership of other personal property or any real  
12 property, and such credits may be retained in whole or in part  
13 without any regard to or effect on or being affected by any  
14 sale, purchase, or other transfer of other personal property  
15 or any real property.

16 3. In addition to annual reports submitted pursuant to  
17 subsection 1, participants shall report to the registry any  
18 sales, purchases, or other transfers of registry credits for  
19 certified carbon sequestration results, in whole or in part,  
20 within thirty days after the completion of such transaction,  
21 and participants' registry accounts shall be updated to  
22 reflect such transfers.

23 4. A participant in the registry shall be a person, city,  
24 county, or state agency.

25 5. Reports to the registry by participants shall be filed  
26 with the department or its designated agent.

27 Sec. 52. NEW SECTION. 159B.9 FORMS.

28 To support the estimation, calculation, reporting, and  
29 certification of carbon sequestration results in a consistent  
30 format, the department shall adopt standardized forms that all  
31 participants shall use to calculate, report, and certify  
32 emissions results.

33 Sec. 53. NEW SECTION. 159B.10 CERTIFICATION OF RESULTS.

34 1. Participants registering baseline carbon sequestration  
35 results in the registry shall provide certification of their

1 methodologies and results as required by the department. The  
2 department may, upon recommendation of the secretary,  
3 following a public hearing, adopt simplified procedures to  
4 certify carbon sequestration results as appropriate.

5 Participants shall follow department-approved procedures and  
6 protocols in determining carbon sequestration results and  
7 supply the quantity and quality of information necessary to  
8 allow an independent certification of the baseline results  
9 reported.

10 2. The department shall provide a list of third-party  
11 organizations recognized as competent to certify carbon  
12 sequestration results and approved pursuant to section  
13 159B.11. The department shall reopen the qualification  
14 process periodically in order for new organizations to be  
15 added to the approved list.

16 3. Where required for certification, the third-party  
17 organizations conducting the certification shall do all of the  
18 following:

19 a. Evaluate whether the participant has a program,  
20 consistent with department-approved procedures and protocols,  
21 in place for preparation and submittal of the information  
22 reported under this chapter.

23 b. Check, during certification, the reasonableness of the  
24 carbon sequestration information being reported for a random  
25 sample of estimates or calculations.

26 c. Summarize its review in a report to the board of  
27 directors, or equivalent governing body, of the participating  
28 legal entity or to the participating natural person, attesting  
29 to the existence of a program that is consistent with  
30 department-approved procedures and protocols and the  
31 reasonableness of the reported carbon sequestration results  
32 and noting any exceptions, omissions, limitations, or other  
33 qualifications to their representations.

34 4. To ensure the integrity and constant improvement of the  
35 registry program, the department shall perform on a random

1 basis an occasional review and evaluation of participants'  
2 carbon sequestration reporting, certifications, and the  
3 reasonableness of the information being reported for analysis  
4 of estimates or calculations. The secretary shall report any  
5 findings in writing. The secretary shall include a summary of  
6 these findings in the biennial report to the governor and the  
7 general assembly required by section 159B.12.

8 Sec. 54. NEW SECTION. 159B.11 CERTIFICATION BY THIRD-  
9 PARTY ORGANIZATIONS.

10 1. The department shall develop a process for qualifying  
11 third-party organizations recognized by the state as competent  
12 to certify the carbon sequestration results of the types of  
13 natural persons or legal entities that participate in the  
14 registry, by doing all of the following:

15 a. In consultation with the department of natural  
16 resources and the center for global and regional environmental  
17 research, developing a list of the minimum technical and  
18 organizational capabilities and other qualification standards  
19 that approved third-party organizations shall meet. Those  
20 qualifications shall include the ability to sign an opinion  
21 letter, for which they may be held financially at risk, and  
22 certifying the participant-reported carbon sequestration  
23 results as provided in this chapter.

24 b. Publicizing an applications process or otherwise  
25 encouraging interested organizations to submit their  
26 qualifications for review.

27 c. Evaluating applicant organizations according to the  
28 list of qualifications described in paragraph "a".

29 d. Determining specific third-party organizations as  
30 qualified to certify participants' actual carbon sequestration  
31 results in accordance with this chapter.

32 e. Periodically updating the list of approved third-party  
33 organizations by doing any of the following:

34 (1) Reviewing the capabilities of approved organizations.

