

**Senate File 619 - Reprinted**

SENATE FILE 619  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1276)

(As Amended and Passed by the Senate May 17, 2021)

**A BILL FOR**

1 An Act relating to state and local revenue and finance by  
2 modifying future tax contingencies, the state inheritance  
3 tax, the sales and use tax relating to food banks, the tax  
4 on promotional play receipts, the sales and use tax relating  
5 to food banks, the tax on promotional play receipts, mental  
6 health and disability services funding, school district  
7 funding, commercial and industrial property tax replacement  
8 payments, providing for housing incentives, providing for  
9 other properly related matters, making appropriations, and  
10 including effective date, applicability, and retroactive  
11 applicability provisions.  
12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

FUTURE TAX CONTINGENCIES

Section 1. 2018 Iowa Acts, chapter 1161, section 133, is amended by striking the section and inserting in lieu thereof the following:

SEC. 133. EFFECTIVE DATE. This division of this Act takes effect January 1, 2023.

DIVISION II

CHILD DEPENDENT AND DEVELOPMENT TAX CREDITS

Sec. 2. Section 422.12C, subsection 1, paragraphs f and g, Code 2021, are amended to read as follows:

f. For a taxpayer with net income of forty thousand dollars or more but less than ~~forty-five~~ ninety thousand dollars, thirty percent.

g. For a taxpayer with net income of ~~forty-five~~ ninety thousand dollars or more, zero percent.

Sec. 3. Section 422.12C, subsection 2, paragraph a, Code 2021, is amended to read as follows:

a. The taxes imposed under [this subchapter](#), less the amounts of nonrefundable credits allowed under [this subchapter](#), may be reduced by an early childhood development tax credit equal to twenty-five percent of the first one thousand dollars which the taxpayer has paid to others for each dependent, as defined in the Internal Revenue Code, ages three through five for early childhood development expenses. In determining the amount of early childhood development expenses for the tax year beginning in the 2006 calendar year only, such expenses paid during November and December of the previous tax year shall be considered paid in the tax year for which the tax credit is claimed. This credit is available to a taxpayer whose net income is less than ~~forty-five~~ ninety thousand dollars. If the early childhood development tax credit is claimed for a tax year, the taxpayer and the taxpayer's spouse shall not claim the child and dependent care credit under [subsection 1](#).

Sec. 4. RETROACTIVE APPLICABILITY. This division of this

1 Act applies retroactively to tax years beginning on or after  
2 January 1, 2021.

3 DIVISION III

4 COVID-19 RELATED GRANTS — TAXATION

5 Sec. 5. Section 422.7, subsection 62, Code 2021, is amended  
6 to read as follows:

7 62. a. Subtract, to the extent included, the amount of  
8 any ~~financial assistance~~ qualifying COVID-19 grant provided to  
9 ~~an eligible small~~ issued to an individual or business by the  
10 ~~economic development authority under the Iowa small business~~  
11 ~~relief grant program created during calendar year 2020 to~~  
12 ~~provide financial assistance to eligible small businesses~~  
13 ~~economically impacted by the COVID-19 pandemic,~~ the Iowa  
14 finance authority, or the department of agriculture and land  
15 stewardship.

16 b. For purposes of this subsection, "qualifying COVID-19  
17 grant" includes any grant that was issued between March 17,  
18 2020, and December 31, 2021, identified by the department  
19 by rule under a grant program created to primarily provide  
20 COVID-19 related financial assistance to economically  
21 impacted individuals and businesses located in this state,  
22 and administered by the economic development authority, Iowa  
23 finance authority, or the department of agriculture and land  
24 stewardship.

25 c. The economic development authority, Iowa finance  
26 authority, or the department of agriculture and land  
27 stewardship shall notify the department of any COVID-19 grant  
28 program that may qualify under this subsection in the manner  
29 and form prescribed by the department.

30 d. This subsection is repealed January 1, 2024, and does not  
31 apply to tax years beginning on or after that date.

32 Sec. 6. Section 422.35, subsection 30, Code 2021, is amended  
33 to read as follows:

34 30. a. Subtract, to the extent included, the amount of  
35 any ~~financial assistance~~ qualifying COVID-19 grant provided

1 ~~to an eligible small~~ issued to a business by the economic  
2 development authority under the Iowa small business relief  
3 grant program created during calendar year 2020 to provide  
4 financial assistance to eligible small businesses economically  
5 impacted by the COVID-19 pandemic, the Iowa finance authority,  
6 or the department of agriculture and land stewardship.

7 b. For purposes of this subsection, "qualifying COVID-19  
8 grant" means the same as defined in section 422.7, subsection  
9 62, paragraph "b".

10 c. The economic development authority, Iowa finance  
11 authority, or the department of agriculture and land  
12 stewardship shall notify the department of any COVID-19 grant  
13 program that may qualify under this subsection in the manner  
14 and form prescribed by the department.

15 d. This subsection is repealed January 1, 2024, and does not  
16 apply to tax years beginning on or after that date.

17 Sec. 7. EFFECTIVE DATE. This division of this Act, being  
18 deemed of immediate importance, takes effect upon enactment.

19 Sec. 8. RETROACTIVE APPLICABILITY. This division of this  
20 Act applies retroactively to March 17, 2020, for tax years  
21 ending on or after that date.

22 DIVISION IV

23 FEDERAL PAYCHECK PROTECTION PROGRAM

24 Sec. 9. FEDERAL PAYCHECK PROTECTION PROGRAM.

25 Notwithstanding any other provision of the law to the contrary,  
26 for any tax year ending after March 27, 2020, Division N, Tit.  
27 II, subtit. B, §276 and §278(a), of the federal Consolidated  
28 Appropriations Act, 2021, Pub. L. No. 116-260, applies in  
29 computing net income for state tax purposes under section 422.7  
30 or 422.35.

31 Sec. 10. EFFECTIVE DATE. This division of this Act, being  
32 deemed of immediate importance, takes effect upon enactment.

33 DIVISION V

34 STATE INHERITANCE TAX

35 Sec. 11. Section 450.10, Code 2021, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 7. *a.* In lieu of each rate of tax imposed  
3 in subsections 1 through 4, for property passing from the  
4 estate of a decedent dying on or after January 1, 2021, but  
5 before January 1, 2022, there shall be imposed a rate of tax  
6 equal to the applicable tax rate in subsections 1 through  
7 4, reduced by twenty percent, and rounded to the nearest  
8 one-hundredth of one percent.

9 *b.* In lieu of each rate of tax imposed in subsections 1  
10 through 4, for property passing from the estate of a decedent  
11 dying on or after January 1, 2022, but before January 1, 2023,  
12 there shall be imposed a rate of tax equal to the applicable  
13 tax rate in subsections 1 through 4, reduced by forty percent,  
14 and rounded to the nearest one-hundredth of one percent.

15 *c.* In lieu of each rate of tax imposed in subsections 1  
16 through 4, for property passing from the estate of a decedent  
17 dying on or after January 1, 2023, but before January 1, 2024,  
18 there shall be imposed a rate of tax equal to the applicable  
19 tax rate in subsections 1 through 4, reduced by sixty percent,  
20 and rounded to the nearest one-hundredth of one percent.

21 *d.* In lieu of each rate of tax imposed in subsections 1  
22 through 4, for property passing from the estate of a decedent  
23 dying on or after January 1, 2024, but before January 1, 2025,  
24 there shall be imposed a rate of tax equal to the applicable  
25 tax rate in subsections 1 through 4, reduced by eighty percent,  
26 and rounded to the nearest one-hundredth of one percent.

27 Sec. 12. NEW SECTION. 450.98 Tax repealed.

28 Effective January 1, 2025, this chapter shall not apply to  
29 property of estates of decedents dying on or after January 1,  
30 2025. The inheritance tax shall not be imposed under this  
31 chapter in the event the decedent dies on or after January 1,  
32 2025, and, to this extent, this chapter is repealed.

33 Sec. 13. NEW SECTION. 450B.8 Tax repealed.

34 Effective January 1, 2025, this chapter shall not apply to  
35 property of estates of decedents dying on or after January 1,

1 2025. The qualified use inheritance tax shall not be imposed  
2 under this chapter in the event the decedent dies on or after  
3 January 1, 2025, and, to this extent, this chapter is repealed.

4 Sec. 14. DEPARTMENT OF REVENUE. The department of revenue  
5 is directed to review references to Code chapters 450 and 450B  
6 and submit proposed corrections to such references in bill form  
7 to the general assembly by the 2022 regular session of the  
8 eighty-ninth general assembly.

9 Sec. 15. EFFECTIVE DATE. This division of this Act, being  
10 deemed of immediate importance, takes effect upon enactment.

11 Sec. 16. RETROACTIVE APPLICABILITY. This division of this  
12 Act applies retroactively to the estates of decedents dying on  
13 or after January 1, 2021.

14 DIVISION VI

15 HOUSING TRUST FUND

16 Sec. 17. Section 428A.8, subsection 3, Code 2021, is amended  
17 to read as follows:

18 3. Notwithstanding [subsection 2](#), the amount of money that  
19 shall be transferred pursuant to [this section](#) to the housing  
20 trust fund in any one fiscal year shall not exceed ~~three~~ seven  
21 million dollars. Any money that otherwise would be transferred  
22 pursuant to [this section](#) to the housing trust fund in excess  
23 of that amount shall be deposited in the general fund of the  
24 state.

25 DIVISION VII

26 HIGH QUALITY JOBS PROGRAM — DAY CARE CENTERS

27 Sec. 18. Section 15.327, Code 2021, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 016. *“Licensed center”* means the same as  
30 defined in section 237A.1.

31 Sec. 19. Section 15.329, Code 2021, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 3A. In addition to the factors in  
34 subsection 3, in determining the eligibility of a business to  
35 participate in the program the authority may consider whether a

1 proposed project will provide a licensed center for use by the  
2 business's employees.

3 DIVISION VIII

4 TELEHEALTH

5 Sec. 20. Section 514C.34, subsection 1, Code 2021, is  
6 amended by adding the following new paragraphs:

7 NEW PARAGRAPH. *0a.* "Covered person" means the same as  
8 defined in section 514J.102.

9 NEW PARAGRAPH. *00a.* "Facility" means the same as defined in  
10 section 514J.102.

11 NEW PARAGRAPH. *0c.* "Health carrier" means the same as  
12 defined in section 514J.102.

13 Sec. 21. Section 514C.34, subsection 1, paragraph c, Code  
14 2021, is amended to read as follows:

15 *c.* "Telehealth" means the delivery of health care services  
16 through the use of real-time interactive audio and video, or  
17 other real-time interactive electronic media, regardless of  
18 where the health care professional and the covered person are  
19 each located. "Telehealth" does not include the delivery of  
20 health care services delivered solely through an audio-only  
21 telephone, electronic mail message, or facsimile transmission.

22 Sec. 22. Section 514C.34, Code 2021, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 3A. *a.* A health carrier shall reimburse  
25 a health care professional and a facility for health care  
26 services provided by telehealth to a covered person for a  
27 mental health condition, illness, injury, or disease on the  
28 same basis and at the same rate as the health carrier would  
29 apply to the same health care services for a mental health  
30 condition, illness, injury, or disease provided in person to a  
31 covered person by the health care professional or the facility.

32 *b.* As a condition of reimbursement pursuant to paragraph  
33 "a", a health carrier shall not require that an additional  
34 health care professional be located in the same room as a  
35 covered person while health care services for a mental health

1 condition, illness, injury, or disease are provided via  
2 telehealth by another health care professional to the covered  
3 person.

4 Sec. 23. EFFECTIVE DATE. This division of this Act, being  
5 deemed of immediate importance, takes effect upon enactment.

6 Sec. 24. RETROACTIVE APPLICABILITY. This division of  
7 this Act applies to health care services for a mental health  
8 condition, illness, injury, or disease provided by a health  
9 care professional or a facility to a covered person by  
10 telehealth on or after January 1, 2021.

11 DIVISION IX

12 HIGH QUALITY JOBS AND RENEWABLE CHEMICAL PRODUCTION TAX CREDITS

13 Sec. 25. Section 15.119, subsection 2, paragraph a,  
14 subparagraphs (2) and (3), Code 2021, are amended to read as  
15 follows:

16 (2) In allocating tax credits pursuant to [this subsection](#)  
17 ~~for each fiscal year of the fiscal period beginning July 1,~~  
18 ~~2016, and ending June 30, 2021~~ the fiscal year beginning July  
19 1, 2021, and for each fiscal year thereafter, the authority  
20 shall not allocate more than ~~one hundred five~~ seventy million  
21 dollars for purposes of this paragraph. ~~This subparagraph (2)~~  
22 ~~is repealed July 1, 2021.~~

23 ~~(3) (a) In allocating tax credits pursuant to this~~  
24 ~~subsection for the fiscal year beginning July 1, 2021, and~~  
25 ~~ending June 30, 2022, the authority shall not allocate more~~  
26 ~~than one hundred five million dollars for purposes of this~~  
27 ~~paragraph if the aggregate amount of renewable chemical~~  
28 ~~production tax credits under [section 15.319](#) that were awarded~~  
29 ~~on or after July 1, 2018, but before July 1, 2021, equals or~~  
30 ~~exceeds twenty-seven million dollars.~~

31 ~~(b) As soon as practicable after June 30, 2021, the~~  
32 ~~authority shall notify the general assembly of the aggregate~~  
33 ~~amount of renewable chemical production tax credits awarded~~  
34 ~~under [section 15.319](#) on or after July 1, 2018, but before~~  
35 ~~July 1, 2021, and whether or not the tax credit allocation~~



1 ~~limitation described in subparagraph division (a) is~~  
2 ~~applicable.~~

3 ~~(c) This subparagraph (3) is repealed July 1, 2022.~~

4 Sec. 26. Section 15.119, subsection 2, paragraph h, Code  
5 2021, is amended to read as follows:

6 *h.* The renewable chemical production tax credit program  
7 administered pursuant to [sections 15.315 through 15.322](#). In  
8 allocating tax credits pursuant to [this subsection](#) for the  
9 fiscal year beginning July 1, 2021, and for each fiscal year  
10 thereafter, the authority shall not allocate more than ~~ten~~ five  
11 million dollars for purposes of this paragraph. This paragraph  
12 is repealed July 1, 2030.

13 Sec. 27. EFFECTIVE DATE. This division of this Act, being  
14 deemed of immediate importance, takes effect upon enactment.

