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REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 295

To the President of the Senate and the Speaker of the House of Representatives.

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 295, a bill for an Act establishing a property tax credit for commercial, industrial, and railway property, providing penalties, making appropriations, and including implementation and applicability provisions, respectfully make the following report:

1. That the House recedes from its amendment, S-3166.

2. That Senate File 295, as passed by the Senate, is amended to read as follows:

1. By striking everything after the enacting clause and inserting:

<DIVISION I
BUSINESS PROPERTY TAX CREDIT

Section 1. Section 331.512, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. Carry out duties relating to the business property tax credit as provided in chapter 426C.

Sec. 2. Section 331.559, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 14A. Carry out duties relating to the business property tax credit as provided in chapter 426C.

Sec. 3. NEW SECTION. **426C.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Contiguous parcels"* means any of the following:

a. Parcels that share a common boundary.

b. Parcels within the same building or structure regardless of whether the parcels share a common boundary.

c. Permanent improvements to the land that are situated

on one or more parcels of land that are assessed and taxed separately from the permanent improvements if the parcels of land upon which the permanent improvements are situated share a common boundary.

2. *"Department"* means the department of revenue.

3. *"Fund"* means the business property tax credit fund created in section 426C.2.

4. *"Parcel"* means as defined in section 445.1 and, for purposes of business property tax credits claimed for fiscal years beginning on or after January 1, 2016, *"parcel"* also means that portion of a parcel assigned to be commercial property, industrial property, or railway property under chapter 434 pursuant to section 441.21, subsection 13, paragraph *"c"*.

5. *"Property unit"* means contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and are operated by that person for a common use and purpose.

Sec. 4. NEW SECTION. **426C.2 Business property tax credit fund — appropriation.**

1. A business property tax credit fund is created in the state treasury under the authority of the department. For the fiscal year beginning July 1, 2014, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of fifty million dollars to be used for business property tax credits authorized in this chapter. For the fiscal year beginning July 1, 2015, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred million dollars to be used for business property tax credits authorized in this chapter. For the fiscal year beginning July 1, 2016, and each fiscal year thereafter, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred twenty-five million dollars to be used for business property tax credits authorized in this chapter.

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2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter.

Sec. 5. NEW SECTION. **426C.3 Claims for credit.**

1. Each person who wishes to claim the credit allowed under this chapter shall obtain the appropriate forms from the assessor and file the claim with the assessor. The director of revenue shall prescribe suitable forms and instructions for such claims, and make such forms and instructions available to the assessors.

2. *a.* Claims for the business property tax credit shall be filed not later than March 15 preceding the fiscal year during which the taxes for which the credit is claimed are due and payable.

b. A claim for credit filed after the deadline for filing claims shall be considered as a claim for the following year.

3. Upon the filing of a claim and allowance of the credit, the credit shall be allowed on the parcel or property unit for successive years without further filing as long as the parcel or property unit satisfies the requirements for the credit. If the parcel or property unit ceases to qualify for the credit under this chapter, the owner shall provide written notice to the assessor by the date for filing claims specified in subsection 2 following the date on which the parcel or property unit ceases to qualify for the credit.

4. The assessor shall remit the claims for credit to the county auditor with the assessor's recommendation for allowance or disallowance. If the assessor recommends disallowance of a claim, the assessor shall submit the reasons for the recommendation, in writing, to the county auditor. The county auditor shall forward the claims and recommendations to the

board of supervisors. The board shall allow or disallow the claims.

5. For each claim and allowance of a credit for a property unit, the county auditor shall calculate the average of all consolidated levy rates applicable to the several parcels within the property unit. All claims for credit which have been allowed by the board of supervisors, the actual value of such parcels and property units applicable to the fiscal year for which the credit is claimed that are subject to assessment and taxation prior to imposition of any applicable assessment limitation, the consolidated levy rates for such parcels and the average consolidated levy rates for such property units applicable to the fiscal year for which the credit is claimed, and the taxing districts in which the parcel or property unit is located, shall be certified on or before June 30, in each year, by the county auditor to the department.

6. The assessor shall maintain a permanent file of current business property tax credits. The assessor shall file a notice of transfer of property for which a credit has been allowed when notice is received from the office of the county recorder, from the person who sold or transferred the property, or from the personal representative of a deceased property owner. The county recorder shall give notice to the assessor of each transfer of title filed in the recorder's office. The notice from the county recorder shall describe the property transferred, the name of the person transferring title to the property, and the name of the person to whom title to the property has been transferred.

7. When all or a portion of a parcel or property unit that is allowed a credit under this chapter is sold, transferred, or ownership otherwise changes, the buyer, transferee, or new owner who wishes to receive the credit shall refile the claim for credit. In addition, when a portion of a parcel or property unit that is allowed a credit under this chapter is

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sold, transferred, or ownership otherwise changes, the owner of the portion of the parcel or property unit for which ownership did not change shall refile the claim for credit.

Sec. 6. NEW SECTION. **426C.4 Eligibility and amount of credit.**

1. *a.* Except as provided in paragraph *"b"*, parcels classified and taxed as commercial property, industrial property, or railway property under chapter 434 are eligible for a credit under this chapter. A person may claim and receive one credit under this chapter for each eligible parcel unless the parcel is part of a property unit for which a credit is claimed. A person may claim and receive one credit under this chapter for each property unit. A credit approved for a property unit shall be allocated to the several parcels within the property unit in the proportion that each parcel's total amount of property taxes due and payable bears to the total amount of property taxes due and payable on the property unit. Only property units comprised of property assessed as commercial property, industrial property, or railway property under chapter 434 are eligible for a credit under this chapter. The classification of property used to determine eligibility for the credit under this chapter shall be the classification of the property for the assessment year used to calculate the taxes due and payable in the fiscal year for which the credit is claimed.

b. All of the following shall not be eligible to receive a credit under this chapter or be part of a property unit that receives a credit under this chapter:

(1) Property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, as amended, and that is subject to assessment procedures relating to section 42 property under section 441.21, subsection 2, for the applicable assessment year.

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(2) For credits claimed for the fiscal year beginning July 1, 2014, and the fiscal year beginning July 1, 2015, property that is a mobile home park, manufactured home community, land-leased community, assisted living facility, as those terms are defined in section 441.21, subsection 13, as enacted in division III of this Act, or that is property primarily used or intended for human habitation containing three or more separate dwelling units.

2. Using the actual value of each parcel or property unit and the consolidated levy rate for each parcel or the average consolidated levy rate for each property unit, as certified by the county auditor to the department under section 426C.3, subsection 5, the department shall calculate, for each fiscal year, an initial amount of actual value for use in determining the amount of the credit for each such parcel or property unit so as to provide the maximum possible credit according to the credit formula and limitations under subsection 3, and to provide a total dollar amount of credits against the taxes due and payable in the fiscal year equal to ninety-eight percent of the moneys in the fund following the deposit of the appropriation for the fiscal year and including interest or earnings credited to the fund.

3. *a.* The amount of the credit for each parcel or property unit for which a claim for credit under this chapter has been approved shall be calculated under paragraph *"b"* using the lesser of the initial amount of actual value determined by the department under subsection 2, and the amount of actual value of the parcel or property unit certified by the county auditor under section 426C.3, subsection 5.

b. The amount of the credit for each parcel or property unit for which a claim for credit under this chapter has been approved shall be equal to the product of the amount of actual value determined under paragraph *"a"* times the difference, stated as a percentage, between the assessment limitation

percentage applicable to the parcel or property unit under section 441.21, subsection 5, and the assessment limitation percentage applicable to residential property under section 441.21, subsection 4, divided by one thousand dollars, and then multiplied by the consolidated levy rate or average consolidated levy rate per one thousand dollars of taxable value applicable to the parcel or property unit for the fiscal year for which the credit is claimed as certified by the county auditor under section 426C.3, subsection 5.

Sec. 7. NEW SECTION. **426C.5 Payment to counties.**

1. Annually the department shall certify to the county auditor of each county the amounts of the business property tax credits allowed in the county. Each county auditor shall then enter the credits against the tax levied on each eligible parcel or property unit in the county, designating on the tax lists the credit as being paid from the fund. Each taxing district shall receive its share of the business property tax credit allowed on each eligible parcel or property unit in such taxing district in the proportion that the levy made by such taxing district upon the parcel or property unit bears to the total levy upon the parcel or property unit by all taxing districts. However, the several taxing districts shall not draw the moneys so credited until after the semiannual allocations have been received by the county treasurer, as provided in this section. Each county treasurer shall show on each taxpayer receipt the amount of credit received from the fund.

2. The director of revenue shall authorize the department of administrative services to draw warrants on the fund payable to the county treasurers of the several counties of the state in the amounts certified by the department.

3. The amount due each county shall be paid in two payments on November 15 and March 15 of each fiscal year, drawn upon warrants payable to the respective county treasurers. The two

payments shall be as nearly equal as possible.

Sec. 8. NEW SECTION. **426C.6 Appeals.**

1. If the board of supervisors disallows a claim for credit under section 426C.3, subsection 4, the board of supervisors shall send written notice, by mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the credit. The board of supervisors is not required to send notice that a claim for credit is disallowed if the claimant voluntarily withdraws the claim. Any person whose claim is disallowed under the provisions of this chapter may appeal from the action of the board of supervisors to the district court of the county in which the parcel or property unit is located by giving written notice of such appeal to the county auditor within twenty days from the date of mailing of notice of such action by the board of supervisors.

2. If a claim for credit is disallowed by the board of supervisors, and such action is subsequently reversed on appeal, the credit shall be allowed on the applicable parcel or property unit, and the director of revenue, the county auditor, and the county treasurer shall provide the credit and change their books and records accordingly. In the event the claimant has paid one or both of the installments of the tax payable in the year or years in question, remittance shall be made to the claimant of the amount of such credit. The amount of such credit awarded on appeal shall be allocated and paid from the balance remaining in the fund.

Sec. 9. NEW SECTION. **426C.7 Audit — recalculation or denial.**

1. If on the audit of a credit provided under this chapter, the director of revenue determines the amount of the credit to have been incorrectly calculated or that the credit is not allowable, the director shall recalculate the credit and notify the claimant and the county auditor of the recalculation

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or denial and the reasons for it. The director shall not adjust a credit after three years from October 31 of the year in which the claim for the credit was filed. If the credit has been paid, the director shall give notification to the claimant, the county treasurer, and the applicable assessor of the recalculation or denial of the credit and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the parcel or property unit for which the credit was allowed is still owned by the claimant. If the parcel or property unit for which the credit was allowed is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. The amount of such erroneous credit, when collected, shall be deposited in the fund.

2. The claimant or board of supervisors may appeal any decision of the director of revenue to the state board of tax review pursuant to section 421.1, subsection 5. The claimant, the board of supervisors, or the director of revenue may seek judicial review of the action of the state board of tax review in accordance with chapter 17A.

Sec. 10. NEW SECTION. **426C.8 False claim — penalty.**

A person who makes a false claim for the purpose of obtaining a credit provided for in this chapter or who knowingly receives the credit without being legally entitled to it is guilty of a fraudulent practice. The claim for a credit of such a person shall be disallowed and if the credit has been paid the amount shall be recovered in the manner provided in section 426C.7. In such cases, the director of revenue shall send a notice of disallowance of the credit.

