

## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 975	House Committee:	<b>PASSED</b> on 3/20/25 (24-0)
Committee:	Ways & Means	House Floor:	<b>PASSED</b> on 4/21/25 (83-8)
Floor Manager:	Rep. Bloomingtondale	Senate Floor:	<b>PASSED</b> on 5/12/25 (45-5)
Date:	Final	Governor:	
Staff:	Kristi Kious (2-5290)		

### Iowa Economic Development Authority—Technical Bill

- Aligns boards and councils with previous legislative changes.
- Eliminates programs that are without funding.
- Makes changes to qualifications for the Historic Preservation Tax Credit.
- Combines Arts programs and their funding into one broad grant program.

### Section by Section Analysis

#### Division I—Strategic Infrastructure Program

##### Section 1 – Iowa innovation council (15.117A)

This section removes the review and recommendation on applications for the Strategic Infrastructure Program from the duties of the Iowa innovation council due to legislation.

##### Section 2 – Strategic infrastructure program — fund (15.313)

This section provides that the review of the Strategic Infrastructure Program applications is the responsibility of the committee created in Iowa Code 15.117A(7).

#### Division II—Brownfields, Grayfields, and Redevelopment Tax Credits

##### Section 3 – Definitions (15.291)

This section strikes a reference to the brownfield redevelopment advisory council (which is eliminated in this division). All awarding decisions would be made by IEDA.

##### Section 4 – Redevelopment tax credits (15.293A)

This section makes a conforming change to Section 3.

##### Section 5 – Application — registration — agreement (15.293B)

This section provides that when reviewing applications for redevelopment tax credits, IEDA may engage outside experts to complete a technical, financial, or other review. It also makes conforming changes to Section 3.

Section 6 – Application — registration — agreement (15.293B)

This section makes conforming changes to Section 3.

Section 7 – Application — registration — agreement (15.293B)

This section makes conforming changes to Section 3.

Section 8 – Application — registration — agreement (15.293B)

This section replaces the audit and separate verification for redevelopment tax credit projects with a requirement that businesses submit an examination of the project completed by an Iowa-licensed CPA (similar to other community development tax credit programs). This is a more thorough examination.

Section 9 – Repeal

This section repeals code sections related to the elimination of the brownfield redevelopment advisory council.

Section 10 – Transfer of moneys

This section provides that on the effective date of this bill, any unencumbered or unobligated moneys remaining in the brownfield redevelopment fund to a fund determined by IEDA.

**Division III—Community Attraction and Tourism, and Vision Iowa—Required Benefits**

Section 11 – Repeal

This section eliminates the requirement that an applicant awarded financial assistance under both the vision Iowa program and the community attraction and tourism program provide and pay at least 50 percent of the cost of a standard medical insurance plan for all full-time employees after completion of the project for which the financial assistance was received.

Section 12 – Applicability

This section provides that Division III applies to applicants awarded financial assistance under both programs on or after the effective date of the bill.

Section 13 – Retroactive applicability

This section provides that Division III applies to applicants awarded financial assistance under both programs prior to the effective date of the bill.

**Division IV—Community Attraction and Tourism Program, and Sports Tourism Marketing and Infrastructure Program—Application Review**

Section 14 – Community attraction and tourism program application review (15F.203)

This section provides that the Director of IEDA shall appoint a review committee composed of members with relevant expertise to review CAT applications.

Section 15 – Sports tourism marketing and infrastructure program application review (15F.402)

This section provides that the Director of IEDA shall appoint a review committee composed of members with relevant expertise to review sports tourism marketing and infrastructure program applications.

**Division V—Historic Preservation Tax Credit**

Section 16 – Definitions (404A.1)

This section strikes the definition of *completion date*.

Section 17 – Definitions (404A.1)

(New paragraph) This section provides that single-family dwelling units are not eligible for the program unless they meet very specific criteria.