35 (2) Reviewing applications of organizations seeking to

1 become approved.

2 (3) Determining specific organizations to be added to or  
3 removed from the approved list.

4 2. The department shall occasionally, and on a random  
5 basis, provide for department employees to accompany third-  
6 party organizations on scheduled visits to observe and  
7 evaluate, during any certification visit, both the following:

8 a. Whether the participant has a program, consistent with  
9 department-approved procedures and protocols, in place for the  
10 preparation and submittal of the information required under  
11 this chapter.

12 b. The reasonableness of the carbon sequestration  
13 information being reported for a sample of estimates or  
14 calculations.

15 3. The department shall review future international or  
16 federal programs related to greenhouse gas emissions and make  
17 reasonable efforts to promote consistency between the state  
18 registry program and these programs and to reduce the  
19 reporting burden on participants.

20 Sec. 55. NEW SECTION. 159B.12 REPORTING REQUIREMENTS.

21 Not later than July 1, 2008, and biennially thereafter, the  
22 secretary shall report to the governor and the general  
23 assembly on the number of participants in the registry, the  
24 amounts of carbon sequestered by those participants, and ways  
25 to make the registry more workable for participants that are  
26 consistent with the goals and intent of this chapter.

27 Sec. 56. NEW SECTION. 159B.13 APPROPRIATION OF FEES.

28 All fees and charges collected by the department pursuant  
29 to this chapter are appropriated to the department to offset  
30 the costs of administering and maintaining the electronic  
31 information system for the registry.

32 Sec. 57. NEW SECTION. 159B.14 RULES.

33 The department, with assistance from the department of  
34 natural resources and the center for global and regional  
35 environmental research, shall adopt such necessary and

1 reasonable rules to administer and carry out the duties  
2 prescribed in this chapter.

3 Sec. 58. NEW SECTION. 159B.15 APPROPRIATION -- IOWA  
4 CARBON SEQUESTRATION REGISTRY.

5 There is appropriated from the general fund of the state  
6 each fiscal year for the fiscal period beginning July 1, 2006,  
7 and ending June 30, 2011, to the department of agriculture and  
8 land stewardship the sum of two hundred thousand dollars to be  
9 used for the establishment and administration of the Iowa  
10 carbon sequestration registry established in section 159B.3.  
11 Amounts appropriated pursuant to this section shall be in  
12 addition to, and shall not replace, funds otherwise  
13 appropriated to the department of agriculture and land  
14 stewardship. Notwithstanding section 8.33, moneys  
15 appropriated in this section that remain unencumbered or  
16 unobligated at the close of each fiscal year shall not revert  
17 but shall remain available for expenditure for the purposes  
18 designated.

19 This section is repealed June 30, 2011.

20 DIVISION VII  
21 PUBLIC BUILDINGS AND SCHOOLS  
22 STATE AGENCY ENERGY CONSERVATION

23 Sec. 59. NEW SECTION. 473.14 APPROPRIATION -- STATE  
24 AGENCY ENERGY CONSERVATION.

25 There is appropriated from the general fund of the state  
26 each fiscal year for the fiscal period beginning July 1, 2006,  
27 and ending June 30, 2011, to the state of Iowa facilities  
28 improvement corporation established by the department of  
29 natural resources the sum of one hundred thousand dollars to  
30 be used to carry out the recommendations of Executive Order  
31 Number Forty-one issued April 22, 2005. Amounts appropriated  
32 pursuant to this section shall be in addition to, and shall  
33 not replace, funds otherwise appropriated to the department of  
34 natural resources. Notwithstanding section 8.33, moneys  
35 appropriated in this section that remain unencumbered or

1 unobligated at the close of each fiscal year shall not revert  
2 but shall remain available for expenditure for the purposes  
3 designated.

4 This section is repealed June 30, 2011.

5 RENEWABLE ENERGY GRANTS FOR SCHOOLS

6 Sec. 60. NEW SECTION. 476.48 RENEWABLE ENERGY FOR  
7 SCHOOLS GRANT PROGRAM.

8 1. The Iowa energy center created under section 266.39C  
9 shall establish and administer a renewable energy for schools  
10 grant program to assist schools in this state in installing  
11 renewable energy systems to provide electricity and  
12 educational opportunities to students in this state.