Sec. 11. NEW SECTION. **426C.9 Rules.**

The director of revenue shall prescribe forms, instructions, and rules as necessary, pursuant to chapter 17A, to carry out and effectuate the purposes of this chapter.

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Sec. 12. IMPLEMENTATION. Notwithstanding the deadline for filing claims established in section 426C.3, for a credit against property taxes due and payable during the fiscal year beginning July 1, 2014, the claim for the credit shall be filed not later than January 15, 2014.

Sec. 13. APPLICABILITY. This division of this Act applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014.

DIVISION II

PROPERTY ASSESSMENT LIMITATION AND REPLACEMENT

Sec. 14. Section 257.3, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* The amount paid to each school district for the commercial and industrial property tax replacement claim under section 441.21A shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under section 441.21A, subsection 4, paragraph *"a"*, and such amount shall be prorated pursuant to section 441.21A, subsection 2, if applicable.

Sec. 15. Section 331.512, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 13A. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

Sec. 16. Section 331.559, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 25A. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

Sec. 17. Section 441.21, subsection 4, Code 2013, is amended to read as follows:

4. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and

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residential property shall be assessed shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined. However, if the difference between the dividend so determined for either class of property and the dividend for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is less than six percent, the 1979 dividend for the other class of property shall be the dividend as determined for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus a percentage of the amount so determined which is equal to the percentage by which the dividend as determined for the other class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment

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for 1978, is increased in arriving at the 1979 dividend for the other class of property. The divisor for each class of property shall be the total actual value of all such property in the state in the preceding year, as reported by the assessors on the abstracts of assessment submitted for 1978, plus the amount of value added to said total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49. The director shall utilize information reported on abstracts of assessment submitted pursuant to section 441.45 in determining such percentage. For valuations established as of January 1, 1980, and each assessment year thereafter beginning before January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided ~~herein~~ in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in this subsection shall be four percent. For valuations established as of January 1, 2013, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in this subsection shall be

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three percent.

Sec. 18. Section 441.21, subsection 5, Code 2013, is amended to read as follows:

5. *a.* ~~For valuations established as of January 1, 1979, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed as a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state in accordance with the provisions of this section. For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the total actual valuation for each class of property established for 1978, plus six percent of the amount so determined. The divisor for each class of property shall be the valuation for each class of property established for 1978, as reported by the assessors on the abstracts of assessment for 1978, plus the amount of value added to the total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49.~~ For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be the valuation established for 1978,

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plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. ~~For valuations established as of January 1, 1980, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state in accordance with the provisions of this section. For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1979, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1979, plus four percent of the amount so determined. The divisor for each class of property shall be the total actual value of all such property in 1979, as equalized by the director of revenue pursuant to section 441.49, plus the amount of value added to the total actual value by the revaluation of existing properties in 1980. The director shall utilize information reported on the abstracts of assessment submitted pursuant to section 441.45 in determining such percentage.~~ For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend

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shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. ~~For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to six percent in this subsection shall be four percent.~~ For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in this subsection shall be eight percent. ~~Beginning with valuations established as of January 1, 1979, and each year thereafter, property valued by the department of revenue pursuant to chapter 434 shall also be assessed at a percentage of its actual value which percentage shall be equal to the percentage determined by the director of revenue for commercial property, industrial property, or property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438, whichever is lowest.~~ For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to chapter 434 shall be assessed at a percentage of its actual value equal to the percentage of actual value at which property assessed as commercial property is assessed under paragraph *"b"* for the same assessment year.

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b. For valuations established on or after January 1, 2013, commercial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph *"b"*. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety percent.

c. For valuations established on or after January 1, 2013, industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph *"c"*. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety percent.

Sec. 19. Section 441.21, subsections 9 and 10, Code 2013, are amended to read as follows:

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property

valued by the department of revenue pursuant to chapters 428, 433, ~~434,~~ 437, and 438 in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, ~~434,~~ 437, and 438 by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentage of actual value computed by the director for agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, ~~434,~~ 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

Sec. 20. NEW SECTION. **441.21A Commercial and industrial property tax replacement — replacement claims.**

1. *a.* For each fiscal year beginning on or after July 1, 2014, there is appropriated from the general fund of the state to the department of revenue an amount necessary for the payment of all commercial and industrial property tax replacement claims under this section for the fiscal year. However, for a fiscal year beginning on or after July 1, 2017, the total amount of moneys appropriated from the general fund of the state to the department of revenue for the payment of commercial and industrial property tax replacement claims in that fiscal year shall not exceed the total amount of money necessary to pay all commercial and industrial property tax replacement claims for the fiscal year beginning July 1, 2016.

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b. Moneys appropriated by the general assembly to the department under this subsection for the payment of commercial and industrial property tax replacement claims are not subject to a uniform reduction in appropriations in accordance with section 8.31.

2. Beginning with the fiscal year beginning July 1, 2014, each county treasurer shall be paid by the department of revenue an amount equal to the amount of the commercial and industrial property tax replacement claims in the county, as calculated in subsection 4. If an amount appropriated for a fiscal year is insufficient to pay all replacement claims, the director of revenue shall prorate the payment of replacement claims to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

3. On or before July 1 of each fiscal year beginning on or after July 1, 2014, the assessor shall report to the county auditor the total actual value of all commercial property and industrial property in the county that is subject to assessment and taxation for the assessment year used to calculate the taxes due and payable in that fiscal year.

4. On or before a date established by rule of the department of revenue of each fiscal year beginning on or after July 1, 2014, the county auditor shall prepare a statement, based upon the report received pursuant to subsection 3, listing for each taxing district in the county:

a. The difference between the assessed valuation of all commercial property and industrial property for the assessment year used to calculate taxes which are due and payable in the applicable fiscal year and the actual value of all commercial property and industrial property that is subject to assessment and taxation for the same assessment year. If the difference between the assessed value of all commercial property and industrial property and the actual valuation of all commercial property and industrial property is zero, there is no tax

replacement for that taxing district for the fiscal year.

b. The tax levy rate per one thousand dollars of assessed value for each taxing district for that fiscal year.

c. The commercial and industrial property tax replacement claim for each taxing district. The replacement claim is equal to the amount determined pursuant to paragraph *"a"*, multiplied by the tax rate specified in paragraph *"b"*, and then divided by one thousand dollars.

5. For purposes of computing replacement amounts under this section, that portion of an urban renewal area defined as the sum of the assessed valuations defined in section 403.19, subsections 1 and 2, shall be considered a taxing district.

6. *a.* The county auditor shall certify and forward one copy of the statement to the department of revenue not later than a date of each year established by the department of revenue by rule.

b. The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county.

c. If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned and credited to those portions of the assessed value defined in section 403.19, subsections 1 and 2, as follows:

(1) To that portion defined in section 403.19, subsection 1, an amount of the replacement claim that is proportionate to the amount of actual value of the commercial and industrial property in the urban renewal area as determined in section 403.19, subsection 1, that was subtracted pursuant to section 403.20, as it bears to the total amount of actual value of the commercial and industrial property in the urban renewal area that was subtracted pursuant to section 403.20 for the assessment year for property taxes due and payable in the

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fiscal year for which the replacement claim is computed.

(2) To that portion defined in section 403.19, subsection 2, the remaining amount, if any.

d. Notwithstanding the allocation provisions of paragraph *"c"*, the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined in section 403.19, subsection 2, shall not exceed the amount equal to the amount certified to the county auditor under section 403.19 for the fiscal year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the fiscal year. The amount not allocated to that portion of the assessed value defined in section 403.19, subsection 2, as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in section 403.19, subsection 1.

e. The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 1, shall be allocated to and when received be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 2, shall be allocated to and when collected be paid into the special fund of the municipality under section 403.19, subsection 2.

Sec. 21. SAVINGS PROVISION. This division of this Act, pursuant to section 4.13, does not affect the operation of, or prohibit the application of, prior provisions of section 441.21, or rules adopted under chapter 17A to administer prior provisions of section 441.21, for assessment years beginning before January 1, 2013, and for duties, powers, protests, appeals, proceedings, actions, or remedies attributable to an assessment year beginning before January 1, 2013.

Sec. 22. EFFECTIVE UPON ENACTMENT. This division of this

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Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 23. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2013, for assessment years beginning on or after that date.

DIVISION III

MULTIRESIDENTIAL PROPERTY CLASSIFICATION

Sec. 24. Section 404.2, subsection 2, paragraph f, Code 2013, is amended to read as follows:

f. A statement specifying whether the revitalization is applicable to none, some, or all of the property assessed as residential, multiresidential, agricultural, commercial, or industrial property within the designated area or a combination thereof and whether the revitalization is for rehabilitation and additions to existing buildings or new construction or both. If revitalization is made applicable only to some property within an assessment classification, the definition of that subset of eligible property must be by uniform criteria which further some planning objective identified in the plan. The city shall state how long it is estimated that the area shall remain a designated revitalization area which time shall be longer than one year from the date of designation and shall state any plan by the city to issue revenue bonds for revitalization projects within the area. For a county, a revitalization area shall include only property which will be used as industrial property, commercial property, ~~commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes,~~ multiresidential property, or residential property. However, a county shall not provide a tax exemption under this chapter to commercial property, ~~commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes~~ multiresidential property, or residential property

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which is located within the limits of a city.

Sec. 25. Section 404.3, subsection 4, Code 2013, is amended to read as follows:

4. *a.* All qualified real estate assessed as ~~residential property or assessed as commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes,~~ any of the following is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements~~.~~:

(1) Residential property.

(2) Commercial property if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

(3) Multiresidential property if the multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

b. The exemption is for a period of ten years.

Sec. 26. Section 441.21, subsection 8, paragraph b, Code 2013, is amended to read as follows:

b. Notwithstanding paragraph *"a"*, any construction or installation of a solar energy system on property classified as agricultural, residential, commercial, multiresidential, or industrial property shall not increase the actual, assessed, and taxable values of the property for five full assessment years.

Sec. 27. Section 441.21, subsections 9 and 10, Code 2013, are amended to read as follows:

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial

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property, industrial property, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentage of actual value computed by the director for agricultural property, residential property, commercial property, industrial property, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

Sec. 28. Section 441.21, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 13. *a.* Beginning with valuations established on or after January 1, 2015, mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, property primarily used or intended for human habitation containing three or more separate dwelling units, and that portion of a building that is used or intended for human habitation and a proportionate share of the land upon which the building is situated, regardless of the number of dwelling units located in the building, if the use for human habitation is not the primary use of the building and such building is not otherwise classified as residential property, shall be valued as a separate class of property

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known as multiresidential property and, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this subsection.

b. For valuations established for the assessment year beginning January 1, 2015, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of eighty-six and twenty-five hundredths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2016, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of eighty-two and five-tenths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2017, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-eight and seventy-five hundredths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2018, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-five percent or the percentage of actual value determined by the director of revenue at which

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property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2019, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-one and twenty-five hundredths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2020, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of sixty-seven and five-tenths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2021, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of sixty-three and seventy-five hundredths percent or the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be equal to the percentage of actual value determined by the director of revenue at which property assessed as residential property is assessed under subsection 4 for the same assessment year.

