

APR 6 2006
APPROPRIATIONS CALENDAR

HOUSE FILE 2791
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2784)
(SUCCESSOR TO HF 2670)
(SUCCESSOR TO HF 2004)

Passed House, Date 4-19-06 Passed Senate, Date 5/2/06
Vote: Ayes 99 Nays 0 Vote: Ayes 50 Nays 0
Approved 5/31/06

A BILL FOR

1 An Act concerning community foundations and economic development
2 relating to the endow Iowa tax credit, the allocation of
3 gambling tax revenues, the distribution of county endowment
4 moneys, making an appropriation, and providing an effective
5 date.

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

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HOUSE FILE 2791

H-8537

1 Amend House File 2791 as follows:

2 1. Page 2, line 6, by inserting after the word
3 "communities." the following: "In addition, as a
4 condition of receiving a grant, the governing body of
5 a charitable organization receiving a grant shall
6 approve all expenditures of grant moneys and shall
7 allow a state audit of expenditures of all grant
8 moneys."

By HUSER of Polk

H-8537 FILED APRIL 12, 2006

HF
2791

1 Section 1. Section 15E.305, subsection 2, unnumbered
2 paragraph 1, Code Supplement 2005, is amended to read as
3 follows:

4 The aggregate amount of tax credits authorized pursuant to
5 this section shall not exceed a total of two million dollars
6 plus such additional credit amount as provided by this section
7 annually. The maximum amount of tax credits granted to a
8 taxpayer shall not exceed five percent of the aggregate amount
9 of tax credits authorized.

10 Sec. 2. Section 15E.305, subsection 2, Code Supplement
11 2005, is amended by adding the following new unnumbered
12 paragraph:

13 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,
14 the additional credit amount shall be an amount for each
15 applicable calendar year determined by the department of
16 revenue equal to the amount of money credited as provided by
17 section 99F.11, subsection 3, paragraph "e", subparagraph (3),
18 for the prior fiscal year.

19 Sec. 3. Section 15E.305, subsection 4, Code Supplement
20 2005, is amended by striking the subsection.

21 Sec. 4. Section 15E.311, subsection 3, paragraph a, Code
22 Supplement 2005, is amended to read as follows:

23 a. At the end of each fiscal year, moneys in the fund
24 shall be transferred into separate accounts within the fund
25 and designated for use by each county in which no licensee
26 authorized to conduct gambling games under chapter 99F was
27 located during that fiscal year. Moneys transferred to county
28 accounts shall be divided equally among the counties. Moneys
29 transferred into an account for a county shall be transferred
30 by the department to an eligible county recipient for that
31 county. Of the moneys transferred, an eligible county
32 recipient shall distribute seventy-five percent of the moneys
33 as grants to charitable organizations for charitable purposes
34 in that county and shall retain twenty-five percent of the
35 moneys for use in establishing a permanent endowment fund for

1 the benefit of charitable organizations for charitable
2 purposes. Of the amounts distributed, eligible county
3 recipients shall give special consideration to grants for
4 projects that include significant vertical infrastructure
5 components designed to enhance quality of life aspects within
6 local communities.

7 Sec. 5. Section 15E.311, subsection 6, Code Supplement
8 2005, is amended to read as follows:

9 6. Three percent of the moneys deposited in the county
10 endowment fund shall be used by the lead philanthropic
11 organization identified by the department pursuant to section
12 15E.304 for purposes of administering and marketing the county
13 endowment fund. Of the amounts available to be used by the
14 lead philanthropic organization pursuant to this subsection,
15 seventy thousand dollars is appropriated to the department of
16 economic development each fiscal year for administrative costs
17 related to the endow Iowa program.

18 Sec. 6. Section 99F.11, subsection 3, paragraphs d and e,
19 Code 2005, are amended to read as follows:

20 d. One-half Eight-tenths of one percent of the adjusted
21 gross receipts tax shall be deposited in the county endowment
22 fund created in section 15E.311.

23 e. Two-tenths of one percent of the adjusted gross
24 receipts tax shall be allocated each fiscal year as follows:

25 (1) Five hundred twenty thousand dollars is appropriated
26 each fiscal year to the department of cultural affairs with
27 one-half of the moneys allocated for operational support
28 grants and the remaining one-half allocated for the community
29 cultural grants program established under section 303.3.