13 2. A renewable energy for schools grant fund is created in  
14 the office of the treasurer of state to be administered by the  
15 Iowa energy center. The fund shall include moneys  
16 appropriated or otherwise directed to the fund. Section 8.33  
17 shall not apply to the moneys in the fund.

18 3. A school board or authorities in charge of a nonpublic  
19 school may apply to the Iowa energy center for a grant under  
20 this section if all of the following apply:

21 a. The school board or authorities file a completed  
22 application with the Iowa energy center as directed by the  
23 Iowa energy center that includes all of the following:

24 (1) Written approval and agreement by the school board or  
25 authorities to accept funds granted under this section and  
26 utilize funds granted only as provided in this section.

27 (2) A description of the renewable energy system to be  
28 installed and an estimate of the costs of the renewable energy  
29 equipment, delivery, installation, and technical assistance.

30 (3) A plan to finance future maintenance to the renewable  
31 energy system purchased pursuant to this section.

32 (4) Information concerning existing costs of electricity  
33 for the school.

34 (5) An estimate of the cost savings the installation of  
35 the proposed renewable energy system may have for the school.

1 (6) Any other information the Iowa energy center deems  
2 necessary.

3 b. The school board or authorities designate a liaison or  
4 responsible party who is an employee of the school to  
5 coordinate with the Iowa energy center regarding the  
6 application.

7 c. The school board or authorities agree to integrate  
8 renewable energy education into the curriculum of the school.

9 4. The Iowa energy center may approve up to ten  
10 applications per fiscal year beginning July 1, 2007, but shall  
11 not approve more than one million dollars in grants in any  
12 fiscal year. The Iowa energy center shall give priority to  
13 schools based on timeliness of application, the adequacy of  
14 the plan regarding future maintenance, the general financial  
15 need of the school based on existing costs of electricity of  
16 the school and the cost savings that could result from  
17 installation, and whether the school board has an agreement or  
18 letter of support from an electric utility regarding the sale  
19 of excess electricity generated by the proposed renewable  
20 energy system.

21 5. A grant issued to a school pursuant to this section  
22 shall only be used for the purchase of solar energy conversion  
23 system equipment, wind energy conversion system equipment, and  
24 expenses incurred for delivery and installation of such  
25 equipment including technical assistance.

26 6. A school receiving a grant pursuant to this section may  
27 sell or otherwise transfer excess electricity that is  
28 generated by the renewable energy system that is beyond the  
29 needs of the school.

30 7. As used in this section, unless the context otherwise  
31 requires:

32 a. "Renewable energy system" means either a solar energy  
33 system or a wind energy conversion system.

34 b. "School" means a public or nonpublic school or that  
35 portion of a public or nonpublic school that provides teaching

1 for any grade from kindergarten through grade twelve.

2 c. "Solar energy conversion system" means a system that  
3 collects and converts incident solar radiation into energy to  
4 generate electricity.

5 d. "Wind energy conversion system" means a system that  
6 collects and converts wind into energy to generate  
7 electricity.

8 Sec. 61. NEW SECTION. 476.48A APPROPRIATION -- RENEWABLE  
9 ENERGY FOR SCHOOLS.

10 There is appropriated from the general fund of the state  
11 each fiscal year for the fiscal period beginning July 1, 2006,  
12 and ending June 30, 2011, to the Iowa energy center  
13 established pursuant to 266.39C the sum of one million dollars  
14 to be used for the renewable energy for schools grant program  
15 established in section 476.48. Amounts appropriated pursuant  
16 to this section shall be in addition to, and shall not  
17 replace, funds otherwise appropriated to the state board of  
18 regents. Notwithstanding section 8.33, moneys appropriated in  
19 this section that remain unencumbered or unobligated at the  
20 close of each fiscal year shall not revert but shall remain  
21 available for expenditure for the purposes designated.

22 This section is repealed June 30, 2011.

23 GREEN PUBLIC BUILDINGS

24 Sec. 62. NEW SECTION. 473C.1 FINDINGS AND INTENT.

25 1. The general assembly finds that public buildings can be  
26 built and renovated using high-performance methods that save  
27 money, improve performance, increase productivity, and cut  
28 energy and utility costs.