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c. Accordingly, for parcels that, in part, satisfy the requirements for classification as multiresidential property, the assessor shall assign to that portion of the parcel the classification of multiresidential property and to such other portions of the parcel the property classification for which such other portions qualify.

d. In no case, however, shall property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, and that is subject to assessment procedures relating to section 42 property under section 441.21, subsection 2, or a hotel, motel, inn, or other building where rooms or dwelling units are usually rented for less than one month be classified as multiresidential property under this subsection.

e. As used in this subsection:

(1) *"Assisted living facility"* means property for providing assisted living as defined in section 231C.2. *"Assisted living facility"* also includes a health care facility, as defined in section 135C.1, an elder group home, as defined in section 231B.1, a child foster care facility under chapter 237, or property used for a hospice program as defined in section 135J.1.

(2) *"Dwelling unit"* means an apartment, group of rooms, or single room which is occupied as separate living quarters or, if vacant, is intended for occupancy as separate living quarters, in which a tenant can live and sleep separately from any other persons in the building.

(3) *"Land-leased community"* means the same as defined in sections 335.30A and 414.28A.

(4) *"Manufactured home community"* means the same as a land-leased community.

(5) *"Mobile home park"* means the same as defined in section 435.1.

Sec. 29. Section 558.46, subsection 5, Code 2013, is amended

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to read as follows:

5. For the purposes of this section, *"residential property"* includes commercial or multiresidential property ~~consisting~~ if such commercial or multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

Sec. 30. EFFECTIVE DATE. This division of this Act takes effect January 1, 2015.

DIVISION IV

TELECOMMUNICATIONS COMPANY PROPERTY TAXATION

Sec. 31. Section 433.4, Code 2013, is amended to read as follows:

433.4 Assessment and exemption.

1. The director of revenue shall on or before October 31 each year, proceed to find the actual value of the property of these companies in this state that is used by the companies in the transaction of telegraph and telephone business, taking into consideration the information obtained from the statements required, and any further information the director can obtain, using the same as a means for determining the actual ~~cash~~ value of the property of these companies within this state. The director shall also take into consideration the valuation of all property of these companies, including franchises and the use of the property in connection with lines outside the state, and making these deductions as may be necessary on account of extra value of property outside the state as compared with the value of property in the state, in order that the actual ~~cash~~ value of the property of the company within this state may be ascertained. The assessment shall include all property of every kind and character whatsoever, real, personal, or mixed, used by the companies in the transaction of telegraph and telephone business~~; and the~~. The property so included in the assessment shall not be taxed in any other manner than as provided in this chapter.

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2. *a.* For assessment years beginning on or after January 1, 2013, each company assessed for taxation under this chapter shall receive a partial exemption from taxation on the value of the company's property as provided in this subsection.

b. For the assessment year beginning January 1, 2013, the total amount of the exemption for each company shall be equal to the sum of the following amounts:

(1) An amount equal to twenty percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds zero dollars but does not exceed twenty million dollars.

(2) An amount equal to seventeen and five-tenths percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds twenty million dollars but does not exceed fifty-five million dollars.

(3) An amount equal to twelve and five-tenths percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds fifty-five million dollars but does not exceed five hundred million dollars.

(4) An amount equal to ten percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds five hundred million dollars.

c. For the assessment year beginning January 1, 2014, and each assessment year thereafter, the total amount of the exemption for each company shall be equal to the sum of the following amounts:

(1) An amount equal to forty percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds zero dollars but does not exceed twenty million dollars.

(2) An amount equal to thirty-five percent of the actual

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value of the property of such company for that assessment year, as determined under subsection 1, that exceeds twenty million dollars but does not exceed fifty-five million dollars.

(3) An amount equal to twenty-five percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds fifty-five million dollars but does not exceed five hundred million dollars.

(4) An amount equal to twenty percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds five hundred million dollars.

Sec. 32. Section 433.5, Code 2013, is amended to read as follows:

433.5 Actual value per mile — exemption value per mile.

1. The director of revenue shall ascertain the actual value per mile of the property of each ~~of said companies~~ company within this state by dividing the total actual value, as ~~above~~ ascertained under section 433.4, subsection 1, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the actual value per mile of line of the property of such company within this state.

2. The director of revenue shall ascertain the exemption value per mile of the property of each company within this state by dividing the amount of the exemption for that company determined under section 433.4, subsection 2, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the exemption value per mile of line for that company.

Sec. 33. Section 433.8, Code 2013, is amended to read as follows:

433.8 Assessment in each county — how certified.

The director of revenue shall, for the purpose of determining what amount shall be assessed to ~~any one of said~~

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~~companies~~ each company in each county of the state into which the line of the said company extends, ~~multiply the assessed or taxable value per mile of line of said company, as above ascertained, by the number of miles in each of said counties, and the result thereof shall be by the director certified~~ certify to the several county auditors of the respective counties into, over, or through which said line extends the number of miles of line in the county for that company, the actual value per mile of line for that company, and the exemption value per mile of line for that company.

Sec. 34. Section 433.9, Code 2013, is amended to read as follows:

433.9 Entry of certificate.

At the first meeting of the board of supervisors held after ~~such statement~~ the certification made under section 433.8 is received by the county auditor, ~~it~~ the board shall cause such ~~statement~~ certification to be entered in its minute book, and make and enter therein an order stating the length of the lines, ~~and~~ the ~~assessed~~ actual value of the property, and the exempted value of the property of each of said companies situated in each city, township, or lesser taxing district in its county, as fixed by the director of revenue~~, which~~. The value certified by the director of revenue, following application of the percentage of actual value under section 441.21, and following the application of the exemption value certified by the director of revenue, shall constitute the taxable value of said property for taxing purposes, and the taxes on said property when collected by the county treasurer shall be disposed of as other taxes on real estate. The county auditor shall transmit a copy of said order to the council or trustees of each city or township in which the lines of said company extend.

Sec. 35. REPEAL. Section 433.6, Code 2013, is repealed.

Sec. 36. PROPERTY TAXATION OF TELECOMMUNICATIONS COMPANIES

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STUDY — REPORT.

1. a. The department of revenue, in consultation with the department of management, representatives of companies providing telecommunications services in this state by any means, including but not limited to mobile, wireless, voice over internet protocol, and landline, and other interested persons shall study the current system of assessing telecommunications company property and levying property tax against companies that provide telecommunications services in this state and make recommendations for changes.

b. The department of revenue shall prepare and file a report detailing recommendations for changes to the current system of assessing telecommunications company property and levying property tax against companies providing telecommunications services in this state. The report shall also include recommendations for establishing methods to provide equivalent property tax treatment for all companies providing telecommunications services in this state and recommendations for apportioning property tax revenues to the appropriate local taxing authorities in the state. The report shall also include proposed legislation to implement the recommendations contained in the report. The report shall be filed by the department of revenue with the chairpersons and ranking members of the ways and means committees of the senate and the house of representatives and with the legislative services agency by August 1, 2015.

c. Upon receipt of the report by the chairpersons and ranking members of the ways and means committees under paragraph "b", a legislative telecommunications company property tax review committee consisting of six members of the general assembly, two appointed by the majority leader of the senate, one appointed by the minority leader of the senate, two appointed by the speaker of the house of representatives, and one appointed by the minority leader of

the house of representatives shall review the information and recommendations contained in the report. The department of revenue shall provide additional information and analysis to the review committee or the general assembly upon request of the review committee.

2. Each company providing telecommunications services in this state by any means, including but not limited to mobile, wireless, voice over internet protocol, and landline, shall on or before a date specified by the director of revenue submit to the department of revenue such information determined by the director of revenue to be necessary to facilitate the creation of the report required under this section. However, the director of revenue shall only request aggregate statistical data or information from such companies and in no case shall such companies be required under this section to provide data or information about any individual end user or customer, including but not limited to account information, place of primary use, or service address information within the meaning of section 423.20. In addition, such companies shall not be required to resubmit any information that was submitted to the director of revenue pursuant to the requirements of chapter 433. Information provided to the department under this section shall be verified by the company's president or secretary. The confidentiality provisions of sections 422.20 and 422.72 apply to all information received by the department of revenue for purposes of the report pursuant to this section and pursuant to chapter 433, if applicable.

Sec. 37. IMPLEMENTATION. Section 25B.7 shall not apply to this division of this Act.

Sec. 38. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 39. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to assessment years beginning on or

after January 1, 2013.

DIVISION V

IOWA TAXPAYERS TRUST FUND TAX CREDIT

Sec. 40. TAXPAYERS TRUST FUND — IOWA TAXPAYERS TRUST FUND TAX CREDIT TRANSFER. During the fiscal year beginning July 1, 2013, there is transferred from the taxpayers trust fund created in section 8.57E to the Iowa taxpayers trust fund tax credit fund created in section 422.11E, an amount equal to the sum of the balance of the taxpayers trust fund as determined after the close of the fiscal year beginning July 1, 2012, and ending June 30, 2013, including the amount transferred for that fiscal year to the taxpayers trust fund from the Iowa economic emergency fund created in section 8.55 in the fiscal year beginning July 1, 2013, and ending June 30, 2014, to be used for the Iowa taxpayers trust fund tax credit in accordance with section 422.11E, subsection 5.

Sec. 41. Section 8.57E, subsection 2, Code 2013, is amended to read as follows:

2. Moneys in the taxpayers trust fund shall only be used pursuant to appropriations or transfers made by the general assembly for tax relief. During each fiscal year beginning on or after July 1, 2014, in which the balance of the taxpayers trust fund equals or exceeds thirty million dollars, there is transferred from the taxpayers trust fund to the Iowa taxpayers trust fund tax credit fund created in section 422.11E, the entire balance of the taxpayers trust fund to be used for the Iowa taxpayers trust fund tax credit in accordance with section 422.11E, subsection 5.

Sec. 42. Section 257.21, unnumbered paragraph 2, Code 2013, is amended to read as follows:

The instructional support income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year

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and after the date the board adopts a resolution to participate in the program or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, *"state individual income tax"* means the taxes computed under section 422.5, less the amounts of nonrefundable credits allowed under chapter 422, division II, except for the Iowa taxpayers trust fund tax credit allowed under section 422.11E.

Sec. 43. NEW SECTION. **422.11E Iowa taxpayers trust fund tax credit.**

1. For purposes of this section, unless the context otherwise requires:

a. "Eligible individual" means, with respect to a tax year, an individual who makes and files an individual income tax return pursuant to section 422.13. *"Eligible individual"* does not include an estate or trust, or an individual for whom an individual income tax return was not timely filed, including extensions.

b. "Unclaimed tax credit" means, with respect to a tax year, the aggregate amount by which the Iowa taxpayers trust fund tax credits that were eligible to be claimed by eligible individuals, if any, exceeds the Iowa taxpayers trust fund tax credits actually claimed by eligible individuals, if any.

2. The taxes imposed under this division, less the credits allowed under this division except the credits for withheld tax and estimated tax paid in section 422.16, shall be reduced by an Iowa taxpayers trust fund tax credit to an eligible individual for the tax year beginning January 1 immediately preceding July 1 of any fiscal year during which a transfer, if any, is made from the taxpayers trust fund in section 8.57E to the Iowa taxpayers trust fund tax credit fund created in this section.