30 (2) One-half of the moneys remaining after the
31 appropriation in subparagraph (1) is appropriated to the
32 community development division of the department of economic
33 development for the purposes of regional tourism marketing.
34 However, none of the moneys appropriated under this
35 subparagraph shall be used for administrative purposes.

1 (3) One-half of the moneys remaining after the
2 appropriation in subparagraph (1) shall be credited to the
3 general fund of the state for the purpose of funding the endow
4 Iowa tax credit provided in section 15E.305.

5 f. The remaining amount of the adjusted gross receipts tax
6 shall be credited to the general fund of the state.

7 Sec. 7. 2003 Iowa Acts, 1st Extraordinary Session, chapter
8 2, section 93, is amended to read as follows:

9 SEC. 93. The divisions of this Act designated economic
10 development appropriations, workforce-related issues, loan and
11 credit guarantee fund, university-based research utilization
12 program appropriation, ~~endow-Iowa-tax-credit~~, and
13 rehabilitation project tax credits are repealed effective June
14 30, 2010.

15 Sec. 8. EFFECTIVE DATE. This Act takes effect July 1,
16 2007.

17 EXPLANATION

18 This bill concerns the endow Iowa tax credit and the
19 distribution of gambling tax revenues collected from excursion
20 gambling boats and racetracks.

21 Code section 15E.305, concerning the endow Iowa tax credit,
22 is amended. The bill increases the aggregate amount of tax
23 credits authorized in a calendar year by an amount equal to
24 the amount generated for this purpose from a distribution of
25 gambling tax revenues generated in the prior fiscal year. The
26 bill eliminates the provision ending this tax credit after
27 December 31, 2008. The bill also eliminates the repeal of the
28 Code provisions concerning the endow Iowa tax credit that
29 would have occurred on June 30, 2010.

30 Code section 15E.311 is amended to provide that eligible
31 county recipients receiving money from the county endowment
32 fund shall consider grants for projects that include vertical
33 infrastructure components designed to enhance the quality of
34 life within local communities. In addition, the section is
35 amended to provide that of the three percent of moneys

1 deposited in the fund and available to be used by the lead
2 philanthropic organization for administrative costs, \$70,000
3 is appropriated to the department of economic development for
4 its administrative costs for the endow Iowa program.

5 Code section 99F.11, subsection 3, concerning the
6 distribution of gambling tax revenues from gambling games at
7 excursion gambling boats and racetracks, is amended. Current
8 law provides that one-half of 1 percent of tax revenues shall
9 be deposited in the county endowment fund. The bill increases
10 this percentage to eight-tenths of 1 percent. The bill also
11 provides that two-tenths of 1 percent of tax revenues is
12 allocated as follows, with \$520,000 appropriated to the
13 department of cultural affairs and split equally between
14 operational support grants and the community cultural grants
15 program. Of the remaining moneys derived from the two-tenths
16 of 1 percent, one-half is appropriated to the community
17 development division of the department of economic development
18 for regional tourism marketing and one-half shall be credited
19 to the general fund of the state for the purposes of funding
20 the endow Iowa tax credit.

21 The bill takes effect July 1, 2007.

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HOUSE FILE 2791
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2784)
(SUCCESSOR TO HF 2670)
(SUCCESSOR TO HF 2004)

(As Amended and Passed by the House April 19, 2006)

Passed House, Date _____ Passed Senate, Date 5-2-06
Vote: Ayes _____ Nays _____ Vote: Ayes 50 Nays 0
Approved _____

A BILL FOR

1 An Act concerning community foundations and economic development
2 relating to the endow Iowa tax credit, the allocation of
3 gambling tax revenues, the distribution of county endowment
4 moneys, making an appropriation, and providing an effective
5 date.

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

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House Amendments _____

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1 Section 1. Section 15E.305, subsection 2, unnumbered
2 paragraph 1, Code Supplement 2005, is amended to read as
3 follows:

4 The aggregate amount of tax credits authorized pursuant to
5 this section shall not exceed a total of two million dollars
6 plus such additional credit amount as provided by this section
7 annually. The maximum amount of tax credits granted to a
8 taxpayer shall not exceed five percent of the aggregate amount
9 of tax credits authorized.