29 2. It is the intent of the general assembly that state-  
30 owned buildings and schools be improved by adopting recognized  
31 standards for high-performance public buildings and allowing  
32 flexible methods and choices in how to achieve those  
33 standards. The general assembly also intends that state  
34 agencies and public school districts shall document costs and  
35 savings to monitor the effectiveness of the requirements of

1 this chapter and ensure that economic, community, and  
2 environmental goals are achieved each year, and that an  
3 independent performance review be conducted to evaluate this  
4 chapter and determine the extent to which the results intended  
5 by this chapter are being met.

6 Sec. 63. NEW SECTION. 473C.2 DEFINITIONS.

7 As used in this chapter, unless the context otherwise  
8 requires:

9 1. "High-performance public building" means a high-  
10 performance public building designed, constructed, and  
11 certified to a standard as identified in this chapter.

12 2. "Institution of higher education" means a community  
13 college or public university in this state.

14 3. "LEED silver standard" means the United States green  
15 building council leadership in energy and environmental design  
16 green building rating standard, referred to as the silver  
17 standard.

18 4. a. "Major facility project" means any of the  
19 following:

20 (1) A construction project larger than five thousand gross  
21 square feet of occupied or conditioned space.

22 (2) A building renovation project when the cost is greater  
23 than fifty percent of the assessed value and the project is  
24 larger than five thousand gross square feet of occupied or  
25 conditioned space.

26 b. "Major facility project" does not include any of the  
27 following:

28 (1) A project for which the department of administrative  
29 services, public school district, or other applicable agency  
30 and the design team determine the LEED silver standard or the  
31 sustainable school design protocol is not practicable.

32 (2) Transmitter buildings, pumping stations, hospitals,  
33 research facilities primarily used for sponsored laboratory  
34 experimentation, laboratory research, or laboratory training  
35 in research methods, or other similar building types as

1 determined by the department.

2 5. "Public funds" means all funds that are public funds  
3 within the meaning of section 12C.1, subsection 2, paragraph  
4 "e".

5 6. "Public school district" means a school district  
6 eligible to receive state basic education moneys and tax funds  
7 collected pursuant to chapter 423E.

8 7. "State agency" means any executive, judicial, or  
9 legislative department, commission, board, institution,  
10 division, bureau, office, agency, or other entity of state  
11 government of this state.

12 8. "Sustainable school design protocol" means a school  
13 design protocol and related information developed by the state  
14 board of regents, the state board of education, and the Iowa  
15 association of community college trustees, in conjunction with  
16 public school districts and the department of education.

17 Sec. 64. NEW SECTION. 473C.3 STATE AGENCY PROJECTS.

18 1. All major facility projects of a state agency financed  
19 through an appropriation from the general assembly shall be  
20 designed, constructed, and certified to at least the LEED  
21 silver standard. This subsection applies to major facility  
22 projects that have not entered the design phase prior to July  
23 1, 2006, and to the extent appropriate LEED silver standards  
24 exist for that type of building or facility.

25 2. When the LEED silver standard is determined not to be  
26 practicable for a project, it must be determined if any LEED  
27 standard is practicable for the project. If LEED standards  
28 are not followed for the project, the state agency shall  
29 report these reasons to the department.

30 3. a. A state agency shall monitor and document ongoing  
31 operating savings resulting from major facility projects  
32 designed, constructed, and certified as required under this  
33 section.

34 b. A state agency shall report annually to the department  
35 of administrative services on major facility projects and

1 operating savings.

2 4. The department of administrative services shall  
3 consolidate the reports required in subsection 3 into one  
4 report and report to the governor and general assembly by  
5 September 1 of each even-numbered year beginning in 2008 and  
6 ending in 2020. In the report, the department of  
7 administrative services shall also report on the  
8 implementation of this chapter, including reasons why the LEED  
9 silver standard was not used as required by this section. The  
10 department of administrative services shall make  
11 recommendations regarding the ongoing implementation of this  
12 chapter, including a discussion of incentives and  
13 disincentives related to implementing this chapter.

14 Sec. 65. NEW SECTION. 473C.4 PUBLIC SCHOOL AND  
15 INSTITUTIONS OF HIGHER LEARNING.

16 1. All major facility projects of a public school district  
17 or institution of higher learning financed in whole or in part  
18 through public funds shall be designed and constructed to at  
19 least the LEED silver standard or the sustainable school  
20 design protocol. To the extent appropriate LEED silver or  
21 sustainable school design protocol standards exist for the  
22 type of building or facility, this subsection applies to major  
23 facility projects that have not received project approval from  
24 the director of the department of education prior to July 1,  
25 2006.