3. The credit shall be equal to the quotient of the amount

transferred to the Iowa taxpayers trust fund tax credit fund in the applicable fiscal year, divided by the number of eligible individuals for the tax year immediately preceding the tax year for which the credit in this section is allowed, as determined by the director of revenue in accordance with this section, rounded down to the nearest whole dollar. The department of revenue shall draft the income tax form for any tax year in which a credit will be allowed under this section to provide the information and space necessary for eligible individuals to claim the credit.

4. Any credit in excess of the taxpayer's liability for the tax year is not refundable and shall not be credited to the tax liability for any following year or carried back to a tax year prior to the tax year in which the taxpayer claims the credit.

5. *a.* There is established within the state treasury under the control of the department an Iowa taxpayers trust fund tax credit fund consisting of any moneys transferred by the general assembly by law from the taxpayers trust fund created in section 8.57E for purposes of the credit provided in this section. For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, the department shall transfer from the Iowa taxpayers trust fund tax credit fund to the general fund of the state, the lesser of the balance of the Iowa taxpayers trust fund tax credit fund or an amount of money equal to the Iowa taxpayers trust fund tax credits claimed in that fiscal year, if any. Any moneys in the Iowa taxpayers trust fund tax credit fund which represent unclaimed tax credits shall immediately revert to the taxpayers trust fund created in section 8.57E. Interest or earnings on moneys in the Iowa taxpayers trust fund tax credit fund shall be credited to the taxpayers trust fund created in section 8.57E.

b. The moneys transferred to the general fund of the state in accordance with this subsection shall not be considered new revenues for purposes of the state general fund expenditure

limitation under section 8.54 but instead as replacement of a like amount included in the expenditure limitation for the fiscal year in which the transfer is made.

Sec. 44. Section 422D.2, Code 2013, is amended to read as follows:

422D.2 Local income surtax.

A county may impose by ordinance a local income surtax as provided in section 422D.1 at the rate set by the board of supervisors, of up to one percent, on the state individual income tax of each individual residing in the county at the end of the individual's applicable tax year. However, the cumulative total of the percents of income surtax imposed on any taxpayer in the county shall not exceed twenty percent. The reason for imposing the surtax and the amount needed shall be set out in the ordinance. The surtax rate shall be set to raise only the amount needed. For purposes of this section, *"state individual income tax"* means the tax computed under section 422.5, less the amounts of nonrefundable credits allowed under chapter 422, division II, except for the Iowa taxpayers trust fund tax credit allowed under section 422.11E.

Sec. 45. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 46. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2013, for tax years beginning on or after that date.

DIVISION VI

PROPERTY ASSESSMENT APPEAL BOARD

Sec. 47. Section 421.1A, subsection 2, paragraph b, Code 2013, is amended to read as follows:

b. Each member of the property assessment appeal board shall be qualified by virtue of at least two years' experience in the area of government, corporate, or private practice relating to property appraisal and property tax administration. ~~One~~

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~~member~~ Two members of the board shall be ~~a~~ certified real ~~estate appraiser or hold a professional appraisal designation,~~ property appraisers and one member shall be an attorney practicing in the area of state and local taxation or property tax appraisals~~, and one member shall be a professional with experience in the field of accounting or finance and with experience in state and local taxation matters~~. No more than two members of the board may be from the same political party as that term is defined in section 43.2.

Sec. 48. Section 421.1A, subsection 6, Code 2013, is amended to read as follows:

6. The members of the property assessment appeal board shall receive ~~compensation from the state commensurate with the salary of a district judge through December 31, 2013~~ a salary set by the governor within a range established by the general assembly. The members of the board shall be considered state employees for purposes of salary and benefits. The members of the board and any employees of the board, when required to travel in the discharge of official duties, shall be paid their actual and necessary expenses incurred in the performance of duties.

Sec. 49. Section 421.1A, subsection 7, Code 2013, is amended by striking the subsection.

Sec. 50. Section 441.21, subsection 3, Code 2013, is amended to read as follows:

3. *a.* *"Actual value"*, *"taxable value"*, or *"assessed value"* as used in other sections of the Code in relation to assessment of property for taxation shall mean the valuations as determined by this section; however, other provisions of the Code providing special methods or formulas for assessing or valuing specified property shall remain in effect, but this section shall be applicable to the extent consistent with such provisions. The assessor and department of revenue shall disclose at the written request of the taxpayer all information

in any formula or method used to determine the actual value of the taxpayer's property.

b. The burden of proof shall be upon any complainant attacking such valuation as excessive, inadequate, inequitable, or capricious; however, in protest or appeal proceedings when the complainant offers competent evidence by at least two disinterested witnesses that the market value of the property is less than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation to be assessed.

Sec. 51. Section 441.23, Code 2013, is amended to read as follows:

441.23 Notice of valuation.

If there has been an increase or decrease in the valuation of the property, or upon the written request of the person assessed, the assessor shall, at the time of making the assessment, inform the person assessed, in writing, of the valuation put upon the taxpayer's property, and notify the person, that if the person feels aggrieved, to contact the assessor pursuant to section 441.30 or to appear before the board of review and show why the assessment should be changed. However, if the valuation of a class of property is uniformly decreased, the assessor may notify the affected property owners by publication in the official newspapers of the county. The owners of real property shall be notified not later than April ~~15~~ 1 of any adjustment of the real property assessment.

Sec. 52. Section 441.26, subsection 1, Code 2013, is amended to read as follows:

1. The director of revenue shall each year prescribe the form of assessment roll to be used by all assessors in assessing property, in this state, also the form of pages of the assessor's assessment book. The assessment rolls shall be in a form that will permit entering, separately, the names of all persons assessed, and shall also contain a notice in

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substantially the following form:

If you are not satisfied that the foregoing assessment is correct, you may contact the assessor on or after April 1, to and including May 4, of the year of the assessment to request an informal review of the assessment pursuant to section 441.30.

If you are not satisfied that the foregoing assessment is correct, you may file a protest against such assessment with the board of review on or after April ~~16~~ 7, to and including May 5, of the year of the assessment, such protest to be confined to the grounds specified in section 441.37.

Dated: .. day of ... (month), .. (year)

.....

County/City Assessor.

Sec. 53. Section 441.28, Code 2013, is amended to read as follows:

441.28 Assessment rolls — change — notice to taxpayer.

The assessment shall be completed not later than April ~~15~~ 1 each year. If the assessor makes any change in an assessment after it has been entered on the assessor's rolls, the assessor shall note on the roll, together with the original assessment, the new assessment and the reason for the change, together with the assessor's signature and the date of the change. Provided, however, in the event the assessor increases any assessment the assessor shall give notice of the increase in writing to the taxpayer by mail postmarked no later than April ~~15~~ 1. No changes shall be made on the assessment rolls after April ~~15~~ 1 except by order of the board of review or of the property assessment appeal board, or by decree of court.

Sec. 54. NEW SECTION. **441.30 Informal assessment review period — recommendation.**

1. Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may contact the assessor by telephone or in writing by paper or

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electronic medium on or after April 1, to and including May 4, of the year of the assessment to inquire about the specifics and accuracy of the assessment. Such an inquiry may also include a request for an informal review of the assessment by the assessor under one or more of the grounds for protest authorized under section 441.37 for the same assessment year.

2. In response to an inquiry under subsection 1, if the assessor, following an informal review, determines that the assessment was incorrect under one or more of the grounds for protest authorized under section 441.37 for the same assessment year, the assessor may recommend that the property owner or aggrieved taxpayer file a protest with the local board of review and may file a recommendation with the local board of review related to the informal review.

3. A recommendation filed with the local board of review by the assessor pursuant to subsection 2 shall be utilized by the local board of review in the evaluation of all evidence properly before the local board of review.

4. This section, including any action taken by the assessor under this section, shall not be construed to limit a property owner or taxpayer's ability to file a protest with the local board of review under section 441.37.

Sec. 55. Section 441.35, subsection 2, Code 2013, is amended to read as follows:

2. In any year after the year in which an assessment has been made of all of the real estate in any taxing district, the board of review shall meet as provided in section 441.33, and where the board finds the same has changed in value, the board shall revalue and reassess any part or all of the real estate contained in such taxing district, and in such case, the board shall determine the actual value as of January 1 of the year of the revaluation and reassessment and compute the taxable value thereof. ~~Any aggrieved taxpayer may petition for a revaluation of the taxpayer's property, but no reduction or increase~~

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~~shall be made for prior years.~~ If the assessment of any such property is raised, or any property is added to the tax list by the board, the clerk shall give notice in the manner provided in section 441.36. However, if the assessment of all property in any taxing district is raised, the board may instruct the clerk to give immediate notice by one publication in one of the official newspapers located in the taxing district, and such published notice shall take the place of the mailed notice provided for in section 441.36, but all other provisions of that section shall apply. The decision of the board as to the foregoing matters shall be subject to appeal to the property assessment appeal board within the same time and in the same manner as provided in section 441.37A and to the district court within the same time and in the same manner as provided in section 441.38.

Sec. 56. Section 441.37, subsection 1, paragraphs a and b, Code 2013, are amended to read as follows:

a. Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may file a protest against such assessment with the board of review on or after April ~~16~~ 7, to and including May 5, of the year of the assessment. In any county which has been declared to be a disaster area by proper federal authorities after March 1 and prior to May 20 of said year of assessment, the board of review shall be authorized to remain in session until June 15 and the time for filing a protest shall be extended to and include the period from May 25 to June 5 of such year. ~~Said~~ The protest shall be in writing and, except as provided in subsection 2A, signed by the one protesting or by the protester's duly authorized agent. The taxpayer may have an oral hearing ~~thereon~~ on the protest if the request ~~therefor~~ for the oral hearing is made in writing ~~is made~~ at the time of filing the protest. ~~Said~~ The protest must be confined to one or more of the following grounds:

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(1) For odd-numbered assessment years and for even-numbered assessment years for property that was reassessed in such even-numbered assessment year:

(a) That said assessment is not equitable as compared with assessments of other like property in the taxing district. When this ground is relied upon as the basis of a protest the legal description and assessments of a representative number of comparable properties, as described by the aggrieved taxpayer shall be listed on the protest, otherwise said protest shall not be considered on this ground.

~~(2)~~ (b) That the property is assessed for more than the value authorized by law~~, stating~~. When this ground is relied upon, the protesting party shall state the specific amount which the protesting party believes the property to be overassessed, and the amount which the party considers to be its actual value and ~~the amount the party considers a~~ fair assessment.

~~(3)~~ (c) That the property is not assessable, is exempt from taxes, or is misclassified and stating the reasons for the protest.

~~(4)~~ (d) That there is an error in the assessment and state the specific alleged error. When this ground is relied upon, the error may include but is not limited to listing errors, clerical or mathematical errors, or other errors that result in an error in the assessment.

~~(5)~~ (e) That there is fraud in the assessment which shall be specifically stated.