15 DIVISION X

16 HIGH QUALITY JOBS — ELIGIBILITY REQUIREMENTS

17 Sec. 28. HIGH QUALITY JOBS — REDUCTIONS IN OPERATIONS.

18 1. Notwithstanding section 15.329, subsection 1, paragraph  
19 "b", subparagraph (2), the economic development authority shall  
20 not presume that a reduction in operations is a reduction in  
21 operations while simultaneously applying for assistance with  
22 regard to a business that submits an application on or before  
23 June 30, 2022, if the business demonstrates to the satisfaction  
24 of the authority all of the following:

25 a. That the reduction in operations occurred after March 1,  
26 2020.

27 b. That the reduction in operations was caused by the  
28 COVID-19 pandemic.

29 2. The economic development authority shall consider  
30 whether the benefit of the project proposed by a business  
31 under subsection 1 outweighs any negative impact related to  
32 the business's reduction in operations. The business shall  
33 remain subject to all other eligibility requirements pursuant  
34 to section 15.329.

35 3. This section is repealed July 1, 2022.

DIVISION XI

MANUFACTURING 4.0

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3 Sec. 29. NEW SECTION. 15.371 Manufacturing 4.0 technology  
4 investment program.

5 1. This section shall be known as and may be cited as the  
6 "*Manufacturing 4.0 Technology Investment Program*".

7 2. For purposes of this section unless the context otherwise  
8 requires:

9 a. "*Financial assistance*" means the same as defined in  
10 section 15.102.

11 b. "*Manufacturing 4.0 technology investments*" means projects  
12 that are intended to lead to the adoption of, and integration  
13 of, smart technologies into existing manufacturing operations  
14 located in the state by mitigating the risk to the manufacturer  
15 of significant technology investments. Projects may include  
16 investments in specialized hardware, software, or other  
17 equipment intended to assist a manufacturer in increasing the  
18 manufacturer's productivity, efficiency, and competitiveness.

19 3. a. A manufacturing 4.0 technology investment fund  
20 is created within the state treasury under the control of  
21 the authority for the purpose of financing manufacturing 4.0  
22 technology investments as described in this section.

23 b. The fund may be administered as a revolving fund and  
24 may consist of any moneys appropriated by the general assembly  
25 for purposes of this section and any other moneys that are  
26 lawfully available to the authority. Any moneys appropriated  
27 to the fund shall be used for purposes of the manufacturing  
28 4.0 technology investment program. The authority may use all  
29 other moneys in the fund, including interest, earnings, and  
30 recaptures, for purposes of this section.

31 c. Notwithstanding section 8.33, moneys appropriated in this  
32 section that remain unencumbered or unobligated at the close of  
33 the fiscal year shall not revert but shall remain available for  
34 expenditure for the purposes designated until the close of the  
35 succeeding fiscal year.

1     *d.* Notwithstanding any law to the contrary, the authority  
2 may transfer any unobligated and unencumbered moneys in the  
3 fund, except for moneys appropriated for purposes of this  
4 section, to any fund created pursuant to section 15.106A,  
5 subsection 1, paragraph "o".

6     4. The authority shall establish and administer a  
7 manufacturing 4.0 technology investment program and shall use  
8 moneys in the fund to award financial assistance to eligible  
9 manufacturers for manufacturing 4.0 technology investments.

10    5. To be eligible for a financial assistance award under the  
11 manufacturing 4.0 technology investment program, a manufacturer  
12 must do all of the following:

13     *a.* Manufacture goods at a facility located in this state.

14     *b.* Have a North American industry classification system  
15 number within the manufacturing sector range of 31-33.

16     *c.* Have been an established business for a minimum of three  
17 years prior to the date of application to the program.

18     *d.* Derive a minimum of fifty-one percent of the  
19 manufacturer's gross revenue from the sale of manufactured  
20 goods.

21     *e.* Employ a minimum of three full-time employees and no  
22 more than seventy-five full-time employees across all of the  
23 manufacturer's locations.

24     *f.* Have an assessment of the manufacturer's proposed  
25 manufacturing 4.0 technology investment completed by the center  
26 for industrial research and service at Iowa state university of  
27 science and technology.

28     *g.* Demonstrate the ability to provide matching financial  
29 support for the manufacturer's manufacturing 4.0 technology  
30 investment on a one-to-one basis. The matching financial  
31 support must be obtained from private sources.

32    6. Eligible manufacturers shall submit applications to the  
33 manufacturing 4.0 technology investment program in the manner  
34 prescribed by the authority by rule.

35    7. *a.* The authority may accept applications during one

1 or more application periods each fiscal year as determined by  
2 the authority. All completed applications shall be reviewed  
3 and scored on a competitive basis pursuant to rules adopted by  
4 the authority. The authority may engage an outside technical  
5 review panel to complete technical reviews of applications.  
6 The board shall review the recommendations of the authority  
7 and of the technical review panel, if applicable, and shall  
8 approve, defer, or deny each application.

9     *b.* In making recommendations to the board, the authority and  
10 the technical review panel, if applicable, shall consider all  
11 of the following:

12     (1) The completeness of the manufacturer's application.

13     (2) Whether the board should approve or deny an application.

14     (3) If the board approves an application, the type and  
15 amount of financial assistance that should to be awarded to the  
16 applicant.

17     (4) The percentage of the manufacturer's gross revenue  
18 that is derived from the sale of manufactured goods pursuant  
19 to subsection 5, paragraph "d".

20     (5) Whether the manufacturer's proposed manufacturing  
21 4.0 technology investment is consistent with the assessment  
22 completed by the center for industrial research and service at  
23 Iowa state university of science and technology pursuant to  
24 subsection 5, paragraph "f".

25     *c.* The board shall not approve an application for financial  
26 assistance for a manufacturing 4.0 technology investment that  
27 was made prior to the date of the application.

28     8. From moneys appropriated to the manufacturing 4.0  
29 technology investment fund from the general fund of the state  
30 and any other state moneys lawfully available to the authority  
31 for the manufacturing 4.0 technology investment program, the  
32 maximum amount of financial assistance awarded from such moneys  
33 to an eligible manufacturer shall not exceed seventy-five  
34 thousand dollars.

35     9. The authority shall adopt rules pursuant to chapter 17A

1 necessary to implement and administer this section.

2 DIVISION XII

3 ENERGY INFRASTRUCTURE REVOLVING LOAN PROGRAM

4 Sec. 30. Section 476.10A, subsection 2, Code 2021, is  
5 amended to read as follows:

6 2. Notwithstanding [section 8.33](#), any unexpended moneys  
7 remitted to the treasurer of state under [this section](#) shall be  
8 retained for the purposes designated. ~~Notwithstanding section~~  
9 ~~12C.7, subsection 2, interest or earnings on investments or~~  
10 ~~time deposits of the moneys remitted under [this section](#) shall~~  
11 ~~be retained and used for the purposes designated, pursuant to~~  
12 ~~[section 476.46](#).~~

13 Sec. 31. Section 476.46, subsection 2, paragraph e,  
14 subparagraph (3), Code 2021, is amended to read as follows:

15 (3) Interest on the fund shall be deposited in the fund.  
16 ~~A portion of the interest on the fund, not to exceed fifty~~  
17 ~~percent of the total interest accrued, shall be used for~~  
18 ~~promotion and administration of the fund.~~

19 Sec. 32. Section 476.46, Code 2021, is amended by adding the  
20 following new subsections:

21 NEW SUBSECTION. 3. The Iowa energy center shall not  
22 initiate any new loans under this section after June 30, 2021.

23 NEW SUBSECTION. 4. Loan payments received under this  
24 section on or after July 1, 2021, and any other moneys in the  
25 fund on or after July 1, 2021, shall be deposited in the energy  
26 infrastructure revolving loan fund created in section 476.46A.

27 Sec. 33. NEW SECTION. **476.46A Energy infrastructure**  
28 **revolving loan program.**

29 1. a. An energy infrastructure revolving loan fund is  
30 created in the office of the treasurer of state and shall be  
31 administered by the Iowa energy center established in section  
32 15.120.

33 b. The fund may be administered as a revolving fund and may  
34 consist of any moneys appropriated by the general assembly for  
35 purposes of this section and any other moneys that are lawfully

1 directed to the fund.

2 *c.* Moneys in the fund shall be used to provide financial  
3 assistance for the development and construction of energy  
4 infrastructure, including projects that support electric or gas  
5 generation transmission, storage, or distribution; electric  
6 grid modernization; energy-sector workforce development;  
7 emergency preparedness for rural and underserved areas; the  
8 expansion of biomass, biogas, and renewable natural gas;  
9 innovative technologies; and the development of infrastructure  
10 for alternative fuel vehicles.

11 *d.* Notwithstanding section 8.33, moneys appropriated in this  
12 section that remain unencumbered or unobligated at the close of  
13 the fiscal year shall not revert but shall remain available for  
14 expenditure for the purposes designated until the close of the  
15 succeeding fiscal year.

16 *e.* Notwithstanding section 12C.7, subsection 2, interest or  
17 earnings on moneys in the fund shall be credited to the fund.

18 2. *a.* The Iowa energy center shall establish and administer  
19 an energy infrastructure revolving loan program to encourage  
20 the development of energy infrastructure within the state.

21 *b.* An individual, business, rural electric cooperative, or  
22 municipal utility located and operating in this state shall be  
23 eligible for financial assistance under the program. With the  
24 approval of the Iowa energy center governing board established  
25 under section 15.120, subsection 2, the economic development  
26 authority shall determine the amount and the terms of all  
27 financial assistance awarded to an individual, business, rural  
28 electric cooperative, or municipal utility under the program.  
29 All agreements and administrative authority shall be vested in  
30 the Iowa energy center governing board.

31 *c.* The economic development authority may use not more than  
32 five percent of the moneys in the fund at the beginning of each  
33 fiscal year for purposes of administrative costs, marketing,  
34 technical assistance, and other program support.

35 3. For the purposes of this section:

1     *a. "Energy infrastructure"* means land, buildings, physical  
 2 plant and equipment, and services directly related to the  
 3 development of projects used for, or useful for, electricity or  
 4 gas generation, transmission, storage, or distribution.

5     *b. "Financial assistance"* means the same as defined in  
 6 section 15.102.

7     Sec. 34. ALTERNATE ENERGY REVOLVING LOAN FUND — MONEYS  
 8 TRANSFERRED AND APPROPRIATED. Any unencumbered or unobligated  
 9 moneys remaining after June 30, 2021, in the alternate energy  
 10 revolving loan fund created pursuant to section 476.46, are  
 11 transferred and appropriated to the energy infrastructure  
 12 revolving loan fund created pursuant to section 476.46A, to be  
 13 used for purposes of the energy infrastructure revolving loan  
 14 program.

15   DIVISION XIII

16   WORKFORCE HOUSING TAX INCENTIVES

17     Sec. 35. Section 15.119, subsection 2, paragraph g, Code  
 18 2021, is amended to read as follows:

19     *g. (1)* The workforce housing tax incentives program  
 20 administered pursuant to [sections 15.351 through 15.356](#).  
 21 In allocating tax credits pursuant to [this subsection](#), the  
 22 authority shall not allocate more than ~~twenty-five~~ thirty-five  
 23 million dollars for purposes of this paragraph. Of the moneys  
 24 allocated under this paragraph, ~~ten~~ seventeen million five  
 25 hundred thousand dollars shall be reserved for allocation to  
 26 qualified housing projects in small cities, as defined in  
 27 section 15.352, that are registered on or after July 1, 2017.

28     (2) (a) Notwithstanding subparagraph (1), in allocating  
 29 tax credits pursuant to this subsection for the fiscal year  
 30 beginning July 1, 2021, and ending June 30, 2022, the authority  
 31 shall not allocate more than forty million dollars for the  
 32 purposes of this paragraph. Of the moneys allocated under  
 33 this paragraph for the fiscal year beginning July 1, 2021, and  
 34 ending June 30, 2022, twelve million dollars shall be reserved  
 35 for allocation to qualified housing projects in small cities,

1 as defined in section 15.352, that are registered on or after  
2 July 1, 2017.

3 (b) This subparagraph is repealed July 1, 2022.

4 Sec. 36. Section 15.354, subsection 3, paragraph d, Code  
5 2021, is amended to read as follows:

6 d. Upon completion of a housing project, a housing  
7 business shall submit all of the following to the authority:

8 (1) An examination of the project in accordance with the  
9 American institute of certified public accountants' statements  
10 on standards for attestation engagements, completed by a  
11 certified public accountant authorized to practice in this  
12 state, shall be submitted to the authority.

13 (2) A statement of the final amount of qualifying new  
14 investment for the housing project.

15 (3) Any information the authority deems necessary to ensure  
16 compliance with the agreement signed by the housing business  
17 pursuant to paragraph "a", the requirements of this part,  
18 and rules the authority and the department of revenue adopt  
19 pursuant to section 15.356.

20 Sec. 37. Section 15.354, subsection 3, paragraph e,  
21 subparagraph (1), Code 2021, is amended to read as follows:

22 (1) Upon review of the examination, ~~and~~ verification of  
23 the amount of the qualifying new investment, and review of  
24 any other information submitted pursuant to paragraph "d",  
25 subparagraph (3), the authority may notify the housing business  
26 of the amount that the housing business may claim as a refund  
27 of the sales and use tax under [section 15.355, subsection 2](#),  
28 and may issue a tax credit certificate to the housing business  
29 stating the amount of workforce housing investment tax credits  
30 under [section 15.355, subsection 3](#), the eligible housing  
31 business may claim. The sum of the amount that the housing  
32 business may claim as a refund of the sales and use tax and  
33 the amount of the tax credit certificate shall not exceed the  
34 amount of the tax incentive award.

35 Sec. 38. Section 15.354, subsection 6, paragraphs b and c,



1 Code 2021, are amended to read as follows:

2 *b.* Notwithstanding [subsection 1](#), the authority may accept  
3 ~~applications for disaster recovery housing projects on a~~  
4 ~~continuous basis~~ establish a disaster recovery application  
5 period following the declaration of a major disaster by the  
6 president of the United States for a county in Iowa.