10 Sec. 2. Section 15E.305, subsection 2, Code Supplement
11 2005, is amended by adding the following new unnumbered
12 paragraph:

13 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,
14 the additional credit amount shall be an amount for each
15 applicable calendar year determined by the department of
16 revenue equal to the amount of money credited as provided by
17 section 99F.11, subsection 3, paragraph "e", subparagraph (3),
18 for the prior fiscal year.

19 Sec. 3. Section 15E.305, subsection 4, Code Supplement
20 2005, is amended by striking the subsection.

21 Sec. 4. Section 15E.311, subsection 3, paragraph a, Code
22 Supplement 2005, is amended to read as follows:

23 a. At the end of each fiscal year, moneys in the fund
24 shall be transferred into separate accounts within the fund
25 and designated for use by each county in which no licensee
26 authorized to conduct gambling games under chapter 99F was
27 located during that fiscal year. Moneys transferred to county
28 accounts shall be divided equally among the counties. Moneys
29 transferred into an account for a county shall be transferred
30 by the department to an eligible county recipient for that
31 county. Of the moneys transferred, an eligible county
32 recipient shall distribute seventy-five percent of the moneys
33 as grants to charitable organizations for charitable purposes
34 in that county and shall retain twenty-five percent of the
35 moneys for use in establishing a permanent endowment fund for

1 the benefit of charitable organizations for charitable
2 purposes. Of the amounts distributed, eligible county
3 recipients shall give special consideration to grants for
4 projects that include significant vertical infrastructure
5 components designed to enhance quality of life aspects within
6 local communities. In addition, as a condition of receiving a
7 grant, the governing body of a charitable organization
8 receiving a grant shall approve all expenditures of grant
9 moneys and shall allow a state audit of expenditures of all
10 grant moneys.

11 Sec. 5. Section 15E.311, subsection 6, Code Supplement
12 2005, is amended to read as follows:

13 6. Three percent of the moneys deposited in the county
14 endowment fund shall be used by the lead philanthropic
15 organization identified by the department pursuant to section
16 15E.304 for purposes of administering and marketing the county
17 endowment fund. Of the amounts available to be used by the
18 lead philanthropic organization pursuant to this subsection,
19 seventy thousand dollars is appropriated to the department of
20 economic development each fiscal year for administrative costs
21 related to the endow Iowa program.

22 Sec. 6. Section 99F.11, subsection 3, paragraphs d and e,
23 Code 2005, are amended to read as follows:

24 d. ~~One-half~~ Eight-tenths of one percent of the adjusted
25 gross receipts tax shall be deposited in the county endowment
26 fund created in section 15E.311.

27 e. Two-tenths of one percent of the adjusted gross
28 receipts tax shall be allocated each fiscal year as follows:

29 (1) Five hundred twenty thousand dollars is appropriated
30 each fiscal year to the department of cultural affairs with
31 one-half of the moneys allocated for operational support
32 grants and the remaining one-half allocated for the community
33 cultural grants program established under section 303.3.

34 (2) One-half of the moneys remaining after the
35 appropriation in subparagraph (1) is appropriated to the

1 community development division of the department of economic
2 development for the purposes of regional tourism marketing.
3 However, none of the moneys appropriated under this
4 subparagraph shall be used for administrative purposes.

5 (3) One-half of the moneys remaining after the
6 appropriation in subparagraph (1) shall be credited to the
7 general fund of the state for the purpose of funding the endow
8 Iowa tax credit provided in section 15E.305.

9 f. The remaining amount of the adjusted gross receipts tax
10 shall be credited to the general fund of the state.

11 Sec. 7. 2003 Iowa Acts, 1st Extraordinary Session, chapter
12 2, section 93, is amended to read as follows:

13 SEC. 93. The divisions of this Act designated economic
14 development appropriations, workforce-related issues, loan and
15 credit guarantee fund, university-based research utilization
16 program appropriation, ~~endow-Iowa-tax-credit~~, and
17 rehabilitation project tax credits are repealed effective June
18 30, 2010.

19 Sec. 8. EFFECTIVE DATE. This Act takes effect July 1,
20 2007.

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HOUSE FILE 2791

AN ACT

CONCERNING COMMUNITY FOUNDATIONS AND ECONOMIC DEVELOPMENT
RELATING TO THE ENDOW IOWA TAX CREDIT, THE ALLOCATION OF
GAMBLING TAX REVENUES, THE DISTRIBUTION OF COUNTY ENDOWMENT
MONEYS, MAKING AN APPROPRIATION, AND PROVIDING AN EFFECTIVE
DATE.