26 2. When the LEED silver standard is determined not to be  
27 practicable for a project, it must be determined if any LEED  
28 standard is practicable for the project. If LEED standards or  
29 the sustainable school design protocol is not followed for the  
30 project, the public school district or institution of higher  
31 learning shall report these reasons to the department.

32 3. Public school districts and institutions of higher  
33 learning under this section shall do all of the following:

34 a. Monitor and document appropriate operating benefits and  
35 savings resulting from major facility projects designed and

1 constructed as required under this section for a minimum of  
2 five years following acceptance of a project receiving state  
3 funding.

4 b. Report annually to the director of the department of  
5 education. The form and content of each report must be  
6 mutually developed by the department of education in  
7 consultation with public school districts and the state board  
8 of regents.

9 4. The director of the department of education shall  
10 consolidate the reports required in subsection 3 into one  
11 report and report to the governor and general assembly by  
12 September 1 of each even-numbered year beginning in 2008 and  
13 ending in 2020. In its report, the director of the department  
14 of education shall also report on the implementation of this  
15 chapter, including reasons why the LEED silver standard or  
16 sustainable school design protocol was not used as required by  
17 this section. The director of the department of education  
18 shall make recommendations regarding the ongoing  
19 implementation of this chapter, including a discussion of  
20 incentives and disincentives related to implementing this  
21 chapter.

22 5. The state board of education, in consultation with the  
23 director of the department of education, shall develop and  
24 issue guidelines for administering this chapter for public  
25 school districts and community colleges. The state board of  
26 regents shall develop and issue guidelines for administering  
27 this chapter for institutions of higher learning. The purpose  
28 of the guidelines is to define a procedure and method for  
29 employing and verifying compliance with the LEED silver  
30 standard or the sustainable school design protocol.

31 6. The director of the department of education shall  
32 establish a school facilities advisory committee as a high-  
33 performance buildings advisory committee comprised of affected  
34 public schools, the state board of education, the state board  
35 of regents, the department, the director of the department of

1 education, the Iowa association of community college trustees,  
2 and others at the director of the department of education's  
3 discretion to provide advice on implementing this chapter.  
4 Among other duties, the advisory committee shall make  
5 recommendations regarding an education and training process  
6 and an ongoing evaluation or feedback process to help the  
7 director of the department of education and the state board of  
8 education implement this chapter.

9 Sec. 66. NEW SECTION. 473C.5 REPORT TO GENERAL ASSEMBLY.

10 On or before January 1, 2009, the department of  
11 administrative services and the director of the department of  
12 education shall summarize the reports submitted under sections  
13 473C.3 and 473C.4 and submit the individual reports to the  
14 legislative capital projects committee, the legislative  
15 standing committees on state government, and the legislative  
16 standing committees on education for review of the program's  
17 performance and consideration of any changes that may be  
18 needed to adapt the program to any new or modified standards  
19 for high-performance buildings that meet the intent of this  
20 chapter.

21 Sec. 67. NEW SECTION. 473C.6 IMPLEMENTATION.

22 1. a. The department of administrative services, in  
23 consultation with affected state agencies, shall develop and  
24 issue guidelines for administering this chapter for state  
25 agencies. The purpose of the guidelines is to define a  
26 procedure and method for employing and verifying activities  
27 necessary for certification to at least the LEED silver  
28 standard for major facility projects.

29 b. The department of administrative services and the  
30 department of education shall amend any fee schedules for  
31 architectural and engineering services to accommodate the  
32 requirements in the design of major facility projects under  
33 this chapter.

34 c. Major facility projects designed to meet standards  
35 identified in this chapter must include building commissioning

1 as a critical cost saving part of the construction process.  
2 This process includes input from the project design and  
3 construction teams and the project ownership representatives.

4 d. As provided in the request for proposals for  
5 construction services, the department of administrative  
6 services shall hold a preproposal conference for prospective  
7 bidders to discuss compliance with and achievement of  
8 standards identified in this chapter for prospective  
9 respondents.