(2) For even-numbered assessment years, when the property has not been reassessed in such even-numbered assessment year, that there has been a decrease in the value of the property from the previous reassessment year. When this ground is relied upon, the protesting party shall show the decrease in value by comparing the market value of the property as of January 1 of the current assessment year and the actual

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value of the property for the previous reassessment year. Such protest shall be in the same manner as described in this section and shall be reviewed by the local board of review pursuant to section 441.35, subsection 2, but a reduction or increase shall not be made for prior years.

b. ~~In addition to the above, the property owner may protest annually to the board of review under the provisions of section 441.35, but such protest shall be in the same manner and upon the same terms as heretofore prescribed in this section.~~ The burden of proof for all protests filed under this section shall be as stated in section 441.21, subsection 3.

Sec. 57. Section 441.37, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. For assessment years beginning on or after January 1, 2014, the board of review may allow property owners or aggrieved taxpayers who are dissatisfied with the owner's or taxpayer's assessment to file a protest against such assessment by electronic means. Electronic filing of assessment protests may be authorized for the protest period that begins April 7, the protest period that begins October 15, or both. Except for the requirement that a protest be signed, all other requirements of this section for an assessment protest to the board of review shall apply to a protest filed electronically. If electronic filing is authorized by the local board of review, the availability of electronic filing shall be clearly indicated on the assessment roll notice provided to the property owner or taxpayer and included in the published equalization order notice.

Sec. 58. Section 441.37A, subsection 1, paragraphs a and b, Code 2013, are amended to read as follows:

a. For the assessment year beginning January 1, 2007, and all subsequent assessment years beginning before January 1, 2018, appeals may be taken from the action of the board of review with reference to protests of assessment, valuation, or

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application of an equalization order to the property assessment appeal board created in section 421.1A. However, a property owner or aggrieved taxpayer or an appellant described in section 441.42 may bypass the property assessment appeal board and appeal the decision of the local board of review to the district court pursuant to section 441.38.

b. For an appeal to the property assessment appeal board to be valid, written notice must be filed by the party appealing the decision with the secretary of the property assessment appeal board within twenty days after the date ~~the board of review's letter of disposition of the appeal is postmarked to the party making the protest~~ of adjournment of the local board of review or May 31, whichever is later. The written notice of appeal shall include a petition setting forth the basis of the appeal and the relief sought. No new grounds in addition to those set out in the protest to the local board of review as provided in section 441.37 can be pleaded, but additional evidence to sustain those grounds may be introduced. The assessor shall have the same right to appeal to the assessment appeal board as an individual taxpayer, public body, or other public officer as provided in section 441.42. An appeal to the board is a contested case under chapter 17A.

Sec. 59. Section 441.37A, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *e.* For the assessment year beginning January 1, 2014, the property assessment appeal board may, by rule, provide for the filing of a notice of appeal and petition with the secretary of the board by electronic means. All requirements of this section for an appeal to the board shall apply to an appeal filed electronically.

Sec. 60. Section 441.37A, subsection 2, Code 2013, is amended to read as follows:

2. *a.* A party to the appeal may request a hearing or the appeal may proceed without a hearing. If a hearing is

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requested, the appellant and the local board of review from which the appeal is taken shall be given at least thirty days' written notice by the property assessment appeal board of the date the appeal shall be heard and the local board of review may be present and participate at such hearing. Notice to all affected taxing districts shall be deemed to have been given when written notice is provided to the local board of review. The requirement of thirty days' written notice may be waived by mutual agreement of all parties to the appeal. Failure by the appellant to appear at the property assessment appeal board hearing shall ~~be grounds for~~ result in dismissal of the appeal unless a continuance is granted to the appellant by the board following a showing of good cause for the appellant's failure to appear. If an appeal is dismissed for failure to appear, the property assessment appeal board shall have no jurisdiction to consider any subsequent appeal on the appellant's protest.

b. ~~An~~ Each appeal may be considered by ~~less than a majority of the~~ one or more members of the board, and the chairperson of the board may assign members to consider appeals. If a hearing is requested, it shall be open to the public and shall be conducted in accordance with the rules of practice and procedure adopted by the board. The board may provide by rule for participation in such hearings by telephone or other means of electronic communication. However, any deliberation of ~~a~~ the board or of board ~~member~~ members considering the appeal in reaching a decision on any appeal shall be confidential. ~~A meeting of the board~~ Any deliberation of the board or of board members to rule on procedural motions in a pending appeal or to deliberate on the decision to be reached in an appeal is exempt from the provisions of chapter 21. The property assessment appeal board or any member of the board considering the appeal may require the production of any books, records, papers, or documents as evidence in any matter pending before the board that may be material, relevant, or necessary for the making

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of a just decision. Any books, records, papers, or documents produced as evidence shall become part of the record of the appeal. Any testimony given relating to the appeal shall be transcribed and made a part of the record of the appeal.

Sec. 61. Section 441.37A, subsection 3, paragraph a, Code 2013, is amended to read as follows:

a. The burden of proof for all appeals before the board shall be as stated in section 441.21, subsection 3. The board ~~member~~ members considering the appeal shall determine anew all questions arising before the local board of review which relate to the liability of the property to assessment or the amount thereof. All of the evidence shall be considered and there shall be no presumption as to the correctness of the valuation of assessment appealed from. The property assessment appeal board shall ~~make~~ issue a decision in each appeal filed with the board. If the appeal is considered by less than ~~a majority~~ the full membership of the board, the determination made by ~~that member~~ such members shall be forwarded to the full board for approval, rejection, or modification. If the initial determination is rejected by the board, it shall be returned for reconsideration to the board ~~member~~ members making the initial determination. Any deliberation of the board regarding an initial determination shall be confidential.

Sec. 62. 2005 Iowa Acts, chapter 150, section 134, is amended to read as follows:

SEC. 134. FUTURE REPEAL.

1. The sections of this division of this Act amending sections 7E.6, 13.7, 428.4, 441.19, 441.35, 441.38, 441.39, 441.43, 441.49, and 445.60, and enacting sections 421.1A and 441.37A, are repealed effective July 1, ~~2013~~ 2018.

2. The portion of the section of this division of this Act amending section 441.28 relating only to the property assessment appeal board is repealed effective July 1, ~~2013~~ 2018.

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3. The repeals provided for in subsections 1 and 2 shall include all subsequent amendments to such sections relating to the property assessment appeal board.

Sec. 63. 2008 Iowa Acts, chapter 1191, section 14, subsection 5, is amended to read as follows:

5. The following are range 5 positions: administrator of the division of homeland security and emergency management of the department of public defense, state public defender, drug policy coordinator, labor commissioner, workers' compensation commissioner, director of the department of cultural affairs, director of the department of elder affairs, director of the law enforcement academy, members of the property assessment appeal board, and administrator of the historical division of the department of cultural affairs.

Sec. 64. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 65. APPLICABILITY. Except as otherwise provided in this division of this Act, this division of this Act applies to assessment years beginning on or after January 1, 2014.

Sec. 66. APPLICABILITY. The following provision of this division of this Act applies to appointments to the property assessment appeal board on or after the effective date of this division of this Act:

1. The section of this division of this Act amending section 421.1A, subsection 2, paragraph "b".

Sec. 67. APPLICABILITY. The following provisions of this division of this Act apply to fiscal years beginning on or after July 1, 2013:

1. The section of this division of this Act amending section 421.1A, subsection 6.

2. The section of this division of this Act amending 2008 Iowa Acts, chapter 1191, section 14, subsection 5.

Sec. 68. APPLICABILITY. The following provision of this

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division of this Act applies on or after the effective date of this division of this Act:

1. The section of this division of this Act amending 2005 Iowa Acts, chapter 150, section 134.

Sec. 69. RETROACTIVE APPLICABILITY. The following provision of this division of this Act applies retroactively to January 1, 2013, for assessment years beginning on or after that date:

1. The section of this division of this Act amending section 441.37A, subsection 2.

DIVISION VII
EARNED INCOME TAX CREDIT

Sec. 70. Section 422.12B, subsection 1, Code 2013, is amended to read as follows:

1. *a.* The taxes imposed under this division less the credits allowed under section 422.12 shall be reduced by an earned income credit equal to ~~seven percent~~ the following percentage of the federal earned income credit provided in section 32 of the Internal Revenue Code~~.~~:

(1) For the tax year beginning in the 2013 calendar year, fourteen percent.

(2) For tax years beginning on or after January 1, 2014, fifteen percent.

b. Any credit in excess of the tax liability is refundable.

Sec. 71. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2013, for tax years beginning on or after that date.>

2. Title page, by striking lines 1 through 4 and inserting <An Act relating to state and local finances by establishing a business property tax credit for commercial, industrial, and railway property, establishing and modifying property assessment limitations, providing for commercial and industrial property tax replacement payments, providing for the classification of multiresidential property,

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modifying provisions for the taxation of telecommunications company property, providing for the study of the taxation of telecommunications company property, providing a taxpayers trust fund tax credit, modifying provisions relating to the property assessment appeal board, modifying the amount of the earned income tax credit, making appropriations, providing penalties, and including effective date, implementation, retroactive applicability, and other applicability provisions.>

ON THE PART OF THE SENATE:	ON THE PART OF THE HOUSE:
MATT McCOY, CHAIRPERSON	TOM SANDS, CHAIRPERSON
JOE BOLKCOM	CHRIS HAGENOW
BILL DIX	JO OLDSON
WILLIAM A. DOTZLER, JR.	STEVE OLSON
RANDY FEENSTRA	ROGER THOMAS

House File 648

H-1459

1 Amend House File 648 as follows:
2 1. By striking everything after the enacting clause
3 and inserting:
4 <DIVISION I
5 STATE BOND REPAYMENT FUND
6 Section 1. STATE BOND REPAYMENT FUND — TAXPAYERS
7 TRUST FUND.
8 1. Notwithstanding section 8.55, subsection
9 2, paragraph "b", if the Iowa economic emergency
10 fund reaches its maximum balance in the fiscal year
11 beginning July 1, 2013, after the designated portion of
12 the excess moneys is transferred to the taxpayers trust
13 fund pursuant to section 8.55, subsection 2, paragraph
14 "a", the next $116,100,000 is transferred to the state
15 bond repayment fund created by this Act.
16 2. If the treasurer of state determines that the
17 amount transferred pursuant to subsection 1 is not
18 sufficient to defease or redeem the bonds specified
19 in section 8.57F, subsection 2, as enacted by this
20 division of this Act, and to pay the costs relating to
21 the defeasance or redemption, to the entire extent that
22 the bonds may be defeased or redeemed, the treasurer of
23 state may submit a written request to the department
24 of management that the department certify the amount
25 of the insufficiency as determined by the treasurer of
26 state. The request shall detail the information needed
27 by the department of management to determine whether
28 the department concurs with the treasurer of state's
29 determination. Upon issuance of the department of
30 management's written certification of the insufficiency
31 amount, there is transferred from the Iowa economic
32 emergency fund, after the transfer made pursuant to
33 subsection 1 to the state bond repayment fund, an
34 amount equal to the insufficiency amount certified by
35 the department of management. The treasurer of state's
36 request, any documents relating to the request, and the
37 department of management's certification shall also
38 be submitted to the chairpersons and ranking members
39 of the committees on appropriations of the senate and
40 house of representatives and the legislative services
41 agency at the time of submission or certification.
42 3. To the extent the following bonds are defeased
43 or redeemed by moneys transferred or credited to the
44 state bond repayment fund created in section 8.57F,
45 as enacted by this division of this Act, there is
46 transferred to the general fund of the state from the
47 revenue source otherwise designated by law for payment
48 of the bonds, an amount equal to that which otherwise
49 would have been paid in connection with the bonds from
50 such revenue source for the fiscal year beginning July

