

FEB 28 2006  
ECONOMIC GROWTH

HOUSE FILE 2574  
BY JENKINS

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

A BILL FOR

1 An Act granting responsibility for energy policy in the state to  
2 the department of economic development.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2574

1 Section 1. Section 15.108, Code 2005, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 12. ENERGY.

4 a. To market energy availability and cost in the state as  
5 a reason to locate a new business in the state.

6 b. To coordinate the role of all forms of energy in the  
7 state and collect all data and information available regarding  
8 all forms of energy in the state.

9 c. To develop a strategic course for the state that  
10 utilizes natural resources of the state as energy resources  
11 for the citizens and economic growth of the state.

12 Sec. 2. Section 456.1, subsection 1, Code 2005, is amended  
13 to read as follows:

14 1. "Department" means the department of ~~natural-resources~~  
15 economic development created under in section ~~455A-2~~ 15.105.

16 Sec. 3. Section 458A.2, subsection 2, Code 2005, is  
17 amended by striking the subsection.

18 Sec. 4. Section 458A.2, subsection 3, Code 2005, is  
19 amended to read as follows:

20 3. "Department" means the department of ~~natural-resources~~  
21 economic development created under ~~section-455A-2~~ chapter 15.

22 Sec. 5. Section 470.1, subsections 2 and 3, Code 2005, are  
23 amended to read as follows:

24 2. "Department" means the department of ~~natural-resources~~  
25 economic development.

26 3. "Director" means the director of the department of  
27 ~~natural-resources~~ economic development.

28 Sec. 6. Section 473.1, subsections 1 and 2, Code 2005, are  
29 amended to read as follows:

30 1. "Commission" "Board" means the ~~environmental-protection~~  
31 ~~commission-of-the-department~~ Iowa economic development board  
32 created in section 15.103.

33 2. "Department" means the department of ~~natural-resources~~  
34 economic development created under in section ~~455A-2~~ 15.105.

35 Sec. 7. Section 473.11, subsections 3, 4, and 7, Code

1 2005, are amended to read as follows:

2 3. An energy fund disbursement council is established.

3 The council shall be composed of the governor or the  
4 governor's designee, the director of the department of  
5 management, who shall serve as the council's chairperson, the  
6 administrator of the division of community action agencies of  
7 the department of human rights, a designee of the director of  
8 the department of ~~natural-resources~~ economic development who  
9 is knowledgeable in the field of energy conservation, and a  
10 designee of the director of transportation who is  
11 knowledgeable in the field of energy conservation. The  
12 council shall include as nonvoting members two members of the  
13 senate appointed by the president of the senate, after  
14 consultation with the majority leader and the minority leader  
15 of the senate, and two members of the house of representatives  
16 appointed by the speaker of the house, after consultation with  
17 the majority leader and the minority leader of the house. The  
18 legislative members shall be appointed upon the convening and  
19 for the period of each general assembly. Not more than one  
20 member from each house shall be of the same political party.  
21 The council shall be staffed by the department of ~~natural~~  
22 ~~resources~~ economic development. The attorney general shall  
23 provide legal assistance to the council.

24 The council shall do all of the following:

25 a. Oversee the investment of moneys deposited in the  
26 energy conservation trust.

27 b. Make recommendations to the governor and the general  
28 assembly regarding annual appropriations from the energy  
29 conservation trust.

30 c. Work with the department of ~~natural-resources~~ economic  
31 development in adopting administrative rules necessary to  
32 administer expenditures from the trust, encourage applications  
33 for grants and loans, review and select proposals for the  
34 funding of competitive grants and loans from the energy  
35 conservation trust, and evaluate their comparative

1 effectiveness.

2 d. Monitor expenditures from the trust.

3 e. Approve any grants or contracts awarded from the energy  
4 conservation trust in excess of five thousand dollars.

5 f. Prepare, in conjunction with the department of ~~natural~~  
6 ~~resources~~ economic development, an annual report to the  
7 governor and the general assembly regarding earnings of and  
8 expenditures from the energy conservation trust.

9 4. The director of the department of ~~natural-resources~~  
10 economic development or the director's designee shall be the  
11 administrator of the energy conservation trust. The  
12 administrator shall disburse moneys appropriated by the  
13 general assembly from the funds in the trust in accordance  
14 with the federal court orders, law and regulation, or  
15 settlement conditions applying to the moneys in that fund, and  
16 subject to the approval of the energy fund disbursement  
17 council if such approval is required. The council, after  
18 consultation with the attorney general, shall immediately  
19 approve the disbursement of moneys from the funds in the trust  
20 for projects which meet the federal court orders, law and  
21 regulations, or settlement conditions which apply to that  
22 fund.