7 *c.* ~~Notwithstanding [subsection 2](#), paragraphs "a", "b", and~~  
8 ~~"d", upon~~ Upon review of a housing business's application,  
9 and scoring of all applications received during a disaster  
10 recovery application period, the authority may make a tax  
11 incentive award to a disaster recovery housing project. The  
12 tax incentive award shall represent the maximum amount of tax  
13 incentives that the disaster recovery housing project may  
14 qualify for under the program. In determining a tax incentive  
15 award, the authority shall not use an amount of project costs  
16 that exceeds the amount included in the application of the  
17 housing business. Tax incentive awards shall be approved by  
18 the director of the authority.

19 Sec. 39. Section 15.355, subsection 2, Code 2021, is amended  
20 to read as follows:

21 2. A housing business may claim a refund of the sales and  
22 use taxes paid under [chapter 423](#) that are directly related to  
23 a housing project and specified in the agreement. The refund  
24 available pursuant to [this subsection](#) shall be as provided in  
25 section 15.331A, excluding [subsection 2](#), paragraph "c", of  
26 that section. For purposes of the program, the term "*project*  
27 *completion*", as used in [section 15.331A](#), shall mean the date  
28 on which the authority notifies the department of revenue that  
29 all applicable requirements of an the agreement entered into  
30 pursuant to [section 15.354](#), subsection 3, paragraph "a", and  
31 all applicable requirements of this part, including the rules  
32 the authority and the department of revenue adopted pursuant to  
33 section 15.356, are satisfied.

34  
35

DIVISION XIV  
BROWNFIELDS AND GRAYFIELDS

1 Sec. 40. Section 15.119, subsection 3, Code 2021, is amended  
2 to read as follows:

3 3. In allocating the amount of tax credits authorized  
4 pursuant to subsection 1 among the programs specified in  
5 subsection 2, the authority shall not allocate more than ~~ten~~  
6 fifteen million dollars for purposes of subsection 2, paragraph  
7 "f".

8 Sec. 41. Section 15.293A, subsection 8, Code 2021, is  
9 amended to read as follows:

10 8. This section is repealed on June 30, ~~2021~~ 2031.

11 Sec. 42. Section 15.293B, Code 2021, is amended by adding  
12 the following new subsection:

13 NEW SUBSECTION. 5A. a. Tax credits revoked under  
14 subsection 3 including tax credits revoked up to five years  
15 prior to the effective date of this division of this Act, and  
16 tax credits not awarded under subsection 4 or 5, may be awarded  
17 in the next annual application period established in subsection  
18 1, paragraph "c".

19 b. Tax credits awarded pursuant to paragraph "a" shall not  
20 be counted against the limit under section 15.119, subsection  
21 3.

22 Sec. 43. Section 15.293B, subsection 7, Code 2021, is  
23 amended to read as follows:

24 7. This section is repealed on June 30, ~~2021~~ 2031.

25 Sec. 44. EFFECTIVE DATE. The following, being deemed of  
26 immediate importance, take effect upon enactment:

27 1. The section of this division of this Act amending section  
28 15.293A, subsection 8.

29 2. The section of this division of this Act amending section  
30 15.293B, subsection 7.

31 DIVISION XV

32 DOWNTOWN LOAN GUARANTEE PROGRAM

33 Sec. 45. NEW SECTION. 15.431 **Downtown loan guarantee**  
34 **program.**

35 1. The economic development authority, in partnership with

1 the Iowa finance authority, shall establish and administer a  
2 downtown loan guarantee program to encourage Iowa downtown  
3 businesses and banks to reinvest and reopen following the  
4 COVID-19 pandemic.

5 2. In order for a loan to be guaranteed, all of the  
6 following conditions must be true:

7 a. The loan finances an eligible downtown resource center  
8 community catalyst building remediation grant project or main  
9 street Iowa challenge grant within a designated district.

10 b. The loan finances a rehabilitation project, or finances  
11 acquisition or refinancing costs associated with the project.

12 c. At least twenty-five percent of the project costs are  
13 used for construction on the project or renovation.

14 d. The project includes a housing component.

15 e. The loan is used for construction of the project,  
16 permanent financing of the project, or both.

17 f. A federally insured financial lending institution issued  
18 the loan.

19 g. The loan does not reimburse the borrower for working  
20 capital, operations, or similar expenses.

21 h. The project meets downtown resource center and main  
22 street Iowa design review.

23 3. a. For a loan amount less than or equal to five hundred  
24 thousand dollars, the economic development authority may  
25 guarantee up to fifty percent of the loan amount.

26 b. For a loan amount greater than five hundred thousand  
27 dollars, the economic development authority may provide a  
28 maximum loan guarantee of up to two hundred fifty thousand  
29 dollars.

30 4. A project loan must be secured by a mortgage against the  
31 project property.

32 5. The economic development authority may guarantee loans  
33 for up to five years. The economic development authority  
34 may extend the loan guarantee for an additional five years  
35 if an underwriting review finds that an extension would be

1 beneficial.

2 6. The lender shall pay an annual loan guarantee fee as set  
3 forth by rule.

4 7. The economic development authority reserves the right  
5 to deny a loan guarantee for unreasonable bank loan fees or  
6 interest rate.

7 8. The loan must not be insured or guaranteed by another  
8 local, state, or federal guarantee program.

9 9. The loan guarantee is not transferable if the loan or the  
10 project is sold or transferred.

11 10. In the event of a loss due to default, the loan  
12 guarantee proportionally pays the guarantee percentage of the  
13 loss to the lender.

14 11. Moneys for the program may consist of any moneys  
15 appropriated by the general assembly for purposes of this  
16 section, and any other moneys that are lawfully available  
17 to the economic development authority, including moneys  
18 transferred or deposited from other funds created pursuant to  
19 section 15.106A, subsection 1, paragraph "o".

20 DIVISION XVI

21 DISASTER RECOVERY HOUSING ASSISTANCE

22 Sec. 46. NEW SECTION. 16.57A **Transfer of unobligated or**  
23 **unencumbered funds — report.**

24 1. Notwithstanding any other provision of law to the  
25 contrary, the authority may transfer any unobligated and  
26 unencumbered moneys in any revolving loan program fund created  
27 pursuant to section 16.46, 16.47, 16.48, or 16.49, for deposit  
28 in the disaster recovery housing assistance fund created in  
29 section 16.57B.

30 2. Notwithstanding section 8.39, and any other law to  
31 the contrary, with the prior written consent and approval of  
32 the governor, the executive director of the authority may  
33 transfer any unobligated and unencumbered moneys in any fund  
34 created pursuant to section 16.5, subsection 1, paragraph  
35 "s", for deposit in the disaster recovery housing assistance

1 fund created in section 16.57B. The prior written consent and  
2 approval of the director of the department of management shall  
3 not be required to transfer the unobligated and unencumbered  
4 moneys.

5 3. Notwithstanding section 8.39, and any other law to the  
6 contrary, with the prior written approval of the governor, the  
7 director of the economic development authority may transfer  
8 any unobligated and unencumbered moneys in any fund created  
9 pursuant to section 15.106A, subsection 1, paragraph "o",  
10 for deposit in the disaster recovery housing assistance fund  
11 created in section 16.57B.

12 4. Any transfer made under this section shall be reported in  
13 the same manner as provided in section 8.39, subsection 5.

14 Sec. 47. NEW SECTION. **16.57B Disaster recovery housing**  
15 **assistance program — fund.**

16 1. *Definitions.* As used in this section, unless the context  
17 otherwise requires:

18 a. "*Disaster-affected home*" means a primary residence that  
19 is destroyed or damaged due to a natural disaster that occurs  
20 on or after the effective date of this division of this Act,  
21 and the primary residence is located in a county that is the  
22 subject of a state of disaster emergency proclamation by the  
23 governor that authorizes disaster recovery housing assistance.

24 b. "*Fund*" means the disaster recovery housing assistance  
25 fund.

26 c. "*Local program administrator*" means any of the following:

27 (1) The cities of Ames, Cedar Falls, Cedar Rapids, Council  
28 Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo,  
29 and West Des Moines.

30 (2) A council of governments whose territory includes at  
31 least one county that is the subject of a state of disaster  
32 emergency proclamation by the governor that authorizes disaster  
33 recovery housing assistance or the eviction prevention program  
34 under section 16.57C on or after the effective date of this  
35 division of this Act.

1 (3) A community action agency as defined in section 216A.91  
2 and whose territory includes at least one county that is the  
3 subject of a state of disaster emergency proclamation by the  
4 governor that authorizes disaster recovery housing assistance  
5 or the eviction prevention program under section 16.57C on or  
6 after the effective date of this division of this Act.

7 (4) A qualified local organization or governmental entity  
8 as determined by rules adopted by the authority.

9 *d. "Program"* means the disaster recovery housing assistance  
10 program.

11 *e. "Replacement housing"* means housing purchased  
12 by a homeowner or leased by a renter needed to replace  
13 a disaster-affected home that is destroyed or damaged  
14 beyond reasonable repair as determined by a local program  
15 administrator.

16 *f. "State of disaster emergency"* means the same as described  
17 in section 29C.6, subsection 1.

18 2. *Fund.*

19 *a. (1)* A disaster recovery housing assistance fund is  
20 created within the authority. The moneys in the fund shall be  
21 used by the authority for the development and operation of a  
22 forgivable loan and grant program for homeowners and renters  
23 with disaster-affected homes, and for the eviction prevention  
24 program pursuant to section 16.57C.

25 (2) Notwithstanding section 12C.7, subsection 2, interest  
26 or earnings on moneys deposited in the fund shall be credited  
27 to the fund. Notwithstanding section 8.33, moneys credited to  
28 the fund shall not revert at the close of a fiscal year.

29 *b.* Moneys transferred by the authority for deposit in the  
30 fund, moneys appropriated to the fund, and any other moneys  
31 available to and obtained or accepted by the authority for  
32 placement in the fund shall be deposited in the fund.

33 *c.* The authority shall not use more than five percent of  
34 the moneys in the fund on July 1 of a fiscal year for purposes  
35 of administrative costs and other program support during the

1 fiscal year.

2 3. *Program.*

3 a. The authority shall establish and administer a disaster  
4 recovery housing assistance program and shall use moneys in  
5 the fund to award forgivable loans to eligible homeowners and  
6 grants to eligible renters of disaster-affected homes. Moneys  
7 in the fund may be expended following a state of disaster  
8 emergency proclamation by the governor pursuant to section  
9 29C.6 that authorizes disaster recovery housing assistance.

10 b. The authority may enter into an agreement with one or  
11 more local program administrators to administer the program.

12 4. *Registration required.* To be considered for a forgivable  
13 loan or grant under the program, a homeowner or renter must  
14 register for the disaster case management program established  
15 pursuant to section 29C.20B. The disaster case manager may  
16 refer the homeowner or renter to the appropriate local program  
17 administrator.

18 5. *Homeowners.*

19 a. To be eligible for a forgivable loan under the program,  
20 all of the following requirements shall apply:

21 (1) The homeowner's disaster-affected home must have  
22 sustained damage greater than the damage that is covered by the  
23 homeowner's property and casualty insurance policy insuring the  
24 home plus any other state or federal disaster-related financial  
25 assistance that the homeowner is eligible to receive.

26 (2) A local official must either deem the disaster-affected  
27 home suitable for rehabilitation or damaged beyond reasonable  
28 repair.

29 (3) The disaster-affected home is not eligible for buyout by  
30 the county or city where the disaster-affected home is located,  
31 or the disaster-affected home is eligible for a buyout by the  
32 county or city where the disaster-affected home is located, but  
33 the homeowner is requesting a forgivable loan for the repair  
34 or rehabilitation of the homeowner's disaster-affected home in  
35 lieu of a buyout.

1 (4) Assistance under the program must not duplicate  
2 benefits provided by any local, state, or federal disaster  
3 recovery assistance program.

4 b. If a homeowner is referred to the authority or to a  
5 local program administrator by the disaster case manager of the  
6 homeowner, the authority may award a forgivable loan to the  
7 eligible homeowner for any of the following purposes:

8 (1) Repair or rehabilitation of the disaster-affected home.

9 (2) (a) Down payment assistance on the purchase of  
10 replacement housing, and the cost of reasonable repairs to be  
11 performed on the replacement housing to render the replacement  
12 housing decent, safe, sanitary, and in good repair.

13 (b) Replacement housing shall not be located in a  
14 one-hundred-year floodplain.

15 (c) For purposes of this subparagraph, "*decent, safe,*  
16 *sanitary, and in good repair*" means the same as described in 24  
17 C.F.R. §5.703.

18 c. The authority shall determine the interest rate for the  
19 forgivable loan.

20 d. If a homeowner who has been awarded a forgivable loan  
21 sells a disaster-affected home or replacement housing for which  
22 the homeowner received the forgivable loan prior to the end  
23 of the loan term, the remaining principal on the forgivable  
24 loan shall be due and payable pursuant to rules adopted by the  
25 authority.

26 6. *Renters.*

27 a. To be eligible for a grant under the program, all of the  
28 following requirements shall apply:

29 (1) A local program administrator either deems  
30 the disaster-affected home of the renter suitable for  
31 rehabilitation but unsuitable for current short-term  
32 habitation, or the disaster-affected home is damaged beyond  
33 reasonable repair.

34 (2) Assistance under the program must not duplicate  
35 benefits provided by any local, state, or federal disaster



1 recovery assistance program.

2     *b.* If a renter is referred to the authority or to a local  
3 program administrator by the disaster case manager of the  
4 renter, the authority may award a grant to the eligible renter  
5 to provide short-term financial assistance for the payment of  
6 rent for replacement housing.

7     7. *Report.* On or before January 31 of each year, the  
8 authority shall submit a report to the general assembly  
9 that identifies all of the following for the calendar year  
10 immediately preceding the year of the report:

11     *a.* The date of each state of disaster emergency proclamation  
12 by the governor that authorized disaster recovery housing  
13 assistance under this section.

14     *b.* The total number of forgivable loans and grants awarded.

15     *c.* The total number of forgivable loans, and the amount of  
16 each loan awarded for repair or rehabilitation.

17     *d.* The total number of forgivable loans, and the amount of  
18 each loan, awarded for down payment assistance on the purchase  
19 of replacement housing and the cost of reasonable repairs to be  
20 performed on the replacement housing to render the replacement  
21 housing decent, safe, sanitary, and in good repair.

22     *e.* The total number of grants, and the amount of each grant,  
23 awarded for rental assistance.

24     *f.* The total number of forgivable loans and grants awarded  
25 in each county in which at least one homeowner or renter has  
26 been awarded a forgivable loan or grant.