1 1, 2013:
2 a. The premier destination park bonds issued
3 pursuant to section 463C.12.
4 b. The Iowa jobs program bonds issued pursuant
5 to section 12.87, subsection 1, paragraph "b",
6 subparagraph (3), on which the interest is subject to
7 federal income tax.
8 c. The school infrastructure program bonds issued
9 pursuant to sections 12.81 through 12.86.
10 Sec. 2. NEW SECTION. **8.57F State bond repayment**
11 **fund.**
12 1. *a.* The state bond repayment fund is created.
13 The fund shall be separate from the general fund of
14 the state and the balance in the fund shall not be
15 considered part of the balance of the general fund of
16 the state. The moneys credited to the fund are not
17 subject to section 8.33 and shall not be transferred,
18 used, obligated, appropriated, or otherwise encumbered
19 except as provided in this section.
20 *b.* Moneys in the fund shall only be used for the
21 defeasance or redemption of outstanding obligations
22 issued by the state or an authority of the state that
23 have debt service paid by a dedicated revenue source
24 and for payment of costs relating to the defeasance or
25 redemption.
26 *c.* Moneys in the fund may be used for cash flow
27 purposes during a fiscal year provided that any moneys
28 so allocated are returned to the fund by the end of
29 that fiscal year.
30 *d.* Except as provided in section 8.58, the fund
31 shall be considered a special account for the purposes
32 of section 8.53 in determining the cash position of
33 the general fund of the state for the payment of state
34 obligations.
35 2. The moneys credited to the fund for the fiscal
36 year beginning July 1, 2013, are appropriated to the
37 treasurer of state to defease or redeem the following
38 bonds and to pay the costs relating to the defeasance
39 or redemption, to the extent the bonds can be
40 defeased or redeemed and costs paid within the amount
41 appropriated. The bonds shall be defeased or redeemed
42 in the following order of priority:
43 *a.* In conjunction with the honey creek premier
44 destination park authority, the premier destination
45 park bonds issued pursuant to section 463C.12.
46 *b.* In conjunction with the Iowa finance authority,
47 the prison infrastructure revenue bonds issued pursuant
48 to section 16.177.
49 *c.* The Iowa jobs program bonds issued pursuant
50 to section 12.87, subsection 1, paragraph *"b"*,

subparagraph (3), on which the interest is subject to federal income tax.

d. The school infrastructure program bonds issued pursuant to sections 12.81 through 12.86.

3. Any bonds listed in subsection 2 that are not defeased or redeemed in accordance with this section shall continue to be payable from their original dedicated revenue source as designated by laws.

Sec. 3. Section 8.58, Code 2013, is amended to read as follows:

8.58 Exemption from automatic application.

1. To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, ~~and~~ taxpayers trust fund, and state bond repayment fund shall not be considered in the application of any formula, index, or other statutory triggering mechanism which would affect appropriations, payments, or taxation rates, contrary provisions of the Code notwithstanding.

2. To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, ~~and~~ taxpayers trust fund, and state bond repayment fund shall not be considered by an arbitrator or in negotiations under chapter 20.

Sec. 4. EFFECTIVE UPON ENACTMENT — APPLICABILITY.

1. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act providing for transfer of moneys from the Iowa economic emergency fund to the state bond repayment fund instead of the general fund of the state applies to transfers made from the Iowa economic emergency fund after the effective date of this division of this Act and the state general fund expenditure limitation calculated for the fiscal year beginning July 1, 2013, shall be adjusted accordingly.

DIVISION II
PUBLIC RETIREMENT SYSTEMS

Sec. 5. JUDICIAL RETIREMENT FUND. There is transferred from the general fund of the state to the judicial retirement fund described in section 602.9104, for the fiscal year beginning July 1, 2012, and ending

1 June 30, 2013, an amount equal to $18,900,000.
2 Sec. 6. PEACE OFFICERS' RETIREMENT, ACCIDENT,
3 AND DISABILITY SYSTEM RETIREMENT FUND. There is
4 transferred from the general fund of the state to the
5 peace officers' retirement, accident, and disability
6 system retirement fund described in section 97A.8, for
7 the fiscal year beginning July 1, 2012, and ending June
8 30, 2013, an amount equal to $91,300,000.
9 Sec. 7. REPEAL. Section 97A.11A, Code 2013, is
10 repealed.
11 Sec. 8. EFFECTIVE UPON ENACTMENT. This division of
12 this Act, being deemed of immediate importance, takes
13 effect upon enactment.
14 DIVISION III
15 MISCELLANEOUS APPROPRIATIONS
16 Sec. 9. GENERAL FUND APPROPRIATIONS — FY
17 2012-2013. There is appropriated from the general fund
18 of the state to the following departments and agencies
19 for the fiscal year beginning July 1, 2012, and ending
20 June 30, 2013, the following amounts, or so much
21 thereof as is necessary, to be used for the purposes
22 designated:
23 1. DEPARTMENT OF ADMINISTRATIVE SERVICES
24 a. For projects related to major repairs and
25 major maintenance needs including health, life, and
26 fire safety needs and for compliance with the federal
27 Americans with Disabilities Act for state buildings:
28 ..... $ 2,500,000
29 b. For costs associated with capitol interior and
30 exterior restoration, including the installation of a
31 lightning protection system:
32 ..... $ 330,000
33 2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
34 For deposit in the agricultural drainage well water
35 quality assistance fund created in section 460.303 to
36 be used for purposes of supporting the agricultural
37 drainage well water quality assistance program as
38 provided in section 460.304:
39 ..... $ 1,620,000
40 Notwithstanding section 8.33, moneys appropriated in
41 this subsection that remain unencumbered or unobligated
42 at the close of the fiscal year shall not revert but
43 shall remain available for expenditure for the purposes
44 designated until the close of the fiscal year beginning
45 July 1, 2015.
46 The appropriation in this subsection is in lieu of
47 the appropriation made from the environment first fund
48 for the fiscal year beginning July 1, 2013, for the
49 same purpose in 2013 Iowa Acts, Senate File 435, if
50 enacted.

1 3. DEPARTMENT OF COMMERCE — DIVISION OF BANKING
2 For financial literacy education:
3 ..... $ 100,000
4 a. DEFINITIONS
5 For the purposes of this subsection, unless the
6 context otherwise requires:
7 (1) "Administrator" means the division of banking
8 of the department of commerce.
9 (2) "Financial institution" means a bank, bank
10 holding company, savings bank, or savings and loan
11 association organized under the law of this state,
12 another state, or the United States, approved for
13 participation by the administrator.
14 (3) "Operating organization" means an agency
15 selected by the administrator for involvement in
16 financial literacy education.
17 b. PROGRAM — ELIGIBILITY
18 (1) The administrator shall utilize a request
19 for proposals process for selection of operating
20 organizations.
21 (2) The selected operating organization shall
22 administer a financial literacy education program
23 through financial institutions to citizens of the
24 state. The program shall include any of the following:
25 (a) Home buyer education.
26 (b) Financial literacy education for students in
27 kindergarten through grade twelve and for college
28 students.
29 (c) Financial literacy programs for entrepreneurs.
30 (d) Financial literacy teacher training.
31 c. By October 1, each year through October 1, 2016,
32 the division shall submit a report to the general
33 assembly detailing the expenditures made from the
34 moneys appropriated in this subsection during the
35 previous fiscal year.
36 d. Notwithstanding section 8.33, moneys
37 appropriated in this paragraph that remain unencumbered
38 or unobligated at the close of the fiscal year shall
39 not revert but shall remain available for expenditure
40 for the purposes designated until the close of the
41 fiscal year beginning July 1, 2015.
42 4. DEPARTMENT OF CORRECTIONS
43 For the construction project and one-time furniture,
44 fixture, and equipment costs at the Iowa correctional
45 facility for women at Mitchellville:
46 ..... $ 11,200,000
47 5. IOWA ECONOMIC DEVELOPMENT AUTHORITY
48 a. For infrastructure building and site development
49 at a proposed manufacturing center of excellence and
50 for the purchase of advanced manufacturing equipment

1 for the proposed center:
2 ..... $ 3,500,000
3 Notwithstanding section 8.33, moneys appropriated in
4 this paragraph that remain unencumbered or unobligated
5 at the close of the fiscal year shall not revert but
6 shall remain available for expenditure for the purposes
7 designated until June 30, 2015.
8 b. For services pertaining to the pursuit and
9 possible establishment of a regional hub under the
10 national network for manufacturing innovation program
11 to accelerate development and adoption of innovative
12 manufacturing technologies for making new globally
13 competitive products:
14 ..... $ 500,000
15 Notwithstanding section 8.33, moneys appropriated in
16 this paragraph that remain unencumbered or unobligated
17 at the close of the fiscal year shall not revert but
18 shall remain available for expenditure for the purposes
19 designated until the close of the fiscal year beginning
20 July 1, 2014.
21 c. For renovations, expansions, and enhancements
22 to facilities for an adult day program at a year-round
23 camp for persons with disabilities in a central Iowa
24 city with a population between one hundred ninety-five
25 thousand and two hundred five thousand in the latest
26 preceding certified federal census:
27 ..... $ 250,000
28 d. For costs associated with the hosting of a
29 national junior summer olympics by a nonprofit sports
30 organization:
31 ..... $ 250,000
32 Notwithstanding section 8.33, moneys appropriated in
33 this paragraph that remain unencumbered or unobligated
34 at the close of the fiscal year shall not revert but
35 shall remain available for expenditure for the purposes
36 designated until the close of the fiscal year beginning
37 July 1, 2013.
38 e. For the provision of financial assistance
39 including the establishment of a loan program; for
40 technical assistance, marketing, and education to
41 businesses interested in establishing employee stock
42 ownership plans; and for procurement of the services
43 of an independent contractor with expertise in the
44 formation of the employee stock ownership plans:
45 ..... $ 500,000
46 Notwithstanding section 8.33, moneys appropriated in
47 this paragraph that remain unencumbered or unobligated
48 at the close of the fiscal year shall not revert but
49 shall remain available for expenditure for the purposes
50 designated until the close of the fiscal year beginning

