

SENATE FILE  
BY JOHNSON

138

WAYS & MEANS

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to cultural and entertainment districts and  
2 cultural, entertainment, and historical rehabilitation  
3 projects and providing an applicability date provision.

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

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SP 158  
WAYS & MEANS

1 Section 1. NEW SECTION. 303.3B CULTURAL AND  
2 ENTERTAINMENT DISTRICTS.

3 1. The department of cultural affairs shall establish and  
4 administer a cultural and entertainment district certification  
5 program. The program shall encourage the growth of  
6 communities through the development of areas within a city or  
7 county for public and private uses related to cultural and  
8 entertainment purposes.

9 2. A city or county may create and designate a cultural  
10 and entertainment district subject to certification by the  
11 department of cultural affairs, in consultation with the  
12 department of economic development. A cultural and  
13 entertainment district shall consist of a geographic area not  
14 exceeding one square mile in size. A cultural and  
15 entertainment district certification shall remain in effect  
16 for ten years following the date of certification. Two or  
17 more cities or counties may apply jointly for certification of  
18 a district that extends across a common boundary. Through the  
19 adoption of administrative rules, the department of cultural  
20 affairs shall develop a certification application for use in  
21 the certification process. The provisions of this subsection  
22 relating to the adoption of administrative rules shall be  
23 construed narrowly.

24 3. The department of cultural affairs shall encourage  
25 development projects and activities located in certified  
26 cultural and entertainment districts through incentives under  
27 cultural grant programs pursuant to section 303.3, chapter  
28 303A, and any other grant programs.

29 Sec. 2. Section 404A.4, subsection 4, Code 2005, is  
30 amended to read as follows:

31 4. The total amount of tax credits that may be approved  
32 for a fiscal year under this chapter shall not exceed two  
33 ~~twenty million four-hundred-thousand~~ dollars. ~~For the fiscal~~  
34 ~~years beginning July 17, 2005, and July 17, 2006, an additional~~  
35 ~~five-hundred-thousand-dollars-of-tax-credits-may-be-approved~~

1 each-fiscal-year-for-purposes-of-projects-located-in-cultural  
2 and-entertainment-districts-certified-pursuant-to-section  
3 303.3B.--Any-of-the-additional-tax-credits-allocated-for  
4 projects-located-in-certified-cultural-and-entertainment  
5 districts-that-are-not-approved-during-a-fiscal-year-may-be  
6 carried-over-to-the-succeeding-fiscal-year. For each fiscal  
7 year, at least ten percent of the maximum amount of credits  
8 that may be approved shall be dedicated for awarding to  
9 projects with qualified rehabilitation costs equal to five  
10 hundred thousand dollars or less. For the fiscal years  
11 beginning July 1, 2005, and July 1, 2006, an additional five  
12 hundred thousand dollars of tax credits may be approved each  
13 fiscal year for purposes of projects located in cultural and  
14 entertainment districts certified pursuant to section 303.3B.  
15 Any of the additional tax credits allocated for projects  
16 located in certified cultural and entertainment districts that  
17 are not approved during a fiscal year may be carried over to  
18 the succeeding fiscal year. The department of cultural  
19 affairs shall establish by rule the procedures for the  
20 application, review, selection, and awarding of certifications  
21 of completion. The departments of economic development,  
22 cultural affairs, and revenue shall each adopt rules to  
23 jointly administer this subsection and shall provide by rule  
24 for the method to be used to determine for which fiscal year  
25 the tax credits are available.

26 Sec. 3. APPLICABILITY DATE. Section 2 of this Act applies  
27 to fiscal years beginning on or after July 1, 2005.

28 EXPLANATION

29 This bill requires the department of cultural affairs to  
30 establish and administer a cultural entertainment district  
31 certification program to encourage the growth of communities  
32 through the development of areas within a city or county for  
33 public and private uses related to cultural and entertainment  
34 purposes. Two or more cities or counties may apply jointly  
35 for certification of a district that extends across a common

1 boundary. The division requires the department to encourage  
2 development projects and activities located in certified  
3 cultural and entertainment districts through incentives under  
4 cultural grant programs and any other grant programs.

5 The bill also increases the amount of annual tax credits  
6 that may be awarded for historical and cultural rehabilitation  
7 projects from \$2.4 million to \$20 million with at least 10  
8 percent of the maximum amount to be set aside for projects of  
9 \$500,000 or less. In addition to the \$20 million in credits,  
10 for FY 2005-2006 and FY 2006-2007, an additional \$500,000 is  
11 available for each year for projects located in the cultural  
12 and entertainment districts.

13 The bill provides for an applicability date provision.

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