10 2. The department of administrative services shall create  
11 a high-performance buildings advisory committee comprised of  
12 representatives from the design and construction industry  
13 involved in public works contracting, personnel from the  
14 affected state agencies responsible for overseeing public  
15 works projects, the state board of education, the department  
16 of education, and others at the department of administrative  
17 services' discretion to provide advice on implementing this  
18 chapter. Among other duties, the advisory committee shall  
19 make recommendations regarding an education and training  
20 process and an ongoing evaluation or feedback process to help  
21 the department of administrative services implement this  
22 chapter.

23 Sec. 68. NEW SECTION. 473C.7 RULES.

24 1. The department of administrative services, the  
25 department of education, and the state board of regents shall  
26 adopt rules pursuant to chapter 17A to administer this  
27 chapter.

28 2. In adopting implementation rules, the department of  
29 education and the state board of regents, in consultation with  
30 the department of administrative services, shall review and  
31 modify any other requirement for energy conservation by public  
32 schools and institutions of higher learning.

33 3. In adopting implementation rules, the department of  
34 education, in consultation with the state board of education  
35 shall do all of the following:

1 a. Review private and public utility providers' capacity  
2 and financial and technical assistance programs for affected  
3 public school districts to monitor and report utility  
4 consumption for purposes of reporting to the director of the  
5 department of education as provided in section 473C.4.

6 b. Coordinate with the department of administrative  
7 services, the state board of health, the department of natural  
8 resources, federal agencies, and other affected agencies as  
9 appropriate in their consideration of rules to implement this  
10 section.

11 Sec. 69. NEW SECTION. 473C.8 NONLIABILITY.

12 A member of the design or construction team shall not be  
13 held liable for the failure of a major facility project to  
14 meet the LEED silver standard or other LEED standard  
15 established for the project as long as a good faith attempt  
16 was made to achieve the LEED standard set for the project.

17 Sec. 70. NEW SECTION. 473C.9 HOUSING PROJECTS EXEMPT.

18 Affordable housing projects funded through the Iowa finance  
19 authority are exempt from the provisions of this chapter.

20 Sec. 71. NEW SECTION. 262.101 HIGH-PERFORMANCE ENERGY  
21 STANDARDS.

22 An institution of higher education under the board's  
23 control shall comply with high-performance public building  
24 requirements under chapter 473C.

25 Sec. 72. Section 279.39, Code 2005, is amended to read as  
26 follows:

27 279.39 SCHOOL BUILDINGS -- HIGH-PERFORMANCE ENERGY  
28 STANDARDS.

29 1. The board of any school corporation shall establish  
30 attendance centers and provide suitable buildings for each  
31 school in the district and may at the regular or a special  
32 meeting call a special election to submit to the registered  
33 voters of the district the question of voting a tax or  
34 authorizing the board to issue bonds, or both.

35 2. Public school districts shall comply with high-

1 performance public building requirements under chapter 473C.

2 EXPLANATION

3 This bill relates to the regulation, production, and  
4 consumption of energy.

5 DIVISION I -- ECONOMIC DEVELOPMENT -- CLEAN ENERGY. The  
6 bill requires the Iowa economic development board to establish  
7 a clean energy assistance program to provide financial  
8 assistance for the establishment or expansion of renewable  
9 energy facilities or energy-efficient products or technology  
10 in this state. The bill establishes a clean energy financial  
11 assistance fund and appropriates \$5,000,000 each fiscal year  
12 for five years to the fund.

13 SMALL WIND ENERGY TAX CREDITS. The bill expands the small  
14 wind energy tax credits of Code chapter 476C by extending the  
15 deadline for placement into service of a renewable energy  
16 facility by one year to 2012. The bill increases the maximum  
17 amount of nameplate generating capacity for wind energy  
18 conversion systems from 90 megawatts to 180 megawatts and  
19 increases the maximum amount of other renewable energy  
20 facilities available from 10 megawatts to 20 megawatts. The  
21 bill provides for the Iowa utilities board to deny any  
22 application received after the maximum amount of nameplate  
23 generating capacity has been reached.

24 ENERGY STAR PRODUCTS SALES TAX EXEMPTION. The bill  
25 provides for a sales tax exemption for products that have  
26 received the energy star label developed by the United States  
27 environmental protection agency purchased in this state after  
28 January 1, 2007.

29 GREEN BUILDING INCOME TAX CREDITS. The bill provides for a  
30 tax credit on personal and corporate income tax for the  
31 construction or rehabilitation of certain buildings certified  
32 under certain building standards that promote energy  
33 efficiency. Tax credits are available in an amount equal to a  
34 percentage of the costs for the construction of or  
35 rehabilitation to a green whole building standard, green base

1 building standard, and green tenant space standard, and for  
2 the installation of a fuel cell, photovoltaic module, or wind  
3 turbine as provided by the bill.