1 July 1, 2014.
2 On or before January 15, 2015, the authority
3 shall submit a report to the general assembly and
4 the governor's office describing the expenditure of
5 moneys appropriated pursuant to this lettered paragraph
6 "e" and evaluating the success of the assistance and
7 promotion program.
8 6. DEPARTMENT OF EDUCATION
9 a. For the Iowa reading research center established
10 pursuant to section 256.9:
11 ..... $ 669,000
12 Notwithstanding section 8.33, moneys appropriated in
13 this paragraph that remain unencumbered or unobligated
14 at the close of the fiscal year shall not revert but
15 shall remain available for expenditure for the purposes
16 designated until the close of the fiscal year beginning
17 July 1, 2013.
18 b. For purposes of implementing the statewide
19 core curriculum for school districts and accredited
20 nonpublic schools and a state-designated career
21 information and decision-making system:
22 ..... $ 1,000,000
23 Notwithstanding section 8.33, moneys appropriated in
24 this paragraph that remain unencumbered or unobligated
25 at the close of the fiscal year shall not revert but
26 shall remain available for expenditure for the purposes
27 designated until the close of the fiscal year beginning
28 July 1, 2013.
29 c. For major renovation and major repair needs,
30 including health, life, and fire safety needs and for
31 compliance with the federal Americans with Disabilities
32 Act for buildings and facilities under the purview of
33 the community colleges:
34 ..... $ 1,000,000
35 7. DEPARTMENT OF HUMAN RIGHTS
36 For deposit in the individual development account
37 state match fund created in section 541A.7 to support
38 the operating organizations providing individual
39 development accounts in Iowa:
40 ..... $ 100,000
41 a. If the term of a contract with an operating
42 organization ends prior to June 30, 2014, the
43 department shall renew the contract to at least June
44 30, 2014.
45 b. By October 1, each year through October 1,
46 2016, the department shall submit a report to the
47 general assembly detailing the expenditures made from
48 the moneys appropriated in this subsection during the
49 previous fiscal year by the operating organizations.
50 c. Notwithstanding section 8.33, moneys

1 appropriated in this subsection that remain
2 unencumbered or unobligated at the close of the fiscal
3 year shall not revert but shall remain available for
4 expenditure for the purposes designated until the close
5 of the fiscal year beginning July 1, 2015.
6 8. DEPARTMENT OF HUMAN SERVICES
7 a. For a grant to a nonprofit child welfare,
8 juvenile justice, and behavioral health agency for
9 the construction of a psychiatric medical institution
10 for children in a city with a population between
11 twenty-eight thousand and twenty-nine thousand in the
12 latest preceding certified federal census:
13 ..... $ 1,000,000
14 b. For a grant to a nonprofit agency that provides
15 innovative solutions to children and adults with autism
16 in a city with a population between fourteen thousand
17 five hundred and fifteen thousand five hundred in the
18 latest preceding certified federal census for costs
19 associated with improvements to facilities:
20 ..... $ 800,000
21 c. For allocation to an Iowa food bank association
22 selected by the department for the purchase of food on
23 behalf of an Iowa emergency feeding organization or
24 for the distribution of moneys to the Iowa emergency
25 feeding organizations for the purchase of food:
26 ..... $ 1,000,000
27 The moneys appropriated in this paragraph shall be
28 allocated only to the extent that the allocated moneys
29 are matched on a dollar-for-dollar basis.
30 Notwithstanding section 8.33, moneys appropriated in
31 this paragraph that remain unencumbered or unobligated
32 at the close of the fiscal year shall not revert but
33 shall remain available for expenditure for the purposes
34 designated until the close of the fiscal year beginning
35 July 1, 2014.
36 9. IOWA JUDICIAL BRANCH
37 For costs associated with the continued development
38 and implementation of the electronic document
39 management system:
40 ..... $ 3,000,000
41 10. DEPARTMENT OF PUBLIC SAFETY
42 a. For equipment, other than land mobile radio
43 communications equipment:
44 ..... $ 1,000,000
45 Notwithstanding section 8.33, moneys appropriated in
46 this paragraph that remain unencumbered or unobligated
47 at the close of the fiscal year shall not revert but
48 shall remain available for expenditure for the purposes
49 designated until the close of the fiscal year beginning
50 July 1, 2013.

1 b. For providing administrative support for the
2 public safety training and facilities task force
3 established in this paragraph:
4 ..... $ 50,000
5 (1) A public safety training and facilities task
6 force is established. The department of public safety
7 shall provide administrative support for the task
8 force.
9 (2) The task force shall consist of the following
10 members:
11 (a) One member appointed by the Iowa state
12 sheriffs' and deputies' association.
13 (b) One member appointed by the Iowa police chiefs
14 association.
15 (c) One member who is a fire fighter appointed by
16 the Iowa professional fire fighters association.
17 (d) One member who is the administrator of the Iowa
18 fire service training bureau or the administrator's
19 designee.
20 (e) One member who is a representative of the fire
21 service who is not a fire chief appointed by the Iowa
22 firefighters association.
23 (f) The director of the Iowa law enforcement
24 academy or the director's designee.
25 (g) The commissioner of public safety or the
26 training coordinator of the department of public
27 safety, as designated by the commissioner.
28 (h) The state fire marshal or the state fire
29 marshal's designee.
30 (i) One member appointed by the Iowa state police
31 association.
32 (j) One member who is a fire chief appointed by the
33 Iowa fire chiefs association.
34 (k) One member appointed by the Iowa emergency
35 medical services association.
36 (l) One member appointed by the Iowa emergency
37 management association.
38 (m) One member who is a fire chief appointed by the
39 Iowa association of professional fire chiefs.
40 (n) One member who is a member of the office
41 of motor vehicle enforcement of the department of
42 transportation appointed by the director of the
43 department of transportation.
44 (o) Four members of the general assembly serving
45 as ex officio, nonvoting members, one representative
46 to be appointed by the speaker of the house of
47 representatives, one representative to be appointed by
48 the minority leader of the house of representatives,
49 one senator to be appointed by the majority leader of
50 the senate, and one senator to be appointed by the

1 minority leader of the senate.
2 (3) The voting members of the task force shall
3 select one chairperson and one vice chairperson. The
4 vice chairperson shall preside in the absence of
5 the chairperson. Section 69.16A shall apply to the
6 appointed members of the task force.
7 (4) It is the intent of the general assembly in
8 establishing this task force that the task force
9 develop a coordinated plan amongst all public safety
10 disciplines that would oversee the construction of a
11 consolidated fire and police public safety training
12 facility, provide for the establishment of a governance
13 board for the public safety disciplines and the
14 consolidated facility, and to establish a consistent
15 and steady funding mechanism to defray public safety
16 training costs on an ongoing basis.
17 (5) The task force shall seek and consider input
18 from all interested stakeholders and members of the
19 public and shall include an emphasis on receiving input
20 from fire service, law enforcement, and emergency
21 medical services personnel. The task force shall
22 consider and develop strategies relating to public
23 safety training facility governance with the goal of
24 all public safety disciplines being represented. Each
25 public safety discipline shall advise the task force by
26 developing individual training policies as determined
27 by the discipline's governing bodies. The task force
28 shall also develop a proposal for a joint public safety
29 training facility, a budget for construction and future
30 operation of the facility, financing options, including
31 possible public-private partnerships, for construction
32 and operation of the facility, and potential locations
33 for the facility that are centrally located in this
34 state.
35 (6) (a) The task force shall provide interim
36 reports to the general assembly by December 31 of each
37 year concerning the activities of the task force and
38 shall submit its final report, including its findings
39 and recommendations, to the general assembly by
40 December 31, 2016.
41 (b) The final report shall include but not be
42 limited to recommendations concerning the following:
43 (i) Consolidation of public safety governance
44 within a single board and the membership of the board.
45 Board duties would include overseeing the construction
46 and maintenance of a consolidated fire and police
47 public safety training facility.
48 (ii) Development of a consolidated fire and police
49 public safety training facility, including possible
50 locations, building recommendations, and financing

1 options.
2 (iii) Any other recommendations relating to public
3 safety training and facilities requirements.
4 c. For the regional emergency response training
5 centers, to be distributed on an equal basis:
6 ..... $ 150,000
7 Notwithstanding section 8.33, moneys appropriated in
8 this paragraph that remain unencumbered or unobligated
9 at the close of the fiscal year shall not revert but
10 shall remain available for expenditure for the purposes
11 designated until the close of the fiscal year beginning
12 July 1, 2014.
13 ll. STATE BOARD OF REGENTS
14 a. For the repair or replacement of failed or
15 failing building components, for immediate fire safety
16 needs, and for compliance with the federal Americans
17 with Disabilities Act, at regents institutions:
18 ..... $ 2,000,000
19 b. For infrastructure improvements to construct a
20 multipurpose training facility at the state hygienic
21 laboratory at the state university of Iowa:
22 ..... $ 1,000,000
23 c. For the university of northern Iowa for funding
24 issues related to high enrollment by in-state students:
25 ..... $ 10,000,000
26 Notwithstanding section 8.33, moneys appropriated
27 in this lettered paragraph that remain unencumbered or
28 unobligated at the close of the fiscal year shall not
29 revert but shall remain available for expenditure for
30 the purposes designated until June 30, 2015.
31 d. For implementing the bioeconomy initiative at
32 Iowa state university of science and technology:
33 ..... $ 7,500,000
34 Notwithstanding section 8.33, moneys appropriated in
35 this paragraph that remain unencumbered or unobligated
36 at the close of the fiscal year shall not revert but
37 shall remain available for expenditure for the purposes
38 designated until the close of the fiscal year beginning
39 July 1, 2014.
40 e. For the college of veterinary medicine at
41 Iowa state university of science and technology for
42 renovations and improvements of facilities including
43 offsite facilities:
44 ..... $ 1,000,000
45 f. For the economic development core facility
46 located at the research park at Iowa state university
47 of science and technology:
48 ..... $ 12,000,000
49 g. For costs associated with the renovation,
50 modernization, and construction of a new addition at

1 the pharmacy building at the state university of Iowa:
2 ..... $ 3,000,000
3 h. For the construction of a new biosciences
4 building at Iowa state university of science and
5 technology:
6 ..... $ 2,500,000
7 i. For the renovation, modernization, and
8 associated improvements to an educational center for
9 teacher education and preparation at the university of
10 northern Iowa:
11 ..... $ 1,500,000
12 12. DEPARTMENT OF TRANSPORTATION
13 For the public purpose of defraying costs associated
14 with the operation of a contract air traffic control
15 tower which holds an air agency certificate:
16 ..... $ 150,000
17 Moneys appropriated by this subsection shall be
18 distributed on a local match basis to the largest city
19 in a county with a population of more than 92,000 and
20 less than 95,000 as of the last preceding certified
21 federal census.
22 13. DEPARTMENT OF VETERANS AFFAIRS
23 a. For remodeling and upgrades to office space at
24 Camp Dodge:
25 ..... $ 137,940
26 b. For a grant to an American legion post located
27 in a city with a population between one thousand
28 ten and one thousand twenty in the latest preceding
29 certified federal census for the construction of a
30 veteran's reception center and community center:
31 ..... $ 600,000
32 c. For construction costs associated with the
33 expansion of an equipment and vehicle storage building
34 at the Iowa veterans cemetery:
35 ..... $ 250,000
36 14. DEPARTMENT OF WORKFORCE DEVELOPMENT
37 For distribution for a public purpose to an entity
38 with a mission of providing education and training
39 for occupations in Iowa's renewable energy production
40 industries and related occupational opportunities:
41 ..... $ 300,000
42 Notwithstanding section 8.33, moneys appropriated in
43 this subsection that remain unencumbered or unobligated
44 at the close of the fiscal year shall not revert but
45 shall remain available for expenditure for the purposes
46 designated until the close of the fiscal year beginning
47 July 1, 2014.
48 15. STATE FAIR BOARD
49 For infrastructure costs associated with the
50 construction of a plaza on the Iowa state fairgrounds:

1 ..... $ 1,000,000
2 Sec. 10. RISK POOL TRANSFER.
3 1. There is transferred from the general fund of
4 the state to the department of human services for the
5 fiscal year beginning July 1, 2012, and ending June 30,
6 2013, the following amount to be used for the purposes
7 designated:
8 For deposit in the risk pool of the property tax
9 relief fund created in section 426B.5, for distribution
10 as provided in this section:
11 ..... $ 13,000,000
12 2. The moneys deposited in the risk pool pursuant
13 to subsection 1 shall be distributed to counties or
14 county regions in the fiscal year beginning July 1,
15 2013, and ending June 30, 2014. The application and
16 award processes for a distribution shall be determined
17 by the risk pool board created in section 426B.5, and
18 the processes determined by the risk pool shall apply
19 in lieu of contrary provisions in section 426B.5,
20 subsection 2. However, the application and award dates
21 determined by the board shall not be later than those
22 specified in section 426B.5, subsection 2.
23 3. a. A distribution of moneys under this section
24 is subject to the same requirement as an equalization
25 payment, as specified in section 426B.3, subsection 4,
26 paragraph "b", as amended by this division of this Act.
27 b. The processes determined by the risk pool board
28 shall give priority to those counties in need of
29 additional funding in order to maintain mental health
30 and disability services that were required to reduce
31 their services fund levy for the fiscal year beginning
32 July 1, 2013, in accordance with section 331.424A,
33 subsection 7, as enacted by 2012 Iowa Acts, chapter
34 1120, section 132. If moneys remain after the needs of
35 such counties are met, the applications of counties for
36 additional funding for continuation of county mental
37 health and disability services to targeted populations
38 that are not funded by the Medicaid program, but that
39 are covered under such counties' service management
40 plan approved for the fiscal year, shall also be
41 considered.
42 c. The risk pool board shall specify financial and
43 service information to be provided with a county's
44 application. The information may include but is not
45 limited to actual and projected cash and accrued fund
46 balances, detailed accounts receivable and payable
47 information, budgeted revenues and expenditures,
48 identification of the need for the amount requested,
49 services provided and populations covered under the
50 service management plan, and costs for the county's

1 services administration.
2 4. If adoption of administrative rules is necessary
3 to implement the processes determined by the risk
4 pool board for the purposes of this section, upon
5 recommendation of the risk pool board the mental health
6 and disability services commission may adopt emergency
7 rules under section 17A.4, subsection 3, and section
8 17A.5, subsection 2, paragraph "b", to implement the
9 processes and the rules shall be effective immediately
10 upon filing unless a later date is specified in the
11 rules. Any rules adopted in accordance with this
12 subsection shall also be published as a notice of
13 intended action as provided in section 17A.4.
14 5. Notwithstanding section 426B.1, subsection 1,
15 moneys deposited to the risk pool pursuant to this
16 section that remain unencumbered or unobligated shall
17 revert to the general fund of the state at the close of
18 the fiscal year beginning July 1, 2013.
19 Sec. 11. REPORTING.
20 1. Annually, on or before January 15 of each year,
21 a state agency that received an appropriation in this
22 division of this Act shall report to the legislative
23 services agency and the department of management the
24 status of all projects completed or in progress. The
25 report shall include a description of the project, the
26 progress of work completed, the total estimated cost of
27 the project, a list of all revenue sources being used
28 to fund the project, the amount of funds expended, the
29 amount of funds obligated, and the date the project
30 was completed or an estimated completion date of the
31 project, where applicable.
32 2. Annually, on or before December 31 of each year,
33 a recipient of moneys appropriated in this division
34 of this Act for any purpose shall report to the
35 state agency to which the moneys are appropriated the
36 status of all projects completed or in progress. The
37 report shall include a description of the project, the
38 progress of work completed, the total estimated cost of
39 the project, a list of all revenue sources being used
40 to fund the project, the amount of funds expended, the
41 amount of funds obligated, and the date the project
42 was completed or an estimated completion date of the
43 project, where applicable.
44 Sec. 12. REVERSION. For purposes of section 8.33,
45 unless specifically provided otherwise, unencumbered or
46 unobligated moneys from an appropriation made in this
47 division of this Act shall not revert but shall remain
48 available for expenditure for the purposes designated
49 until the close of the fiscal year beginning July 1,
50 2016. However, if the project or projects for which

1 such appropriation was made are completed in an earlier
2 fiscal year, unencumbered or unobligated moneys shall
3 revert at the close of that same fiscal year.
4 Sec. 13. EFFECTIVE UPON ENACTMENT. This division
5 of this Act, being deemed of immediate importance,
6 takes effect upon enactment.
7 DIVISION IV
8 SOIL AND WATER CONSERVATION AND WATER QUALITY
9 Sec. 14. SOIL AND WATER CONSERVATION ——
10 GENERAL. There is appropriated from the general fund
11 of the state to the department of agriculture and land
12 stewardship for the fiscal year beginning July 1, 2012,
13 and ending June 30, 2013, the following amount, or
14 so much thereof as is necessary, to be used for the
15 purposes designated:
16 1. For use by the department in providing for soil
17 and water conservation administration, the conservation
18 of soil and water resources, or the support of soil and
19 water conservation district commissioners:
20 ..... $ 7,000,000
21 2. Not more than 5 percent of the moneys
22 appropriated in subsection 1 may be allocated for cost
23 sharing to address complaints filed under section
24 161A.47.
25 3. Of the moneys appropriated in subsection 1, 5
26 percent shall be allocated for financial incentives
27 to establish practices to protect watersheds above
28 publicly owned lakes of the state from soil erosion and
29 sediment as provided in section 161A.73.
30 4. Not more than 30 percent of a soil and water
31 conservation district's allocation of moneys as
32 financial incentives may be provided for the purpose
33 of establishing management practices to control soil
34 erosion on land that is row cropped, including but
35 not limited to no-till planting, ridge-till planting,
36 contouring, and contour strip-cropping as provided in
37 section 161A.73.
38 5. The state soil conservation committee
39 established by section 161A.4 may allocate moneys
40 appropriated in subsection 1 to conduct research and
41 demonstration projects to promote conservation tillage
42 and nonpoint source pollution control practices.
43 6. The allocation of moneys as financial incentives
44 as provided in section 161A.73 may be used in
45 combination with moneys allocated by the department of
46 natural resources.
47 7. Not more than 15 percent of the moneys
48 appropriated in subsection 1 may be used for costs of
49 administration and implementation of soil and water
50 conservation practices.

1 8. The moneys appropriated in this section shall
2 not be used by the soil conservation division of
3 the department of agriculture and land stewardship
4 to provide administrative support to the watershed
5 improvement review board established in section 466A.3.
6 Sec. 15. WATER QUALITY INITIATIVE — SPECIAL
7 PROJECTS.
8 1. There is appropriated from the general fund of
9 the state to the department of agriculture and land
10 stewardship for the fiscal year beginning July 1, 2012,
11 and ending June 30, 2013, the following amount, or
12 so much thereof as is necessary, to be used for the
13 purposes designated:
14 For deposit in the water quality initiative fund
15 created in section 466B.45, if enacted by 2013 Iowa
16 Acts, Senate File 435, for purposes of supporting
17 special projects associated with a water quality
18 initiative administered by the soil conservation
19 division as provided in section 466B.42, if enacted by
20 2013 Iowa Acts, Senate File 435:
21 ..... $ 10,000,000
22 2. a. Seventy percent of the moneys shall be used
23 to support projects in subwatersheds as designated by
24 the division that are part of high-priority watersheds
25 identified by the water resources coordinating council
26 established pursuant to section 466B.3.
27 b. Thirty percent of the moneys shall be used to
28 support projects in watersheds generally, including
29 regional watersheds, as designated by the division,
30 and high-priority watersheds identified by the water
31 resources coordinating council established pursuant to
32 section 466B.3.
33 3. In supporting projects in subwatersheds and
34 watersheds as provided in subsection 2, the division
35 shall do all of the following:
36 a. Utilize water quality practices as described
37 in the latest revision of the document entitled "Iowa
38 Nutrient Reduction Strategy" initially presented in
39 November 2012 by the department of agriculture and land
40 stewardship, the department of natural resources, and
41 Iowa state university of science and technology.
42 b. Participate with persons who hold a legal
43 interest in agricultural land used in farming. To
44 every extent practical, the division shall provide for
45 collaborative participation by such persons who hold a
46 legal interest in agricultural land located within the
47 same watershed.
48 c. Finance the establishment of water quality
49 practices on a cost-share basis as determined by the
50 division. However, the state's share of the amount

1 shall not exceed 50 percent of the estimated cost of
2 establishing the water quality practice as determined
3 by the division or 50 percent of the actual cost of
4 establishing the water quality practice, whichever is
5 less.
6 4. Notwithstanding any other provision in law
7 to the contrary, the department may use moneys
8 appropriated in subsection 1 in combination with
9 other moneys appropriated to the department from the
10 environment first fund created in section 8.57A for
11 cost sharing to match the United States department of
12 agriculture, natural resources conservation service,
13 wetland reserve enhancement program.
14 Sec. 16. WATER QUALITY INITIATIVE APPROPRIATIONS —
15 FEDERAL MONEYS. The department of agriculture and land
16 stewardship, and its soil conservation division, may
17 use moneys appropriated in this division of this Act
18 to support the water quality initiative, including its
19 projects, in combination with other moneys provided by
20 the United States government.
21 Sec. 17. WATER QUALITY INITIATIVE — REPORT. The
22 department of agriculture and land stewardship shall
23 prepare a preliminary report and final report regarding
24 its efforts to administer the water quality initiative
25 as provided in this division. Each report shall
26 include information regarding the establishment of
27 water quality practices, including demonstration
28 projects, and education and outreach efforts. The
29 department shall deliver the preliminary report to the
30 governor and general assembly not later than January
31 15, 2014, and shall deliver the final report to the
32 governor and general assembly not later than January
33 15, 2015. A report shall not identify an individual or
34 specific agricultural land.
35 Sec. 18. WATERSHED IMPROVEMENT FUND.
36 1. There is appropriated from the general fund of
37 the state to the department of agriculture and land
38 stewardship for the fiscal year beginning July 1, 2012,
39 and ending June 30, 2013, the following amount, or
40 so much thereof as is necessary, to be used for the
41 purpose designated:
42 For deposit in the watershed improvement fund
43 created in section 466A.2:
44 ..... $ 3,000,000
45 2. Of the amount appropriated in subsection 1,
46 50 percent shall be used for purposes of supporting
47 special projects associated with the water quality
48 initiative administered by the soil conservation
49 division.
50 Sec. 19. NONREVERSION. Notwithstanding section

1 8.33, moneys appropriated in this division of this Act
2 that remain unencumbered or unobligated at the close
3 of the fiscal year shall not revert but shall remain
4 available for expenditure for the purposes designated
5 until the close of the fiscal year beginning July 1,
6 2017.
7 Sec. 20. EFFECTIVE UPON ENACTMENT. This division
8 of this Act, being deemed of immediate importance,
9 takes effect upon enactment.>

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SODERBERG of Plymouth