23 7. On June 30, 2003, the energy fund disbursement council  
24 established in subsection 3 shall be dissolved. ~~At-that-time,~~  
25 ~~the~~ The department of ~~natural-resources~~ economic development  
26 shall be responsible for the disbursement of any funds either  
27 received or remaining in the energy conservation trust. These  
28 disbursements shall be for projects and programs consistent  
29 with the allowable uses for the energy conservation trust.  
30 ~~Also, at that time, and annually thereafter,~~ Annually the  
31 state department of transportation shall report to the  
32 department of ~~natural-resources~~ economic development on the  
33 status of the intermodal revolving loan fund established in  
34 the department. In the fiscal year beginning July 1, 2019,  
35 the department of ~~natural-resources~~ economic development shall

1 assume responsibility for funds remaining in the intermodal  
2 revolving loan fund and disburse them for energy conservation  
3 projects and programs consistent with the allowable uses for  
4 the energy conservation trust.

5 Sec. 8. Section 473.20A, subsections 1 and 2, Code 2005,  
6 are amended to read as follows:

7 1. The department of ~~natural-resources~~ economic  
8 development may enter into financing agreements with the  
9 state, state agencies, political subdivisions of the state,  
10 school districts, area education agencies, community colleges,  
11 or nonprofit organizations in order to provide the financing  
12 to pay the costs of furnishing energy conservation measures.  
13 The provisions of section 473.20 defining eligible energy  
14 conservation measures and the method of repayment of the loans  
15 apply to financings under this section.

16 The financing agreement may contain provisions, including  
17 interest, term, and obligations to make payments on the  
18 financing agreement beyond the current budget year, as may be  
19 agreed upon between the department of ~~natural-resources~~  
20 economic development and the state, state agencies, political  
21 subdivisions of the state, school districts, area education  
22 agencies, community colleges, or nonprofit organizations.

23 2. For the purpose of funding its obligation to furnish  
24 moneys under the financing agreements, or to fund the energy  
25 loan fund created in section 473.20, the treasurer of state,  
26 with the assistance of the department of ~~natural-resources~~  
27 economic development, or the treasurer of state's duly  
28 authorized agents or representatives, may incur indebtedness  
29 or enter into master lease agreements or other financing  
30 arrangements to borrow to accomplish energy conservation  
31 measures, or the department of ~~natural-resources~~ economic  
32 development may enter into master lease agreements or other  
33 financing arrangements to permit the state, state agencies,  
34 political subdivisions of the state, school districts, area  
35 education agencies, community colleges, or nonprofit

1 organizations to borrow sufficient funds to accomplish the  
2 energy conservation measure. The obligations may be in such  
3 form, for such term, bearing such interest and containing such  
4 provisions as the department of ~~natural-resources~~ economic  
5 development, with the assistance of the treasurer of state,  
6 deems necessary or appropriate. Funds remaining after the  
7 payment of all obligations have been redeemed shall be paid  
8 into the energy loan fund.

9 Sec. 9. Section 473.15, Code 2005, is repealed.

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EXPLANATION

11 This bill grants responsibility for energy policy in the  
12 state to the department of economic development.

13 The bill provides that the department of economic  
14 development shall have a primary responsibility for marketing  
15 energy availability and cost in the state as a reason to  
16 locate a new business in the state, coordinating the role of  
17 all forms of energy in the state and collect all data and  
18 information available regarding all forms of energy in the  
19 state, and developing a strategic course for the state that  
20 utilizes natural resources of the state as energy resources  
21 for the citizens and economic growth of the state.

22 The bill transfers responsibility for the geological survey  
23 and related requirements included in Code chapter 456 from the  
24 department of natural resources to the department of economic  
25 development. The move results in the director of the  
26 department of economic development appointing the state  
27 geologist.

28 The bill transfers the responsibilities related to oil,  
29 gas, and other minerals as contained in Code chapter 458A from  
30 the department of natural resources to the department of  
31 economic development.

32 The bill transfers the responsibilities for life cycle cost  
33 analysis of public facilities as contained in Code chapter 470  
34 from the department of natural resources to the department of  
35 economic development.

1 The bill transfers the responsibilities related to energy  
2 development and conservation as contained in Code chapter 473  
3 from the department of natural resources to the department of  
4 economic development.

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