27     *g.* Each local program administrator involved in the  
28 administration of the program.

29     *h.* The total amount of forgivable loan principal repaid.

30     Sec. 48. NEW SECTION. 16.57C Eviction prevention program.

31     1. *a.* "*Eligible renter*" means a renter whose income meets  
32 the qualifications of the program, who is at risk of eviction,  
33 and who resides in a county that is the subject of a state of  
34 disaster emergency proclamation by the governor that authorizes  
35 the eviction prevention program.

1     *b.* "Eviction prevention partner" means a qualified local  
2 organization or governmental entity as determined by rule by  
3 the authority.

4     2. The authority shall establish and administer an eviction  
5 prevention program. Under the eviction prevention program,  
6 the authority shall award grants to eligible renters and to  
7 eviction prevention partners for purposes of this section.  
8 Grants may be awarded upon a state of disaster emergency  
9 proclamation by the governor that authorizes the eviction  
10 prevention program. Eviction prevention assistance shall be  
11 paid out of the fund established in section 16.57B.

12     3. *a.* Grants awarded to eligible renters pursuant to this  
13 section shall be used for short-term financial rent assistance  
14 to keep eligible renters in the current residences of such  
15 renters.

16     *b.* Grants awarded to eviction prevention partners pursuant  
17 to this section shall be used to pay for rent or services  
18 provided to eligible renters for the purpose of preventing the  
19 eviction of eligible renters.

20     4. The authority may enter into an agreement with one or  
21 more local program administrators to administer the program.

22     Sec. 49. NEW SECTION. 16.57D Rules.

23     The authority shall adopt rules pursuant to chapter 17A to  
24 implement and administer this part, including rules to do all  
25 of the following:

26     1. Establish the maximum forgivable loan and grant amounts  
27 awarded under the program.

28     2. Establish the terms of any forgivable loan provided under  
29 the program.

30     3. Income qualifications of eligible renters in the  
31 eviction prevention program.

32     Sec. 50. CODE EDITOR DIRECTIVE. The Code editor shall  
33 designate sections 16.57A through 16.57D, as enacted by  
34 this division of this Act, as a new part within chapter 16,  
35 subchapter VIII, and may redesignate the new and preexisting

1 parts, replace references to sections 16.57A through 16.57D  
2 with references to the new part, and correct internal  
3 references as necessary, including references in subchapter or  
4 part headnotes.

5 Sec. 51. EFFECTIVE DATE. This division of this Act, being  
6 deemed of immediate importance, takes effect upon enactment.

7 DIVISION XVII

8 BONUS DEPRECIATION

9 Sec. 52. Section 422.7, subsection 39A, Code 2021, is  
10 amended by striking the subsection.

11 Sec. 53. Section 422.35, subsection 19A, Code 2021, is  
12 amended by striking the subsection.

13 Sec. 54. RETROACTIVE APPLICABILITY. This division of this  
14 Act applies retroactively to January 1, 2021, for tax years  
15 beginning on or after that date, and for qualified property  
16 placed in service on or after that date.

17 DIVISION XVIII

18 BUSINESS INTEREST EXPENSE DEDUCTION

19 Sec. 55. Section 422.7, subsection 60, paragraph b, Code  
20 2021, is amended by striking the paragraph.

21 Sec. 56. Section 422.35, subsection 27, paragraph b, Code  
22 2021, is amended by striking the paragraph.

23 Sec. 57. RETROACTIVE APPLICABILITY. This division of this  
24 Act applies retroactively to January 1, 2021, for tax years  
25 beginning on or after that date.

26 DIVISION XIX

27 BEGINNING FARMER TAX CREDIT

28 Sec. 58. Section 16.58, subsections 1, 2, and 3, Code 2021,  
29 are amended to read as follows:

30 1. "*Agricultural assets*" means agricultural land,  
31 agricultural improvements, depreciable agricultural property,  
32 crops, or livestock.

33 2. "*Agricultural improvements*" improvement means any  
34 improvements, including buildings, structures, or fixtures  
35 suitable for use in farming ~~which are~~, if located on any size

1 parcel of agricultural land.

2 3. "*Agricultural land*" means land suitable for use in  
3 farming, any portion of which may include an agricultural  
4 improvement.

5 Sec. 59. Section 16.77, subsection 2, Code 2021, is amended  
6 to read as follows:

7 2. "*Agricultural lease agreement*" or "*agreement*" means an  
8 agreement for the transfer of agricultural assets, ~~that must at~~  
9 ~~least include a lease of agricultural land,~~ from an eligible  
10 taxpayer to a qualified beginning farmer as provided in section  
11 16.79A.

12 Sec. 60. Section 16.79A, subsection 1, Code 2021, is amended  
13 to read as follows:

14 1. a. A beginning farmer tax credit is allowed only for  
15 agricultural assets that are subject to an agricultural lease  
16 agreement entered into by an eligible taxpayer and a qualifying  
17 beginning farmer participating in the beginning farmer tax  
18 credit program established pursuant to [section 16.78](#).

19 b. The tax credit is allowed regardless of whether the  
20 principle agricultural asset is soil, pasture, or a building or  
21 other structure used in farming.

22 Sec. 61. Section 16.79A, subsection 2, Code 2021, is amended  
23 to read as follows:

24 2. The agreement must include the lease of agricultural  
25 land located in this state, ~~including any~~ or agricultural  
26 improvements located in this state, and may provide for the  
27 rental of agricultural equipment as defined in [section 322F.1](#).

28 Sec. 62. Section 16.79A, subsection 3, paragraph c, Code  
29 2021, is amended to read as follows:

30 c. The agreement must be for at least two years, but not  
31 more than five years. The agreement may be renewed any number  
32 of times by the eligible taxpayer and qualified beginning  
33 farmer for a term of at least two years, but not more than five  
34 years. However, an eligible taxpayer shall not participate in  
35 the program for more than fifteen years.

1 Sec. 63. Section 16.81, subsection 4, Code 2021, is amended  
2 by striking the subsection.

3 Sec. 64. Section 16.81, subsection 6, Code 2021, is amended  
4 to read as follows:

5 6. The authority shall approve all beginning farmer tax  
6 credit applications that meet the requirements of **this subpart**  
7 and make tax credit awards on a first-come, first-served basis,  
8 subject to the limitations in **section 16.82A**. An eligible  
9 taxpayer may apply and be approved to enter into agreements  
10 with different qualified beginning farmers.

11 Sec. 65. Section 16.82, subsection 5, Code 2021, is amended  
12 to read as follows:

13 5. The amount of tax credits that may be awarded to an  
14 eligible taxpayer for any one year under ~~all agreements~~ an  
15 agreement shall not exceed fifty thousand dollars.

16 Sec. 66. BEGINNING FARMER TAX CREDIT PROGRAM — FORMER  
17 PERIOD OF PARTICIPATION EXTENDED. An eligible taxpayer first  
18 participating in the beginning farmer tax credit program on or  
19 after January 1, 2019, as provided in 2019 Iowa Acts, chapter  
20 161, for a tax year beginning on or after that date, may  
21 participate in the program for not more than fifteen years in  
22 the same manner as provided in section 16.79A, as amended by  
23 this division of this Act.

24 Sec. 67. EFFECTIVE DATE. This division of this Act takes  
25 effect January 1, 2022.

26 DIVISION XX

27 PROMOTIONAL PLAY

28 Sec. 68. Section 99F.1, subsections 1, 25, and 30, Code  
29 2021, are amended to read as follows:

30 1. "*Adjusted gross receipts*" means the gross receipts on  
31 gambling games less winnings paid to wagerers on gambling games  
32 and less promotional play receipts on gambling games. However,  
33 for each fiscal year during the time period beginning July 1,  
34 2021, and ending June 30, 2026, "adjusted gross receipts" does  
35 ~~not shall~~ include promotional play receipts ~~received after the~~

1 ~~date in any fiscal year that the commission determines that~~  
2 ~~the wagering tax imposed pursuant to section 99F.11 on all~~  
3 ~~licensees in that fiscal year on promotional play receipts~~  
4 ~~exceeds twenty-five million eight hundred twenty thousand~~  
5 ~~dollars on gambling games.~~

6 25. "*Promotional play receipts*" means the total sums wagered  
7 ~~on gambling games~~ with tokens, chips, electronic credits, or  
8 other forms of cashless wagering provided by the licensee  
9 without an exchange of money as described in section 99F.9,  
10 subsection 3.

11 30. "*Sports wagering net receipts*" means the gross receipts  
12 less winnings paid to wagerers and less promotional play  
13 receipts on sports wagering.

14 Sec. 69. Section 99F.6, subsection 4, paragraph a,  
15 subparagraphs (3) and (5), Code 2021, are amended to read as  
16 follows:

17 (3) The commission shall authorize, subject to the debt  
18 payments for horse racetracks and the provisions of paragraph  
19 "b" for dog racetracks, a licensee who is also licensed to  
20 conduct pari-mutuel dog or horse racing to use receipts  
21 from gambling games and sports wagering within the racetrack  
22 enclosure to supplement purses for races particularly for  
23 Iowa-bred horses pursuant to an agreement which shall be  
24 negotiated between the licensee and representatives of the  
25 dog or horse owners. For agreements subject to commission  
26 approval concerning purses for horse racing beginning on or  
27 after January 1, 2006, the agreements shall provide that total  
28 annual purses for all horse racing shall be four percent of  
29 sports wagering net receipts and promotional play receipts on  
30 sports wagering and no less than eleven percent of the first  
31 two hundred million dollars of net receipts, and six percent of  
32 net receipts above two hundred million dollars. In addition,  
33 live standardbred horse racing shall not be conducted at the  
34 horse racetrack in Polk county, but the purse moneys designated  
35 for standardbred racing pursuant to section 99D.7, subsection

1 5, paragraph "b", shall be included in calculating the total  
2 annual purses required to be paid pursuant to [this subsection](#).  
3 Agreements that are subject to commission approval concerning  
4 horse purses for a period of time beginning on or after January  
5 1, 2006, shall be jointly submitted to the commission for  
6 approval.

7 (5) For purposes of this paragraph, "net receipts" means  
8 the annual adjusted gross receipts from all gambling games  
9 and, beginning July 1, 2026, promotional play receipts on all  
10 gambling games less the annual amount of money pledged by the  
11 owner of the facility to fund a project approved to receive  
12 vision Iowa funds as of July 1, 2004.

13 Sec. 70. Section 99F.11, Code 2021, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 2A. a. Notwithstanding any provision  
16 of this section to the contrary, the tax rate imposed on a  
17 licensee each fiscal year on any amount of promotional play  
18 receipts on gambling games included as adjusted gross receipts  
19 shall be determined by multiplying the adjusted percentage  
20 by the wagering tax applicable to the licensee pursuant to  
21 subsection 2.

22 b. For purposes of this subsection, "adjusted percentage"  
23 means as follows:

24 (1) For the fiscal year beginning July 1, 2021, and ending  
25 June 30, 2022, eighty-three and one-third percent.

26 (2) For the fiscal year beginning July 1, 2022, and ending  
27 June 30, 2023, sixty-six and two-thirds percent.

28 (3) For the fiscal year beginning July 1, 2023, and ending  
29 June 30, 2024, fifty percent.

30 (4) For the fiscal year beginning July 1, 2024, and ending  
31 June 30, 2025, thirty-three and one-third percent.

32 (5) For the fiscal year beginning July 1, 2025, and ending  
33 June 30, 2026, sixteen and two-thirds percent.

34 c. This subsection is repealed July 1, 2026.

35

DIVISION XXI

1 TARGETED JOBS WITHHOLDING CREDIT

2 Sec. 71. Section 403.19A, subsection 3, paragraph c,  
3 subparagraph (2), Code 2021, is amended to read as follows:

4 (2) The pilot project city and the economic development  
5 authority shall not enter into a withholding agreement after  
6 June 30, ~~2021~~ 2024.

7 DIVISION XXII

8 FOOD BANKS

9 Sec. 72. Section 423.3, Code 2021, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 107. The sales price of the sale or  
12 rental of tangible personal property sold to and of services  
13 furnished to a nonprofit food bank, if the property or  
14 services are used by the nonprofit food bank for a charitable  
15 purpose. For purposes of this subsection, "*nonprofit food*  
16 *bank*" means an organization organized under chapter 504 and  
17 qualifying under section 501(c)(3) of the Internal Revenue  
18 Code as an organization exempt from federal income tax under  
19 section 501(a) of the Internal Revenue Code that maintains  
20 an established operation involving the provision of food or  
21 edible commodities or the products thereof on a regular basis  
22 to persons in need or to food pantries, soup kitchens, hunger  
23 relief centers, or other food or feeding centers that, as an  
24 integral part of their normal activities, provide meals or food  
25 on a regular basis to persons in need.

26 DIVISION XXIII

27 EMERGENCY VOLUNTEER — TAX CREDIT

28 Sec. 73. Section 422.12, subsection 2, paragraph c,  
29 subparagraph (1), Code 2021, is amended to read as follows:

30 (1) A volunteer fire fighter and volunteer emergency  
31 medical services personnel member credit equal to ~~one~~ two  
32 hundred fifty dollars to compensate the taxpayer for the  
33 voluntary services if the volunteer served for the entire  
34 tax year. A taxpayer who is a paid employee of an emergency  
35 medical services program or a fire department and who is also



1 a volunteer emergency medical services personnel member or  
2 volunteer fire fighter in a city, county, or area governed  
3 by an agreement pursuant to [chapter 28E](#) where the emergency  
4 medical services program or fire department performs services,  
5 shall qualify for the credit provided under this paragraph "c".

6 Sec. 74. Section 422.12, subsection 2, paragraph d,  
7 subparagraph (1), Code 2021, is amended to read as follows:

8 (1) A reserve peace officer credit equal to ~~one~~ two hundred  
9 fifty dollars to compensate the taxpayer for services as a  
10 reserve peace officer if the reserve peace officer served for  
11 the entire tax year.

12 Sec. 75. RETROACTIVE APPLICABILITY. This division of this  
13 Act applies retroactively to January 1, 2021, for tax years  
14 beginning on or after that date.

15 DIVISION XXIV

16 INDIVIDUAL INCOME TAX CHECKOFFS

17 Sec. 76. Section 173.22, subsection 2, Code 2021, is amended  
18 to read as follows:

19 2. A foundation fund is created within the state treasury  
20 composed of moneys appropriated or available to and obtained  
21 or accepted by the foundation. The foundation fund shall also  
22 include moneys ~~credited~~ transferred to the fund ~~as provided in~~  
23 ~~section 422.12I~~.