Section 18 – Definitions (404A.1)

(New subsection) This section provides that the definition of *registration date* is the date on which IEDA notifies an eligible taxpayer of a successful registration of the taxpayer's qualified rehabilitation project.

Section 19 – Application and registration — agreement — compliance and examination (404A.3)

This section specifies that the project must commence within 12 months of the award date. It also allows IEDA to grant up to two completion extensions of 12 months each.

Section 20 – Aggregate tax credit award limit (404A.4)

This section makes conforming changes to Section 21.

Section 21 – Aggregate tax credit award limit (404A.4)

(New subsection) This section provides that IEDA may grant historic preservation tax credits beyond the aggregate tax credit under certain circumstances. It gives IEDA that ability to allocate awards from multiple fiscal years on very large projects so that those large projects do not exhaust a single fiscal year allocation.

**Division VI—Homelessness—Iowa Finance Authority**

Section 22 – Duties regarding homelessness (16.5F)

This section provides that IEDA may (instead of shall) adopt rules to carry out the duties of IFA related to homelessness. There are currently no programs and no funding.

**Division VII—Title Guaranty Board—Elimination**

Section 23 – Creation — administration of programs (16.1A)

This section makes conforming changes to Section 24.

Section 24 – Title guaranty division (16A.2A)

This section eliminates the title guaranty division board. The powers of the title guaranty division relating to the issuance of title guaranties are vested in the IFA board of directors. The director of IFA shall appoint an attorney as director of the title guaranty division and the division director's appointment and compensation shall be exempt from the merit system.

Section 25 – Iowa title guaranty program (16.91)

This section makes conforming changes to Section 24.

Section 26 – Real estate transfer — mortgage release certificate (16.92)

This section makes conforming changes to Section 24.

Section 27 – Real estate transfer — mortgage release certificate (16.92)

This section makes conforming changes to Section 24.

Section 28 – Closing protection letters (16.93)

This section makes conforming changes to Section 24.

Section 29 – Closing protection letters (16.93)

This section makes conforming changes to Section 24.

**Division VIII—Arts and Culture**

Section 30 – Primary responsibilities (15.108)

This section strikes references to programs that are being combined and/or eliminated later in this division. This section provides that IEDA is no longer required to establish and administer a film office.

Section 31 – Promotional program for national historic landmarks and cultural and entertainment districts (15.274)

This section eliminates references to cultural and entertainment districts.

Section 32 – Arts and culture enhancement fund (15.436)

This division consolidates the following arts funding line items:

- County Endowment Funding
- Cultural Trust Grants
- Iowa Arts Council
- Community Cultural Grants
- Great Places Program.

This section creates the all-encompassing arts and culture enhancement fund and specifies broad acceptable uses related to the arts.

Section 33 – Arts council (15.465)

This section makes conforming changes.

Section 34 – Duties of Iowa arts council (15.466)

This section adds to the duties of the Iowa Arts Council. These additions include ensuring that Iowa citizens and communities have access to the cultural, civic, economic, and educational benefits of the arts. The council may solicit public input.

Section 35 – Iowa green corps program (15H.6)

This section eliminates a reference to the Great Places Program which is eliminated.

Section 36 – Gambling games and sports wagering taxes — rate — allocations (99F.11)

This section makes a conforming change.

Section 37 – Repeal

This section repeals specific and outdated arts programs—including the Great Places Program.

Section 38 – Transfer of moneys

This section provides that on the effective date of the bill, all unencumbered and unobligated money remaining in the Iowa Great Places Program Fund and the Iowa Cultural Trust grant account are transferred to the Arts and Culture Enhancement Fund.

**Division IX—Conforming Changes**

Section 39 – Director — responsibilities (16.6)

This section makes conforming changes.

Section 40 – Bonds and notes — tax exemption (16.64)

This section makes conforming changes.

**Division X—Iowa Reinvestment Act—District Establishment**

Section 41 – District establishment — approval (15J.4)

This section increases the maximum size of a reinvestment district from 75 acres to 125 acres but does not change the program cap or other program qualifications and requirements.

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