4 DIVISION II -- UNIVERSITY-BASED RESEARCH AND DEVELOPMENT --  
5 IOWA CENTER FOR ADVANCED RENEWABLE ENERGY. The bill  
6 establishes the Iowa center for advanced renewable energy at  
7 the Iowa energy center at Iowa state university of science and  
8 technology to improve the economic and environmental  
9 performance in addition to the feasibility of renewable energy  
10 products and production in this state. An appropriation of \$5  
11 million each fiscal year for five years is made to the board  
12 of regents for the new center.

13 DIVISION III -- MOTOR VEHICLES -- FEDERAL ENERGY INCENTIVES  
14 PUBLIC EDUCATION. The bill provides an appropriation of  
15 \$100,000 each fiscal year for five years to the department of  
16 natural resources to use for public education of the federal  
17 alternative motor vehicle tax credit.

18 FUEL-EFFICIENT VEHICLES USE TAX REFUND. The bill provides  
19 for a use tax refund for certain fuel-efficient motor vehicles  
20 whose combined gasoline mileage rating exceeds 27 and one-half  
21 miles per gallon. The amount of the credit shall be either  
22 \$10 for each mile per gallon above 27 and one-half or \$25,  
23 whichever is greater. The use tax refund shall be  
24 administered by the department of natural resources. An  
25 amount equal to \$5 million per fiscal year for five fiscal  
26 years is appropriated to the department of revenue to issue  
27 the use tax refunds.

28 DIVISION IV -- UTILITY REGULATION -- RENEWABLE ENERGY  
29 PRODUCTION STANDARD. The bill requires rate-regulated public  
30 utilities to own or purchase at least five percent of its  
31 total annual Iowa retail electric sales from alternative  
32 energy production facilities by December 31, 2010. The bill  
33 increases the percentage to 7 percent by December 31, 2015,  
34 and to 10 percent by December 31, 2020, and each year  
35 thereafter.

1 ELECTRIC POWER GENERATION AND FOSSIL FUEL USE. The bill  
2 requires the Iowa utilities board, when taking action on an  
3 application for a certificate of public convenience to provide  
4 electric power generation and transmission, consistent with  
5 reasonable land use and environmental policies, to consider  
6 available technology, the costs of available alternatives, the  
7 potential for cogeneration of electricity and heat and capture  
8 or offset of carbon dioxide emissions, the depletion of fossil  
9 fuel resources, the financial protection of Iowans regarding  
10 future federal greenhouse gas regulations, and certain  
11 greenhouse gas reduction goals.

12 DIVISION V -- CONSERVATION AND EDUCATION -- LOW-INCOME  
13 WEATHERIZATION. The bill makes an appropriation to the  
14 division of community action agencies of the department of  
15 human rights for \$2 million for residential weatherization and  
16 related repairs for low-income households. The bill allows  
17 the division of community action agencies to adopt rules to  
18 provide weatherization assistance for a fee for certain  
19 persons whose income is above 100 percent of the poverty level  
20 and for owners of rental housing.

21 COMMUNITY ENERGY CONSERVATION PLANS. The bill establishes  
22 a community energy conservation plan program within the  
23 utilities division of the department of commerce to assist  
24 communities with preparing and adopting energy conservation  
25 plans to reduce consumption of natural gas and electricity in  
26 the community. The bill makes an appropriation of \$500,000  
27 per fiscal year for five fiscal years to the utilities  
28 division to establish and administer the program.

29 ENERGY CONSERVATION TRAINING. The bill requires community  
30 action agencies to provide free energy management and  
31 conservation training to persons receiving energy assistance  
32 from customer contributions under Code section 476.66. The  
33 energy management and conservation training is required as a  
34 condition to receiving assistance under Code section 476.66.  
35 The bill appropriates \$300,000 per fiscal year for five fiscal

1 years to the division of community action agencies to provide  
2 the energy management and conservation training.

3 STATE BUILDING CODE EFFICIENCY ENFORCEMENT. The bill makes  
4 an appropriation of \$200,000 per fiscal year for five fiscal  
5 years to the office of the state fire marshal of the  
6 department of public safety to provide public education of  
7 energy-efficiency standards required by the state building  
8 code.