24 Sec. 77. NEW SECTION. 422.12D Income tax checkoff for the  
25 Iowa state fair foundation fund.

26 1. A person who files an individual or a joint income tax  
27 return with the department of revenue under section 422.13  
28 may designate one dollar or more to be paid to the foundation  
29 fund of the Iowa state fair foundation as established in  
30 section 173.22. If the refund due on the return or the payment  
31 remitted with the return is insufficient to pay the amount  
32 designated by the taxpayer to the foundation fund, the amount  
33 designated shall be reduced to the remaining amount of the  
34 refund or the remaining amount remitted with the return. The  
35 designation of a contribution to the foundation fund under this

1 section is irrevocable.

2 2. The director of revenue shall draft the income tax form  
3 to allow the designation of contributions to the foundation  
4 fund on the tax return. The department, on or before January  
5 31, shall transfer the total amount designated on the tax  
6 form due in the preceding year to the foundation fund.  
7 However, before a checkoff pursuant to this section shall be  
8 permitted, all liabilities on the books of the department of  
9 administrative services and accounts identified as owing under  
10 section 8A.504 shall be satisfied.

11 3. The Iowa state fair board may authorize payment from  
12 the foundation fund for purposes of supporting foundation  
13 activities.

14 4. The department of revenue may adopt rules to implement  
15 this section.

16 5. This section is subject to repeal under section 422.12E.

17 Sec. 78. NEW SECTION. **422.12L Joint income tax checkoff for**  
18 **veterans trust fund and volunteer fire fighter preparedness fund.**

19 1. A person who files an individual or a joint income tax  
20 return with the department of revenue under section 422.13 may  
21 designate one dollar or more to be paid jointly to the veterans  
22 trust fund created in section 35A.13 and to the volunteer fire  
23 fighter preparedness fund created in section 100B.13. If the  
24 refund due on the return or the payment remitted with the  
25 return is insufficient to pay the additional amount designated  
26 by the taxpayer, the amount designated shall be reduced to the  
27 remaining amount of refund or the remaining amount remitted  
28 with the return. The designation of a contribution under this  
29 section is irrevocable.

30 2. The director of revenue shall draft the income tax form  
31 to allow the designation of contributions to the veterans trust  
32 fund and to the volunteer fire fighter preparedness fund as  
33 one checkoff on the tax return. The department of revenue,  
34 on or before January 31, shall transfer one-half of the total  
35 amount designated on the tax return forms due in the preceding

1 calendar year to the veterans trust fund and the remaining  
2 one-half to the volunteer fire fighter preparedness fund.  
3 However, before a checkoff pursuant to this section shall be  
4 permitted, all liabilities on the books of the department of  
5 administrative services and accounts identified as owing under  
6 section 8A.504 shall be satisfied.

7 3. The department of revenue may adopt rules to administer  
8 this section.

9 4. This section is subject to repeal under section 422.12E.

10 DIVISION XXV

11 MENTAL HEALTH FUNDING

12 Sec. 79. Section 123.38, subsection 2, paragraph b, Code  
13 2021, is amended to read as follows:

14 b. For purposes of ~~this subsection~~, any portion of license  
15 or permit fees used for the purposes authorized in section  
16 331.424, subsection 1, paragraph "a", subparagraphs (1) and  
17 (2), ~~and in section 331.424A~~, shall not be deemed received  
18 either by the division or by a local authority.

19 Sec. 80. Section 218.99, Code 2021, is amended to read as  
20 follows:

21 **218.99 Counties to be notified of patients' personal**  
22 **accounts.**

23 The administrator in control of a state institution shall  
24 direct the business manager of each institution under the  
25 administrator's jurisdiction which is mentioned in section  
26 331.424, subsection 1, paragraph "a", subparagraphs (1) and  
27 (2), and for which services are paid ~~under section 331.424A~~  
28 by the county of residence or a mental health and disability  
29 services region, to quarterly inform the county of residence  
30 of any patient or resident who has an amount in excess of two  
31 hundred dollars on account in the patients' personal deposit  
32 fund and the amount on deposit. The administrators shall  
33 direct the business manager to further notify the county of  
34 residence at least fifteen days before the release of funds in  
35 excess of two hundred dollars or upon the death of the patient

1 or resident. If the patient or resident has no residency in  
2 this state or the person's residency is unknown, notice shall  
3 be made to the director of human services and the administrator  
4 in control of the institution involved.

5 Sec. 81. Section 225.24, Code 2021, is amended to read as  
6 follows:

7 **225.24 Collection of preliminary expense.**

8 Unless a committed private patient or those legally  
9 responsible for the patient's support offer to settle the  
10 amount of the claims, the regional administrator for the  
11 person's county of residence shall collect, by action if  
12 necessary, the amount of all claims for per diem and expenses  
13 that have been approved by the regional administrator for the  
14 county and paid by the regional administrator as provided under  
15 section 225.21. Any amount collected shall be credited to the  
16 ~~county mental health and disabilities~~ disability services fund  
17 region combined account created in accordance with section  
18 ~~331.424A~~ 331.391.

19 Sec. 82. Section 225C.4, subsection 1, paragraph i, Code  
20 2021, is amended to read as follows:

21 *i.* Administer and distribute state appropriations in  
22 connection with the mental health and disability services  
23 regional ~~services~~ service fund established by section 225C.7A.

24 Sec. 83. Section 225C.7A, Code 2021, is amended by striking  
25 the section and inserting in lieu thereof the following:

26 **225C.7A Mental health and disability services regional**  
27 **service fund — region incentive fund.**

28 1. A mental health and disability services regional service  
29 fund is created in the office of the treasurer of state under  
30 the authority of the department. The fund shall be separate  
31 from the general fund of the state and the balance in the fund  
32 shall not be considered part of the balance of the general  
33 fund of the state. Moneys in the fund include appropriations  
34 made to the fund and other moneys deposited into the fund.  
35 Moneys in the fund shall be used solely for purposes of making

1 regional service payments and incentive payments under this  
2 section.

3 2. *a.* For each fiscal year beginning on or after July 1,  
4 2021, there is appropriated from the general fund of the state  
5 to the mental health and disability services regional service  
6 fund an amount necessary to make all regional service payments  
7 under this section for that fiscal year.

8 *b.* The department shall distribute the moneys appropriated  
9 from the mental health and disability services regional  
10 service fund to mental health and disability services regions  
11 for funding of services in accordance with performance-based  
12 contracts with the regions and in the manner provided in this  
13 section.

14 *c.* The performance-based contracts between the department  
15 and each mental health and disability services region shall be  
16 in effect beginning January 1, 2022, and shall include all of  
17 the following:

18 (1) Authority for the department to approve, deny, or revise  
19 each mental health and disability services region's annual  
20 service and budget plan under section 331.393.

21 (2) A requirement for the mental health and disability  
22 services region to provide access to all core services under  
23 section 331.397.

24 (3) A requirement that the mental health and disability  
25 services region utilize all federal government funding,  
26 including Medicaid funding, third-party payment sources, and  
27 other nongovernmental funding prior to using regional service  
28 payments received under this section.

29 (4) An annual review of the mental health and disability  
30 services region's administrative costs conducted by the  
31 department.

32 (5) Authority for the department to establish outcome  
33 improvement goals for populations served by the region  
34 including but not limited to decreases in emergency department  
35 visits, improved use of mobile crisis response and jail

1 diversion programs, and improved employment-based outcomes.

2 (6) Provisions authorizing the department, in response to  
3 a mental health and disability services region's violation of  
4 the contract, to implement the actions described under section  
5 331.389, subsection 5, paragraph "a".

6 3. For each fiscal year beginning on or after July 1, 2021,  
7 the moneys available in a fiscal year in the mental health and  
8 disability services regional service fund, except for moneys in  
9 the region incentive fund under subsection 8, are appropriated  
10 to the department and shall be distributed to each region on  
11 a per capita basis calculated under subsection 4 using each  
12 region's population, as defined in section 331.388, for that  
13 fiscal year.

14 4. The amount of each region's regional service payment  
15 shall be determined as follows:

16 a. For the fiscal year beginning July 1, 2021, an amount  
17 equal to the product of fifteen dollars and eighty-six cents  
18 multiplied by the sum of the region's population for the fiscal  
19 year.

20 b. For the fiscal year beginning July 1, 2022, an amount  
21 equal to the product of thirty-eight dollars multiplied by the  
22 sum of the region's population for the fiscal year.

23 c. For the fiscal year beginning July 1, 2023, an amount  
24 equal to the product of forty dollars multiplied by the sum of  
25 the region's population for the fiscal year.

26 d. For the fiscal year beginning July 1, 2024, an amount  
27 equal to the product of forty-two dollars multiplied by the sum  
28 of the region's population for the fiscal year.

29 e. (1) For the fiscal year beginning July 1, 2025, and each  
30 succeeding fiscal year, an amount equal to the product of the  
31 sum of the region's population for the fiscal year multiplied  
32 by the sum of the dollar amount used to calculate the regional  
33 service payments under this subsection for the immediately  
34 preceding fiscal year plus the regional service growth factor  
35 for the fiscal year.

1 (2) For purposes of this paragraph, "*regional service growth*  
2 *factor*" for a fiscal year is an amount equal to the product  
3 of the dollar amount used to calculate the regional service  
4 payments under this subsection for the immediately preceding  
5 fiscal year multiplied by the percent increase, if any, in the  
6 amount of sales tax revenue deposited into the general fund of  
7 the state under section 423.2A, subsection 1, paragraph "a",  
8 less the transfers required under section 423.2A, subsection  
9 2, between the fiscal year beginning three years prior to  
10 the applicable fiscal year and the fiscal year beginning two  
11 years prior to the applicable year, but not to exceed one and  
12 one-half percent.

13 5. Regional service payments received by a region  
14 shall be deposited in the region's combined account under  
15 section 331.391 and used solely for providing mental health  
16 and disability services under the regional service system  
17 management plan.

18 6. Regional service payments from the mental health  
19 and disability services regional service fund shall be  
20 paid in quarterly installments to the appropriate regional  
21 administrator in July, October, January, and April of each  
22 fiscal year.

23 7. a. For the fiscal year beginning July 1, 2021, each  
24 mental health and disability services region for which the  
25 amount certified during the fiscal year under section 331.391,  
26 subsection 4, paragraph "b", exceeds forty percent of the actual  
27 expenditures of the region for the fiscal year preceding the  
28 fiscal year in progress, the remaining quarterly payments of  
29 the region's regional service payment shall be reduced by  
30 an amount equal to the amount by which the region's amount  
31 certified under section 331.391, subsection 4, paragraph "b",  
32 exceeds forty percent of the actual expenditures of the region  
33 for the fiscal year preceding the fiscal year in progress, but  
34 the amount of the reduction shall not exceed the total amount  
35 of the region's regional service payment for the fiscal year.

1 If the region's remaining quarterly payments are insufficient  
2 to effectuate the required reductions under this paragraph, the  
3 region is required to pay to the department of human services  
4 any amount for which the reduction in quarterly payments could  
5 not be made. The amount of reductions to quarterly payments  
6 and amounts paid to the department under this paragraph shall  
7 be transferred and credited to the region incentive fund under  
8 subsection 8.

9     *b.* For the fiscal year beginning July 1, 2022, each mental  
10 health and disability services region for which the amount  
11 certified during the fiscal year under section 331.391,  
12 subsection 4, paragraph "b", exceeds twenty percent of the  
13 actual expenditures of the region for the fiscal year preceding  
14 the fiscal year in progress, the remaining quarterly payments  
15 of the region's regional service payment shall be reduced by  
16 an amount equal to the amount by which the region's amount  
17 certified under section 331.391, subsection 4, paragraph "b",  
18 exceeds twenty percent of the actual expenditures of the region  
19 for the fiscal year preceding the fiscal year in progress, but  
20 the amount of the reduction shall not exceed the total amount  
21 of the region's regional service payment for the fiscal year.  
22 If the region's remaining quarterly payments are insufficient  
23 to effectuate the required reductions under this paragraph, the  
24 region is required to pay to the department of human services  
25 any amount for which the reduction in quarterly payments could  
26 not be made. The amount of reductions to quarterly payments  
27 and amounts paid to the department under this paragraph shall  
28 be transferred and credited to the region incentive fund under  
29 subsection 8.

30     *c.* For the fiscal year beginning July 1, 2023, and each  
31 succeeding fiscal year, each mental health and disability  
32 services region for which the amount certified during the  
33 fiscal year under section 331.391, subsection 4, paragraph "b",  
34 exceeds five percent of the actual expenditures of the region  
35 for the fiscal year preceding the fiscal year in progress, the



1 remaining quarterly payments of the region's regional service  
2 payment shall be reduced by an amount equal to the amount by  
3 which the region's amount certified under section 331.391,  
4 subsection 4, paragraph "b", exceeds five percent of the actual  
5 expenditures of the region for the fiscal year preceding the  
6 fiscal year in progress, but the amount of the reduction  
7 shall not exceed the total amount of the region's regional  
8 service payment for the fiscal year. If the region's remaining  
9 quarterly payments are insufficient to effectuate the required  
10 reductions under this paragraph, the region is required to  
11 pay to the department of human services any amount for which  
12 the reduction in quarterly payments could not be made. The  
13 amount of reductions to quarterly payments and amounts paid to  
14 the department under this paragraph shall be transferred and  
15 credited to the region incentive fund under subsection 8.

16 8. a. A region incentive fund is created in the mental  
17 health and disability services regional service fund under  
18 subsection 1. The incentive fund shall consist of the  
19 moneys appropriated or credited to the incentive fund by  
20 law, including amounts credited to the incentive fund under  
21 subsection 7. Notwithstanding section 8.33, moneys in the  
22 incentive fund at the end of each fiscal year shall not revert  
23 to any other fund but shall remain in the incentive fund for  
24 use in subsequent fiscal years. For fiscal years beginning on  
25 or after July 1, 2021, there is appropriated from the general  
26 fund of the state to the incentive fund the following amounts  
27 to be used for the purposes of this subsection:

28 (1) For the fiscal year beginning July 1, 2021, three  
29 million dollars.