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

Section 1. Section 15E.305, subsection 2, unnumbered
paragraph 1, Code Supplement 2005, is amended to read as
follows:

The aggregate amount of tax credits authorized pursuant to
this section shall not exceed a total of two million dollars
plus such additional credit amount as provided by this section
annually. The maximum amount of tax credits granted to a
taxpayer shall not exceed five percent of the aggregate amount
of tax credits authorized.

Sec. 2. Section 15E.305, subsection 2, Code Supplement
2005, is amended by adding the following new unnumbered
paragraph:

NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,
the additional credit amount shall be an amount for each
applicable calendar year determined by the department of
revenue equal to the amount of money credited as provided by
section 99F.11, subsection 3, paragraph "e", subparagraph (3),
for the prior fiscal year.

Sec. 3. Section 15E.305, subsection 4, Code Supplement
2005, is amended by striking the subsection.

Sec. 4. Section 15E.311, subsection 3, paragraph a, Code
Supplement 2005, is amended to read as follows:

a. At the end of each fiscal year, moneys in the fund
shall be transferred into separate accounts within the fund
and designated for use by each county in which no licensee
authorized to conduct gambling games under chapter 99F was
located during that fiscal year. Moneys transferred to county
accounts shall be divided equally among the counties. Moneys
transferred into an account for a county shall be transferred
by the department to an eligible county recipient for that
county. Of the moneys transferred, an eligible county
recipient shall distribute seventy-five percent of the moneys
as grants to charitable organizations for charitable purposes
in that county and shall retain twenty-five percent of the
moneys for use in establishing a permanent endowment fund for
the benefit of charitable organizations for charitable
purposes. Of the amounts distributed, eligible county
recipients shall give special consideration to grants for
projects that include significant vertical infrastructure
components designed to enhance quality of life aspects within
local communities. In addition, as a condition of receiving a
grant, the governing body of a charitable organization
receiving a grant shall approve all expenditures of grant
moneys and shall allow a state audit of expenditures of all
grant moneys.

Sec. 5. Section 15E.311, subsection 6, Code Supplement
2005, is amended to read as follows:

6. Three percent of the moneys deposited in the county
endowment fund shall be used by the lead philanthropic
organization identified by the department pursuant to section
15E.304 for purposes of administering and marketing the county
endowment fund. Of the amounts available to be used by the
lead philanthropic organization pursuant to this subsection,

seventy thousand dollars is appropriated to the department of economic development each fiscal year for administrative costs related to the endow Iowa program.

Sec. 6. Section 99F.11, subsection 3, paragraphs d and e, Code 2005, are amended to read as follows:

d. One-half Eight-tenths of one percent of the adjusted gross receipts tax shall be deposited in the county endowment fund created in section 15E.311.

e. Two-tenths of one percent of the adjusted gross receipts tax shall be allocated each fiscal year as follows:

(1) Five hundred twenty thousand dollars is appropriated each fiscal year to the department of cultural affairs with one-half of the moneys allocated for operational support grants and the remaining one-half allocated for the community cultural grants program established under section 303.3.

(2) One-half of the moneys remaining after the appropriation in subparagraph (1) is appropriated to the community development division of the department of economic development for the purposes of regional tourism marketing. However, none of the moneys appropriated under this subparagraph shall be used for administrative purposes.

(3) One-half of the moneys remaining after the appropriation in subparagraph (1) shall be credited to the general fund of the state for the purpose of funding the endow Iowa tax credit provided in section 15E.305.

f. The remaining amount of the adjusted gross receipts tax shall be credited to the general fund of the state.

Sec. 7. 2003 Iowa Acts, 1st Extraordinary Session, chapter 2, section 93, is amended to read as follows:

SEC. 93. The divisions of this Act designated economic development appropriations, workforce-related issues, loan and credit guarantee fund, university-based research utilization program appropriation, ~~endow-Iowa-tax-credit~~, and rehabilitation project tax credits are repealed effective June 30, 2010.

Sec. 8. EFFECTIVE DATE. This Act takes effect July 1, 2007.

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2791, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved 5/31, 2006

THOMAS J. VILSACK
Governor