9 RENEWABLE ENERGY EDUCATION GRANTS. The bill establishes a  
10 renewable energy education grant program in the department of  
11 natural resources to provide public education of the benefits  
12 of energy-efficient design and technology and the generation  
13 of electricity using renewable energy conversion systems. The  
14 grants are available to any person residing in this state, a  
15 nonpublic school or public school district located in this  
16 state, or an institution of higher learning located in this  
17 state. The bill appropriates \$100,000 per fiscal year for  
18 five years to the renewable energy education grant program.

19 SOLAR ENERGY SYSTEMS SALES TAX EXEMPTION. The bill  
20 provides for a sales tax exemption for the sale price of a  
21 solar energy system designed to heat water or otherwise  
22 provide electric power. The bill provides that this sales tax  
23 exemption shall be effective upon enactment and retroactively  
24 applicable to February 7, 2006.

25 CLIMATE CHANGE ADVISORY COUNCIL. The bill establishes a  
26 state advisory council on climate change to advise the  
27 governor and general assembly on issues relating to climate  
28 change, facilitate cooperation among private industry and  
29 citizens on climate change, identify research and assessment  
30 needs, investigate the effects of climatic change on human  
31 health, agriculture, and natural resources, and evaluate  
32 current greenhouse gas mitigation projects. The bill makes an  
33 appropriation of \$100,000 per fiscal year for five years to  
34 the department of natural resources for the establishment and  
35 support of the state advisory council on climate change.

1 EMISSION REDUCTION GOALS. The bill provides a goal of the  
2 state of Iowa to reduce emissions of greenhouse gases to not  
3 less than the per capita emissions in the year 1990 by the  
4 year 2020.

5 CLIMATE CHANGE MONITORING COLLABORATIVE. The bill  
6 establishes a climate change monitoring collaborative to be  
7 coordinated by the center for global and regional  
8 environmental research at the university of Iowa. The bill  
9 makes an appropriation of \$100,000 each fiscal year for five  
10 fiscal years to the state board of regents to establish the  
11 climate change monitoring collaborative.

12 CARBON SEQUESTRATION REGISTRY. The bill provides for the  
13 establishment of a voluntary carbon sequestration registry in  
14 the department of agriculture and land stewardship to  
15 encourage the voluntary reduction of greenhouse gas emissions,  
16 to record carbon sequestrations, and promote economic  
17 opportunities with carbon credit trading. The bill  
18 establishes requirements for participation and the  
19 certification of baseline carbon sequestration results. The  
20 bill makes an appropriation of \$200,000 each fiscal year for  
21 five years to the department of agriculture and land  
22 stewardship to establish and administer the registry.

23 DIVISION VII -- PUBLIC BUILDINGS AND SCHOOLS -- STATE  
24 AGENCY ENERGY CONSERVATION. The bill provides an  
25 appropriation of \$100,000 for each fiscal year for five years  
26 to the state of Iowa facilities improvement corporation  
27 established by the department of natural resources to  
28 implement the recommendations of Executive Order Number Forty-  
29 one relating to energy conservation methods of state agencies.

30 RENEWABLE ENERGY GRANTS FOR SCHOOL. The bill provides for  
31 a renewable energy for schools grant program to assist schools  
32 in the installation of renewable energy systems to generate  
33 electricity and provide education. The Iowa energy center  
34 shall administer the program and approve grants up to \$1  
35 million per fiscal year beginning July 1, 2007. The bill

1 makes an appropriation of \$1 million each fiscal year for five  
2 years to the Iowa energy center to administer the program.

3 GREEN PUBLIC BUILDINGS. The bill requires certain public  
4 buildings to meet certain green building rating standards as  
5 high-performance public buildings. The bill requires all  
6 major facility projects of a state agency or of another  
7 person, institution of higher learning, or public school  
8 district that receives an appropriation of state funds from  
9 the general assembly to be designed, constructed, and  
10 certified to certain standards of the United States building  
11 council leadership in energy and environmental design green  
12 building rating standard otherwise called the LEED silver  
13 standard. The bill provides for exceptions to the  
14 certification requirement under the bill.

15 The bill provides for certain provisions of the bill  
16 related to appropriations to be repealed at a future date and  
17 provides for effective dates for division III and division V.

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