30 (2) (a) For each fiscal year beginning on or after July  
31 1, 2025, an amount equal to the incentive fund growth factor  
32 multiplied by the ending balance of the incentive fund at  
33 the conclusion of the fiscal year ending June 30 immediately  
34 preceding the application deadline under paragraph "b" for the  
35 fiscal year for which the appropriation is made.

1 (b) For purposes of this subparagraph, the *incentive fund*  
2 *growth factor* for each fiscal year is the percent increase,  
3 if any, in the amount of sales tax revenue deposited into the  
4 general fund of the state under section 423.2A, subsection  
5 1, paragraph "a", less the transfers required under section  
6 423.2A, subsection 2, between the fiscal year beginning three  
7 years prior to the applicable fiscal year and the fiscal year  
8 beginning two years prior to the applicable year, minus one and  
9 one-half percent, and the incentive fund growth factor for any  
10 fiscal year shall not exceed three and one-half percent.

11 b. To receive funding from the incentive fund, a regional  
12 administrator must submit to the department sufficient data  
13 to demonstrate that the region has met the standards outlined  
14 in the region's performance-based contract. The purpose of  
15 the incentive fund shall be to provide appropriate financial  
16 incentives for outcomes met from services provided by the  
17 regional administrator's mental health and disability services  
18 region. The department shall make its final decisions on or  
19 before December 15 regarding acceptance or rejection of the  
20 submissions for incentive funds applications for assistance and  
21 the total amount accepted shall be considered obligated.

22 c. In addition to incentive submission requirements under  
23 paragraphs "d", "e", and "g", basic eligibility for incentive  
24 funds requires that a mental health and disability services  
25 region meet all of the following conditions:

26 (1) The mental health and disability services region is in  
27 compliance with the regional service system management plan  
28 requirements of section 331.393.

29 (2) (a) In the fiscal year that commenced two years prior  
30 to the fiscal year of application for incentive funds, the  
31 ending balance, under generally accepted accounting principles,  
32 of the mental health and disability services region's combined  
33 services funds was equal to or less than the ending balance  
34 threshold under subparagraph division (b) for the fiscal year  
35 for which assistance is requested.

1 (b) For purposes of this subparagraph (2), *“ending balance*  
2 *threshold”* means the following:

3 (i) For applications for the fiscal year beginning July 1,  
4 2021, forty percent of the actual expenditures of the mental  
5 health and disability services region for the fiscal year that  
6 commenced two years prior to the fiscal year of application for  
7 assistance.

8 (ii) For applications for the fiscal year beginning July 1,  
9 2022, twenty percent of the actual expenditures of the mental  
10 health and disability services region for the fiscal year that  
11 commenced two years prior to the fiscal year of application for  
12 assistance.

13 (iii) For applications for fiscal years beginning on or  
14 after July 1, 2023, five percent of the actual expenditures  
15 of the mental health and disability services region for the  
16 fiscal year that commenced two years prior to the fiscal year  
17 of application for assistance.

18 *d.* The department shall review the fiscal year-end financial  
19 records for all mental health and disability services regions  
20 that are granted incentive funds. If the department determines  
21 a mental health and disability services region’s actual need  
22 for incentive funds was less than the amount of incentive funds  
23 granted to the mental health and disability services region,  
24 the mental health and disability services region shall refund  
25 the difference between the amount of assistance granted and  
26 the actual need. The mental health and disability services  
27 region shall submit the refund within thirty days of receiving  
28 notice from the department. Refunds shall be credited to the  
29 incentive fund.

30 *e.* The department shall determine application requirements  
31 to ensure prudent use of the incentive fund. The department  
32 may accept or reject an application for incentive funds in  
33 whole or in part. The decision of the department is final.

34 *f.* The total amount of incentive funds approved shall be  
35 limited to the amount available in the incentive fund for a

1 fiscal year. Any unobligated balance in the incentive fund at  
2 the close of a fiscal year shall remain in the incentive fund  
3 for distribution in the succeeding fiscal year.

4 *g.* Incentive funds shall only be made available to address  
5 one or more of the following circumstances:

6 (1) To reimburse regions for reductions in available  
7 funding for core services as the result of the reduction and  
8 elimination of the levy under section 331.424A, Code 2021, if  
9 the region has an operating deficit. The department shall  
10 prioritize approval of incentive funds for the circumstances  
11 specified in this subparagraph.

12 (2) To incentivize quality core services that meet or exceed  
13 the defined outcomes in the performance-based contract.

14 (3) To support regional efforts to fund non-core services  
15 that support the defined outcomes of core services in the  
16 performance-based contract.

17 (4) To support non-core services to maintain an individual  
18 in a community setting or that would create a risk that the  
19 individuals needing services and supports would be placed in  
20 more restrictive, higher-cost settings.

21 *h.* Subject to the amount available and obligated from  
22 the incentive fund for a fiscal year, the department shall  
23 annually calculate the amount of moneys due to eligible mental  
24 health and disability services regions in accordance with the  
25 department's decisions and that amount is appropriated from the  
26 incentive fund to the department for payment of the moneys due.  
27 The department shall distribute incentive funds payable to the  
28 mental health and disability services regions for the amounts  
29 due on or before January 1.

30 *i.* On or before March 1 and September 1 of each fiscal  
31 year, the department shall provide the governor's office and  
32 the general assembly with a report of the financial condition  
33 of the incentive fund. The report shall include but is not  
34 limited to an itemization of the funding source's balances,  
35 types and amount of revenues credited, and payees and payment

1 amounts for the expenditures made from the funding source  
2 during the reporting period.

3 *j.* If the department has made its decisions but has  
4 determined that there are otherwise qualifying requests for  
5 incentive funds that are beyond the amount available in the  
6 incentive fund for a fiscal year, the department shall compile  
7 a list of such requests and the supporting information for  
8 the requests. The list and information shall be submitted to  
9 the commission, the children's behavioral health system state  
10 board, and the general assembly.

11 9. The commission shall consult with regional  
12 administrators and the director in prescribing forms and  
13 adopting rules to administer this section.

14 Sec. 84. Section 249N.8, subsection 1, Code 2021, is amended  
15 to read as follows:

16 1. Biennially, a report of the results of a review, by  
17 county and region, of mental health services previously funded  
18 through taxes levied by counties pursuant to [section 331.424A](#),  
19 Code 2021, or funds administered by a mental health and  
20 disability services region that are funded during the reporting  
21 period under the Iowa health and wellness plan.

22 Sec. 85. Section 331.389, subsection 1, paragraph b, Code  
23 2021, is amended to read as follows:

24 *b.* If a county has been exempted prior to July 1, 2014, from  
25 the requirement to enter into a regional service system, the  
26 county and the county's board of supervisors shall fulfill all  
27 requirements and be eligible as a region under [this chapter](#) and  
28 [chapter chapters 222, 225, 225C, 226, 227, 229, and 230](#) for a  
29 regional service system, regional service system management  
30 plan, regional governing board, and regional administrator,  
31 and any other provisions applicable to a region of counties  
32 providing local mental health and disability services.  
33 Additionally, a county exempted under this subsection shall be  
34 considered a region for purposes of chapter 426B.

35 Sec. 86. Section 331.389, subsection 5, paragraph a,

1 subparagraph (2), Code 2021, is amended to read as follows:

2 (2) Reduce the amount of the annual state funding provided  
3 for the regional service system or exempted county, including  
4 amounts received under section 225C.7A, not to exceed fifteen  
5 percent of the amount.

6 Sec. 87. Section 331.391, subsections 1 and 3, Code 2021,  
7 are amended to read as follows:

8 1. The funding under the control of the governing board  
9 shall be maintained in a combined account, ~~in separate county~~  
10 ~~accounts that are under the control of the governing board, or~~  
11 ~~pursuant to other arrangements authorized by law that limit the~~  
12 ~~administrative burden of such control while facilitating public~~  
13 ~~scrutiny of financial processes.~~ A county exempted under  
14 section 331.389, subsection 1, shall maintain a county mental  
15 health and disability services fund for the deposit of funding  
16 received under section 225C.7A and appropriations specifically  
17 authorized to be made from the county mental health and  
18 disability services fund shall not be made from any other fund  
19 of the county. A county mental health and disability services  
20 fund established by an exempt county, to the extent feasible,  
21 shall be considered to be the same as a region combined account  
22 and shall be subject to the same requirements as a region's  
23 combined account.

24 3. The funding provided pursuant to appropriations from the  
25 mental health and disability services regional ~~services~~ service  
26 fund created in section 225C.7A and from performance-based  
27 contracts with the department shall be credited to the account  
28 ~~or accounts~~ under the control of the governing board.

29 Sec. 88. Section 331.391, subsection 4, paragraphs a, b, and  
30 c, Code 2021, are amended to read as follows:

31 a. If a region is meeting the financial obligations for  
32 implementation of its regional service system management plan  
33 for a fiscal year and residual funding is anticipated, the  
34 regional administrator ~~shall~~ may reserve an adequate amount of  
35 unobligated and unencumbered funds for cash flow of expenditure

1 obligations in the next fiscal year.

2     *b.* Each region shall certify to the department of management  
3 human services on or before December 1, ~~2022~~ 2021, and each  
4 December 1 thereafter, the amount of the region's cash flow  
5 amount in the combined account ~~that is attributable to each~~  
6 ~~county within the region based upon each county's proportionate~~  
7 ~~amount of funding and contributions to the region or other~~  
8 ~~methodology specified in the regional governance agreement~~  
9 ~~or certify the cash flow amount for each separate county~~  
10 ~~account that is under the control of the governing board at the~~  
11 conclusion of the most recently completed fiscal year.

12     *c.* For fiscal years beginning on or after July 1, 2023,  
13 the region's cash flow amount, ~~either reserved in the region's~~  
14 ~~combined account or reserved among all separate county accounts~~  
15 ~~under the control of the governing board,~~ shall not exceed  
16 forty five percent of the gross actual expenditures from the  
17 combined account ~~or from all separate county accounts under~~  
18 ~~control of the governing board~~ for the fiscal year preceding  
19 the fiscal year in progress.

20     Sec. 89. Section 331.392, subsection 4, paragraph a, Code  
21 2021, is amended to read as follows:

22     *a.* Methods for pooling, management, and expenditure of the  
23 funding under the control of the regional administrator. ~~If~~  
24 ~~the agreement does not provide for pooling of the participating~~  
25 ~~county moneys in a single fund, the agreement shall specify how~~  
26 ~~the participating county moneys will be subject to the control~~  
27 ~~of the regional administrator.~~

28     Sec. 90. Section 331.393, subsection 10, Code 2021, is  
29 amended to read as follows:

30     10. The director's approval of a regional plan shall not be  
31 construed to constitute certification of the ~~respective county~~  
32 ~~budgets or of the region's budget.~~

33     Sec. 91. Section 331.394, subsection 4, Code 2021, is  
34 amended to read as follows:

35     4. ~~If a county of residence is part of a mental health and~~

~~1 disability services region that has agreed to pool funding and~~  
~~2 liability for services, the~~ The responsibilities of the county  
3 under law regarding such mental health and disability services  
4 shall be performed on behalf of the county by the regional  
5 administrator. ~~The county of residence or the county's~~ mental  
6 health and disability services region, ~~as applicable,~~ is  
7 responsible for paying the public costs of the mental health  
8 and disability services that are not covered by the medical  
9 assistance program under [chapter 249A](#) and are provided in  
10 accordance with the region's approved service management plan  
11 to persons who are residents of the ~~county or~~ region.

12 Sec. 92. Section 331.398, subsection 1, Code 2021, is  
13 amended to read as follows:

14 1. The financing of a regional mental health and disability  
15 service system is limited to a fixed budget amount. The fixed  
16 budget amount shall be the amount identified in a regional  
17 service system management plan and budget for the fiscal year.  
18 ~~A region shall receive state funding for growth in non-Medicaid~~  
19 ~~expenditures through the mental health and disability regional~~  
20 ~~services fund created in [section 225C.7A](#) to address increased~~  
21 ~~service costs, additional service populations, additional core~~  
22 ~~service domains, and increased numbers of persons receiving~~  
23 ~~services.~~

24 Sec. 93. NEW SECTION. 331.400 **Quarterly reports.**

25 Beginning with the fiscal year, beginning July 1, 2022,  
26 the department shall deliver on a quarterly basis a report to  
27 the general assembly that provides a summary of the status of  
28 implementing core services in each region, the accessibility  
29 of core services in each region, how each region is using the  
30 funding provided under [section 225C.7A](#), and recommendations  
31 for improvements to the mental health and disability services  
32 system in order to attain the outcome improvement goals set  
33 by the department consistent with the goals specified in the  
34 performance-based contracts under [section 225C.7A](#), subsection  
35 2, paragraph "c", subparagraph (5).



1     Sec. 94. Section 331.424A, subsection 1, paragraph b, Code  
2 2021, is amended by striking the paragraph.

3     Sec. 95. Section 331.424A, subsection 3, Code 2021, is  
4 amended to read as follows:

5     3. a. County revenues from taxes and other sources  
6 designated by a county for mental health and disabilities  
7 services shall be credited to the county mental health and  
8 disabilities services fund which shall be created by the  
9 county. ~~The~~ Until the required transfer of funds under  
10 paragraph "b", the board shall make appropriations from the fund  
11 for payment of services provided under the regional service  
12 system management plan approved pursuant to [section 331.393](#).  
13 ~~The~~ For fiscal years beginning before July 1, 2022, the county  
14 may pay for the services in cooperation with other counties  
15 by pooling appropriations from the county services fund with  
16 appropriations from the county services fund of other counties  
17 through the county's regional administrator, or through another  
18 arrangement specified in the regional governance agreement  
19 entered into by the county under [section 331.392](#).

20     b. Notwithstanding section 331.432, subsection 3, upon  
21 conclusion of the fiscal year beginning July 1, 2021, except  
22 for an exempt county under section 331.391, subsection 1,  
23 the county treasurer shall transfer the remaining balance of  
24 the county's county services fund created under paragraph  
25 "a", including all unobligated and unencumbered funds, to the  
26 county's region to which the county belongs in the fiscal year  
27 beginning July 1, 2022, for deposit in the region's combined  
28 account under section 331.391.

29     Sec. 96. Section 331.424A, subsection 4, paragraph a, Code  
30 2021, is amended to read as follows:

31     a. An amount of unobligated and unencumbered funds, as  
32 specified in the regional governance agreement entered into  
33 by the county under [section 331.392](#), shall, for fiscal years  
34 beginning before July 1, 2022, be reserved in the county  
35 services fund to address cash flow obligations in the next

1 fiscal year, ~~subject to the limitations of [this subsection](#).~~

2 Sec. 97. Section 331.424A, subsection 4, paragraphs c and d,  
3 Code 2021, are amended by striking the paragraphs.

4 Sec. 98. Section 331.424A, subsections 5, 6, and 9, Code  
5 2021, are amended to read as follows:

6 5. Receipts from the state or federal government for fiscal  
7 years beginning before July 1, 2022, for the mental health  
8 and disability services administered or paid for by a county  
9 shall be credited to the county services fund, including moneys  
10 distributed to the county from the department of human services  
11 and moneys allocated under [chapter 426B](#).

12 6. For each fiscal year beginning before July 1, 2022, the  
13 county shall certify a levy for payment of services. For each  
14 such fiscal year, county revenues from taxes imposed by the  
15 county credited to the county services fund shall not exceed an  
16 amount equal to the county budgeted amount for the fiscal year.  
17 A levy certified under [this section](#) is not subject to the  
18 appeal provisions of [section 331.426](#) or to any other provision  
19 in law authorizing a county to exceed, increase, or appeal a  
20 property tax levy limit.

21 9. a. For the fiscal year beginning July 1, 2017, and  
22 each subsequent fiscal year beginning before July 1, 2022, the  
23 county budgeted amount determined for each county shall be the  
24 amount necessary to meet the county's financial obligations for  
25 the payment of services provided under the regional service  
26 system management plan approved pursuant to [section 331.393](#),  
27 not to exceed an amount equal to the product of ~~the regional~~  
28 ~~per capita expenditure target amount~~ twenty-one dollars and  
29 fourteen cents multiplied by the county's population, ~~and, for~~  
30 ~~fiscal years beginning on or after July 1, 2023, reduced by~~  
31 ~~the amount of the county's cash flow reduction amount for the~~  
32 ~~fiscal year calculated under [subsection 4](#), if applicable.~~

33 b. If a county officially joins a different region, the  
34 county's budgeted amount for a fiscal year beginning before  
35 July 1, 2022, shall be the amount necessary to meet the

1 county's financial obligations for payment of services provided  
2 under the new region's regional service system management plan  
3 approved pursuant to [section 331.393](#), not to exceed an amount  
4 equal to the product of ~~the new region's regional per capita~~  
5 ~~expenditure target amount~~ twenty-one dollars and fourteen cents  
6 multiplied by the county's population, ~~and, for fiscal years~~  
7 ~~beginning on or after July 1, 2023, reduced by the amount of~~  
8 ~~the county's cash flow reduction amount for the fiscal year~~  
9 ~~calculated under [subsection 4](#), if applicable.~~

10 Sec. 99. Section 331.424A, Code 2021, is amended by adding  
11 the following new subsection:

12 NEW SUBSECTION. 10. This section is repealed July 1, 2022.

13 Sec. 100. Section 331.432, subsection 3, Code 2021, is  
14 amended to read as follows:

15 3. a. Except as authorized in [section 331.477](#), transfers  
16 of moneys between the county services fund created pursuant  
17 to [section 331.424A](#) and any other fund are prohibited. This  
18 subsection paragraph does not apply to appropriations made or  
19 the value of in-kind care and treatment provided pursuant to  
20 section 347.7, subsection 1, paragraph "c", Code 2021, or to  
21 transfers from a county public hospital fund under section  
22 347.7. This paragraph is repealed July 1, 2022.

23 b. Payments or transfers of moneys from any fund of the  
24 county to a mental health and disability services region's  
25 combined account under section 331.391 are prohibited. This  
26 paragraph applies to fiscal years beginning on or after July  
27 1, 2022, but does not apply to transfers from a county public  
28 hospital fund under section 347.7 for the fiscal year beginning  
29 July 1, 2022, or the fiscal year beginning July 1, 2023.

30 Sec. 101. Section 347.7, subsection 1, paragraph c, Code  
31 2021, is amended by striking the paragraph.

32 Sec. 102. Section 426B.1, subsection 2, Code 2021, is  
33 amended to read as follows:

34 2. Moneys shall be distributed from the property tax relief  
35 fund to ~~counties~~ for the mental health and disability regional

1 service system for mental health and disabilities services, in  
2 accordance with the appropriations made to the fund and other  
3 statutory requirements.

4 Sec. 103. Section 426B.2, Code 2021, is amended to read as  
5 follows:

6 **426B.2 Property tax relief fund payments.**

7 The director of human services shall draw warrants on the  
8 property tax relief fund, payable to the ~~county treasurer~~  
9 regional administrator in the amount due to a ~~county mental~~  
10 health and disability services region in accordance with  
11 statutory requirements, and mail the warrants to the ~~county~~  
12 ~~auditors~~ regional administrator in July and January of each  
13 year.

14 Sec. 104. Section 426B.4, Code 2021, is amended to read as  
15 follows:

16 **426B.4 Rules.**

17 The mental health and disability services commission shall  
18 consult with ~~county representatives~~ regional administrators  
19 and the director of human services in prescribing forms and  
20 adopting rules pursuant to [chapter 17A](#) to administer this  
21 chapter.

22 Sec. 105. ADJUSTMENT TO PROPERTY TAXES CERTIFIED UNDER  
23 SECTION 331.424A — FY 2021-2022. For each county for which  
24 the amount of taxes certified for levy for the purposes  
25 of section 331.424A for the fiscal year beginning July 1,  
26 2021, exceeds the product of the population of the county as  
27 determined under section 331.424A, subsection 1, paragraph  
28 "e", multiplied by twenty-one dollars and fourteen cents,  
29 the department of management shall reduce the amount of such  
30 taxes certified for levy to an amount not to exceed the  
31 product of the population of the county as determined under  
32 section 331.424A, subsection 1, paragraph "e", multiplied by  
33 twenty-one dollars and fourteen cents and shall revise the rate  
34 of taxation as necessary to raise the reduced amount. The  
35 department of management shall report the reduction in the

1 certified taxes and the revised rate of taxation to the county  
2 auditors by June 15, 2021.

3 Sec. 106. IMPLEMENTATION OF REGION INCENTIVE FUND UNDER  
4 SECTION 225C.7A — EMERGENCY RULEMAKING.

5 1. In order to timely implement the provisions of this  
6 division of this Act establishing the region incentive fund  
7 under section 225C.7A, subsection 8, for mental health and  
8 disability services regions for funding the fiscal year  
9 beginning July 1, 2021, and the fiscal year beginning July  
10 1, 2022, the director of human services shall establish  
11 alternative application deadlines and expedited application  
12 review and approval timelines.

13 2. The department of human services may adopt  
14 administrative rules under section 17A.4, subsection 3, and  
15 section 17A.5, subsection 2, paragraph "b", to implement  
16 provisions of this division of this Act and the rules shall  
17 become effective immediately upon filing or on a later  
18 effective date specified in the rules, unless the effective  
19 date of the rules is delayed or the applicability of the rules  
20 is suspended by the administrative rules review committee. Any  
21 rules adopted in accordance with this section shall not take  
22 effect before the rules are reviewed by the administrative  
23 rules review committee. The delay authority provided to  
24 the administrative rules review committee under section  
25 17A.8, subsections 9 and 10, shall be applicable to a delay  
26 imposed under this section, notwithstanding a provision in  
27 those subsections making them inapplicable to section 17A.5,  
28 subsection 2, paragraph "b". Any rules adopted in accordance  
29 with the provisions of this section shall also be published as  
30 a notice of intended action as provided in section 17A.4.

31 Sec. 107. DEPARTMENT OF HUMAN SERVICES — MENTAL HEALTH AND  
32 DISABILITY REGIONS STUDY. The department of human services  
33 shall convene a study committee to evaluate the current mental  
34 health and disability region structure and operations in the  
35 context of the changes made and the funding provided by this

1 division of this Act. The study shall, at a minimum, review  
2 how effectively each mental health and disability services  
3 region has implemented the core services outlined in sections  
4 331.397 and 331.397A, including the degree of uniformity of  
5 the core services between the regions. The department shall  
6 be authorized to contract with and retain the services of an  
7 independent contractor in order to conduct the study. The  
8 department shall submit a report detailing the study's findings  
9 and recommendations to the general assembly and the governor no  
10 later than December 15, 2022.

11 Sec. 108. EFFECTIVE DATE. This division of this Act, being  
12 deemed of immediate importance, takes effect upon enactment.

13 DIVISION XXVI

14 COMMERCIAL AND INDUSTRIAL PROPERTY TAX REPLACEMENT PAYMENTS

15 Sec. 109. Section 2.48, subsection 3, paragraph f,  
16 subparagraph (6), Code 2021, is amended by striking the  
17 subparagraph.

18 Sec. 110. Section 331.512, subsection 15, Code 2021, is  
19 amended by striking the subsection.

20 Sec. 111. Section 331.559, subsection 27, Code 2021, is  
21 amended by striking the subsection.

22 Sec. 112. Section 441.21A, subsection 1, paragraph a, Code  
23 2021, is amended to read as follows:

24 a. For each fiscal year beginning on or after July 1, 2014,  
25 but before July 1, 2029, there is appropriated from the general  
26 fund of the state to the department of revenue an amount  
27 necessary for the payment of all commercial and industrial  
28 property tax replacement claims under [this section](#) for the  
29 fiscal year. However, for a the fiscal year years beginning  
30 on ~~or after~~ July 1, 2017, July 1, 2018, July 1, 2019, July 1,  
31 2020, and July 1, 2021, the total amount of moneys appropriated  
32 from the general fund of the state to the department of revenue  
33 for the payment of commercial and industrial property tax  
34 replacement claims in ~~that~~ each fiscal year shall not exceed  
35 the total amount of money necessary to pay all commercial and

1 industrial property tax replacement claims for the fiscal year  
2 beginning July 1, 2016.

3 Sec. 113. Section 441.21A, subsections 2 and 3, Code 2021,  
4 are amended to read as follows:

5 2. a. Beginning with the For each fiscal year beginning  
6 on or after July 1, 2014, but before July 1, 2022, each county  
7 treasurer shall be paid by the department of revenue an  
8 amount equal to the amount of the commercial and industrial  
9 property tax replacement claims in the county, as calculated  
10 in subsection 4. If an amount appropriated for a the fiscal  
11 year beginning on July 1, 2017, July 1, 2018, July 1, 2019,  
12 July 1, 2020, or July 1, 2021, is insufficient to pay all  
13 replacement claims for the fiscal year, the director of revenue  
14 shall prorate the payment of replacement claims to the county  
15 treasurers and shall notify the county auditors of the pro rata  
16 percentage on or before September 30.

17 b. For each fiscal year beginning on or after July 1, 2022,  
18 but before July 1, 2029, each county treasurer shall be paid  
19 by the department of revenue an amount equal to the sum of the  
20 commercial and industrial property tax replacement claims for  
21 all taxing authorities, or portion thereof, located in the  
22 county, as calculated in subsection 4A. The county treasurer  
23 shall pay to each taxing authority the taxing authority's  
24 commercial and industrial property tax replacement claim, or  
25 portion thereof, as calculated in subsection 4A.

26 3. a. On or before July 1 of each fiscal year beginning on  
27 or after July 1, 2014, but before July 1, 2022, the assessor  
28 shall report to the county auditor the total actual value of  
29 all commercial property and industrial property in the county  
30 that is subject to assessment and taxation for the assessment  
31 year used to calculate the taxes due and payable in that fiscal  
32 year.

33 b. On or before July 1, 2022, the department of management  
34 shall calculate and report to the department of revenue for  
35 each taxing authority in this state that is a city or a county

1 all of the following:

2 (1) The total assessed value as of January 1, 2012, of  
3 all taxable property located in the taxing authority that is  
4 subject to assessment and taxation used to calculate taxes  
5 which are due and payable in the fiscal year beginning July 1,  
6 2013, excluding property subject to the statewide property tax  
7 imposed under section 437A.18 or 437B.14.

8 (2) The total assessed value as of January 1, 2019, of  
9 all taxable property located in the taxing authority that is  
10 subject to assessment and taxation used to calculate taxes  
11 which are due and payable in the fiscal year beginning July 1,  
12 2020, excluding property subject to the statewide property tax  
13 imposed under section 437A.18 or 437B.14.

14 Sec. 114. Section 441.21A, subsection 4, unnumbered  
15 paragraph 1, Code 2021, is amended to read as follows:

16 On or before a date established by rule of the department  
17 of revenue of each fiscal year beginning on or after July  
18 1, 2014, but before July 1, 2022, the county auditor shall  
19 prepare a statement, based upon the report received pursuant to  
20 subsection 3, paragraph "a", listing for each taxing district  
21 in the county:

22 Sec. 115. Section 441.21A, Code 2021, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 4A. *a.* As used in this subsection, unless  
25 the context clearly requires otherwise:

26 (1) *"Qualified taxing authority"* means any of the following:

27 (a) A taxing authority that is not a city or a county.

28 (b) A taxing authority that is a city or county for which  
29 the amount determined under subsection 3, paragraph "b",

30 subparagraph (2), is less than one hundred thirty-one and  
31 twenty-four hundredths percent of the amount determined under  
32 subsection 3, paragraph "b", subparagraph (1).

33 (2) *"Taxing authority"* means a city, county, community  
34 college, or other governmental entity or political subdivision  
35 in this state authorized to certify a levy on property located



1 within such authority, but does not include a school district.

2     *b.* For fiscal years beginning on or after July 1, 2022,  
3 but before July 1, 2029, the amount of each taxing authority's  
4 replacement claim is as follows:

5     (1) If the taxing authority is a qualified taxing authority:

6     (a) For the fiscal year beginning July 1, 2022,  
7 seven-eighths of the amount received by the taxing authority  
8 under this section for the fiscal year beginning July 1, 2021.

9     (b) For the fiscal year beginning July 1, 2023, six-eighths  
10 of the amount received by the taxing authority under this  
11 section for the fiscal year beginning July 1, 2021.

12     (c) For the fiscal year beginning July 1, 2024, five-eighths  
13 of the amount received by the taxing authority under this  
14 section for the fiscal year beginning July 1, 2021.

15     (d) For the fiscal year beginning July 1, 2025, four-eighths  
16 of the amount received by the taxing authority under this  
17 section for the fiscal year beginning July 1, 2021.

18     (e) For the fiscal year beginning July 1, 2026,  
19 three-eighths of the amount received by the taxing authority  
20 under this section for the fiscal year beginning July 1, 2021.

21     (f) For the fiscal year beginning July 1, 2027, two-eighths  
22 of the amount received by the taxing authority under this  
23 section for the fiscal year beginning July 1, 2021.

24     (g) For the fiscal year beginning July 1, 2028, one-eighth  
25 of the amount received by the taxing authority under this  
26 section for the fiscal year beginning July 1, 2021.

27     (2) If the taxing authority is not a qualified taxing  
28 authority:

29     (a) For the fiscal year beginning July 1, 2022, four-fifths  
30 of the amount received by the taxing authority under this  
31 section for the fiscal year beginning July 1, 2021.

32     (b) For the fiscal year beginning July 1, 2023, three-fifths  
33 of the amount received by the taxing authority under this  
34 section for the fiscal year beginning July 1, 2021.

35     (c) For the fiscal year beginning July 1, 2024, two-fifths

1 of the amount received by the taxing authority under this  
2 section for the fiscal year beginning July 1, 2021.

3 (d) For the fiscal year beginning July 1, 2025, one-fifth of  
4 the amount received by the taxing authority under this section  
5 for the fiscal year beginning July 1, 2021.

6 (e) For the fiscal year beginning July 1, 2026, and each  
7 succeeding fiscal year beginning before July 1, 2029, zero.

8 (3) The department of management shall calculate and report  
9 to the department of revenue the amount received by each  
10 taxing authority in this state as the result of commercial and  
11 industrial property tax replacement claims paid for the fiscal  
12 year beginning July 1, 2021, and the portion of the amount  
13 attributable to each county where the taxing authority is  
14 located, if applicable.

15 Sec. 116. Section 441.21A, subsection 5, Code 2021, is  
16 amended to read as follows:

17 5. For purposes of computing replacement amounts under  
18 this section for fiscal years beginning on or after July 1,  
19 2014, but before July 1, 2022, that portion of an urban renewal  
20 area defined as the sum of the assessed valuations defined in  
21 section 403.19, subsections 1 and 2, shall be considered a  
22 taxing district.

23 Sec. 117. Section 441.21A, subsection 6, paragraph a, Code  
24 2021, is amended to read as follows:

25 a. The For fiscal years beginning on or after July 1, 2014,  
26 but before July 1, 2022, the county auditor shall certify  
27 and forward one copy of the statement to the department of  
28 revenue not later than a date of each year established by the  
29 department of revenue by rule.

30 Sec. 118. Section 441.21A, subsection 6, Code 2021, is  
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. f. This subsection shall apply to the  
33 apportionment of replacement claim amounts for fiscal years  
34 beginning on or after July 1, 2014, but before July 1, 2022.

35 Sec. 119. Section 441.21A, Code 2021, is amended by adding

1 the following new subsections:

2 NEW SUBSECTION. 7. *a.* For fiscal years beginning on  
3 or after July 1, 2022, but before July 1, 2029, each taxing  
4 authority's replacement claim calculated under subsection 4A,  
5 or portion thereof, shall be paid to the appropriate county  
6 treasurer, as provided in subsection 2, paragraph "b", in equal  
7 installments in September and March of each year.

8 *b.* After payment by the county treasurer to the taxing  
9 authority, the taxing authority's replacement claim shall be  
10 apportioned and credited by the governing body of the taxing  
11 authority among the taxing authority's tax levies in the same  
12 proportion that each property tax levy bears to the total of  
13 all property tax levies imposed by the taxing authority for the  
14 fiscal year for which the payment is received.

15 *c.* Of the amounts allocated and credited to each property  
16 tax levy that is subject to division under section 403.19,  
17 the total amount paid into the fund for the taxing authority  
18 as taxes by or for the taxing authority into which all other  
19 property taxes are paid and the special fund of the applicable  
20 municipality under section 403.19, subsection 2, shall be an  
21 amount of the replacement claim that is proportionate to the  
22 amount of the total sum of the assessed value of the taxable  
23 commercial and industrial property in the urban renewal area as  
24 a share of total assessed value of all taxable property in the  
25 taxing authority and shall be apportioned as follows:

26 (1) To the fund for the taxing authority as taxes by or for  
27 the taxing authority into which all other property taxes are  
28 paid, an amount proportionate to the amount of actual value of  
29 the commercial and industrial property in the urban renewal  
30 area as determined in section 403.19, subsection 1, that was  
31 subtracted pursuant to section 403.20, as it bears to the  
32 total amount of actual value of the commercial and industrial  
33 property in the urban renewal area that was subtracted pursuant  
34 to section 403.20 for the assessment year for property taxes  
35 due and payable in the fiscal year for which the replacement

1 claim is computed.

2 (2) (a) To the special fund of the applicable municipality  
3 under section 403.19, subsection 2, the remaining amount, if  
4 any.

5 (b) The amount allocated under subparagraph division (a)  
6 shall not exceed the amount equal to the amount certified to  
7 the county auditor under section 403.19 for the fiscal year in  
8 which the claim is paid, after deduction of the amount of other  
9 revenues committed for payment on that amount for the fiscal  
10 year. The amount not allocated as a result of the operation of  
11 this subparagraph division (b) shall be allocated to and paid  
12 into the fund for the taxing authority as taxes by or for the  
13 taxing authority in the manner provided in subparagraph (1).

14 NEW SUBSECTION. 8. This section is repealed July 1, 2029.

15 Sec. 120. EFFECTIVE DATE. The following take effect July  
16 1, 2029:

17 1. The section of this division of this Act amending section  
18 331.512.

19 2. The section of this division of this Act amending section  
20 331.559.

21 DIVISION XXVII

22 SCHOOL FOUNDATION PERCENTAGE

23 Sec. 121. Section 257.1, subsection 2, paragraph b, Code  
24 2021, is amended to read as follows:

25 *b.* For the budget year commencing July 1, 1999, and for  
26 each succeeding budget year beginning before July 1, 2022,  
27 the regular program foundation base per pupil is eighty-seven  
28 and five-tenths percent of the regular program state cost per  
29 pupil. For the budget year commencing July 1, 2022, and for  
30 each succeeding budget year, the regular program foundation  
31 base per pupil is eighty-eight and four-tenths percent of the  
32 regular program state cost per pupil. For the budget year  
33 commencing July 1, 1991, and for each succeeding budget year  
34 the special education support services foundation base is  
35 seventy-nine percent of the special education support services

1 state cost per pupil. The combined foundation base is the sum  
2 of the regular program foundation base, the special education  
3 support services foundation base, the total teacher salary  
4 supplement district cost, the total professional development  
5 supplement district cost, the total early intervention  
6 supplement district cost, the total teacher leadership  
7 supplement district cost, the total area education agency  
8 teacher salary supplement district cost, and the total area  
9 education agency professional development supplement district  
10 cost.

11 Sec. 122. Section 257.3, subsection 1, paragraph d, Code  
12 2021, is amended by striking the paragraph.

13 Sec. 123. EFFECTIVE DATE. The section of this division of  
14 this Act amending section 257.3, subsection 1, paragraph "d",  
15 takes effect July 1, 2022.

16 DIVISION XXVIII

17 ELDERLY PROPERTY TAX CREDIT

18 Sec. 124. Section 25B.7, subsection 2, paragraph b, Code  
19 2021, is amended to read as follows:

20 *b.* Low-income property tax credit and elderly and disabled  
21 property tax credit pursuant to [sections 425.16 through 425.40](#),  
22 subject to the limitation of section 425.39, subsection 1,  
23 paragraph "b".

24 Sec. 125. Section 425.17, subsection 2, Code 2021, is  
25 amended to read as follows:

26 2. *a.* "Claimant" means ~~either~~ any of the following:

27 (1) A person filing a claim for credit ~~or reimbursement~~  
28 under [this subchapter](#) who has attained the age of sixty-five  
29 years but who has not attained the age of seventy years on  
30 or before December 31 of the base year ~~or~~, a person filing a  
31 claim for credit or reimbursement under this subchapter who  
32 is totally disabled and was totally disabled on or before  
33 December 31 of the base year, or a person filing a claim for  
34 reimbursement under this subchapter who has attained the age of  
35 sixty-five years on or before December 31 of the base year and

1 who is domiciled in this state at the time the claim is filed or  
 2 at the time of the person's death in the case of a claim filed  
 3 by the executor or administrator of the claimant's estate.

4 (2) A person filing a claim for credit or reimbursement  
 5 under this subchapter who has attained the age of twenty-three  
 6 years on or before December 31 of the base year or was a head  
 7 of household on December 31 of the base year, as defined in  
 8 the Internal Revenue Code, but has not attained the age or  
 9 disability status described in ~~this paragraph "a"~~, subparagraph  
 10 (1) or the age status and eligibility criteria of subparagraph  
 11 (3), and is domiciled in this state at the time the claim is  
 12 filed or at the time of the person's death in the case of a  
 13 claim filed by the executor or administrator of the claimant's  
 14 estate, and was not claimed as a dependent on any other  
 15 person's tax return for the base year.

16 (3) A person filing a claim for credit under this subchapter  
 17 who has attained the age of seventy years on or before December  
 18 31 of the base year, who has a household income of less than  
 19 two hundred fifty percent of the federal poverty level, as  
 20 defined by the most recently revised poverty income guidelines  
 21 published by the United States department of health and human  
 22 services, and is domiciled in this state at the time the claim  
 23 is filed or at the time of the person's death in the case of a  
 24 claim filed by the executor or administrator of the claimant's  
 25 estate.

26 *b. "Claimant"* under paragraph ~~"a"~~, ~~subparagraph (1) or (2)~~,  
 27 includes a vendee in possession under a contract for deed and  
 28 may include one or more joint tenants or tenants in common.  
 29 In the case of a claim for rent constituting property taxes  
 30 paid, the claimant shall have rented the property during any  
 31 part of the base year. In the case of a claim for property  
 32 taxes due, the claimant shall have occupied the property during  
 33 any part of the fiscal year beginning July 1 of the base year.  
 34 If a homestead is occupied by two or more persons, and more  
 35 than one person is able to qualify as a claimant, the persons

1 may each file a claim based upon each person's income and rent  
2 constituting property taxes paid or property taxes due.

3 Sec. 126. Section 425.23, subsection 1, paragraph a,  
4 unnumbered paragraph 1, Code 2021, is amended to read as  
5 follows:

6 The tentative credit or reimbursement for a claimant  
7 described in section 425.17, subsection 2, paragraph "a",  
8 ~~subparagraphs subparagraph (1) and (2), if no appropriation is~~  
9 ~~made to the fund created in section 425.40~~ shall be determined  
10 in accordance with the following schedule:

11 Sec. 127. Section 425.23, subsection 1, Code 2021, is  
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. c. The tentative credit for a claimant  
14 described in section 425.17, subsection 2, paragraph "a",  
15 subparagraph (3), shall be the greater of the following:

16 (1) The amount of the credit under the schedule specified  
17 in paragraph "a" of this subsection as if the claimant was a  
18 claimant as defined in section 425.17, subsection 2, paragraph  
19 "a", subparagraph (1), filing for a credit under paragraph "a"  
20 of this subsection.

21 (2) The difference between the actual amount of property  
22 taxes due on the homestead during the fiscal year next  
23 following the base year minus the actual amount of property  
24 taxes due on the homestead during the first fiscal year for  
25 which the claimant filed a claim for a credit calculated under  
26 this paragraph "c" and for which the property taxes due on the  
27 homestead were calculated on an assessed valuation that was  
28 not a partial assessment and if the claimant has filed for the  
29 credit calculated under this paragraph "c" for each of the  
30 subsequent fiscal years after the first credit claimed.

31 Sec. 128. Section 425.23, subsection 4, paragraph a, Code  
32 2021, is amended to read as follows:

33 a. For the base year beginning in the 1999 calendar year  
34 and for each subsequent base year, the dollar amounts set  
35 forth in ~~subsections~~ subsection 1, paragraphs "a" and "b", and

1 subsection 3 shall be multiplied by the cumulative adjustment  
2 factor for that base year. "*Cumulative adjustment factor*" means  
3 the product of the annual adjustment factor for the 1998 base  
4 year and all annual adjustment factors for subsequent base  
5 years. The cumulative adjustment factor applies to the base  
6 year beginning in the calendar year for which the latest annual  
7 adjustment factor has been determined.

8 Sec. 129. Section 425.24, Code 2021, is amended to read as  
9 follows:

10 **425.24 Maximum property tax for purpose of credit or**  
11 **reimbursement.**

12 ~~For claimants under section 425.17, subsection 2,~~  
13 paragraph "a", subparagraphs (1) and (2), and for the  
14 calculation under section 425.23, subsection 1, paragraph "c",  
15 subparagraph (1), in any case in which property taxes due or  
16 rent constituting property taxes paid for any household exceeds  
17 one thousand dollars, the amount of property taxes due or rent  
18 constituting property taxes paid shall be deemed to have been  
19 one thousand dollars for purposes of [this subchapter](#).

20 Sec. 130. Section 425.39, subsection 1, as amended by 2021  
21 Iowa Acts, House File 368, section 33, is amended to read as  
22 follows:

23 1. a. The elderly and disabled property tax credit fund is  
24 created. There is appropriated annually from the general fund  
25 of the state to the department of revenue to be credited to the  
26 elderly and disabled property tax credit fund, from funds not  
27 otherwise appropriated, an amount sufficient to implement this  
28 subchapter for credits for property taxes due for claimants  
29 described in [section 425.17, subsection 2](#), paragraph "a",  
30 ~~subparagraph~~ subparagraphs (1) and (3), subject to paragraph  
31 "b".

32 b. Regardless of the amount of the credit determined under  
33 section 425.23, subsection 1, paragraph "c", the amount paid by  
34 the director of revenue to each county treasurer for credits  
35 for claimants described under section 425.17, subsection 2,



1 paragraph "a", subparagraph (3), shall not exceed the amount  
2 calculated for the claimant under section 425.23, subsection 1,  
3 paragraph "c", subparagraph (1), and section 25B.7, subsection  
4 1, shall not apply to the amount of the credit in excess of the  
5 amount paid by the director of revenue.

6 Sec. 131. APPLICABILITY. This division of this Act applies  
7 to claims under chapter 425, subchapter II, filed on or after  
8 January 1, 2022.