



OFFICE OF THE GOVERNOR OF IOWA STATE DISASTER RECOVERY

Local Government Programs for Revenue Replacement and Infrastructure Repair

GRANTS:

1. FEMA Public Assistance (PA)

- a. The PA program provides funding to assist with permanently restoring community infrastructure affected by a federally declared incident. FEMA provides a grant that covers 75% of the eligible cost. The State of Iowa provides another 10% of the eligible cost. The applicant is responsible for the remaining 15%.

2. FEMA's Hazard Mitigation Grant Program (HMGP)

- a. Grant funding to state and local governments to develop hazard mitigation plans and implement measures to reduce, or mitigate, future disaster losses. This can include community sponsored buyouts of flood impacted homes as well as other structural and non-structural flood reduction efforts. This grant funding is available after a presidentially declared disaster. FEMA provides a grant that covers 75% of the eligible cost. The State of Iowa provides another 10% of the eligible cost. The applicant is responsible for the remaining 15%.

3. FHWA Emergency Relief Program (ER)

- a. The Federal Highway Administration's (FHWA) Emergency Relief, or ER, program can help State and local agencies fund repairs to Federal-aid eligible roads, bridges, and other infrastructure after a natural disaster such as such as a flood or heavy winds. The ER program provides 100% reimbursement for eligible Emergency Repairs, and 80% (90% on interstate routes) share for eligible Permanent Restoration activities. ER program is administered through Iowa DOT and is applicable to fed-aid routes only.

LOANS:

1. Contingent Fund – Disaster Aid (Executive Council)

- a. Local government may seek an interest-free loan from the State of Iowa for financial inability to meet the continuing requirements of local government. The Executive Council would receive the request and authorize the loans. Loans may not exceed \$1M per fiscal year (per governmental subdivision). The local government can only request funds for expenses in the last two years.

2. FEMA Community Disaster Loan Program (CDL)

- a. Operational funding to help qualifying local governments that have incurred a significant loss of revenue, due to a major disaster, that has or will adversely affect their ability to provide essential municipal services. This is a low interest loan that is forgivable. \$5M cap.

LEVY/TAXES:

1. Appeal to State Appeal Board for Suspension of Limitations

- a. Iowa code 24.48 allows cities, schools, and special purpose taxing districts to appeal to the State Appeal Board for a suspension of the statutory limits on property tax rates. The suspension of limits allows the local government to tax at a rate that is higher than otherwise allowed for the next fiscal year.



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2. School Emergency Levy

- a. Chapter 24.6 permits a disaster recovery emergency levy up to 27 cents per thousand. Must petition the State Appeal Board first for permission.
- b. After funds are received, the district must request approval from school budget review committee to transfer funds to any other fund (general, management, capital projects, etc) to meet deficiencies in a fund arising within two years of a disaster.

3. Additions to Levies – County Special Levy Election

- a. Code of Iowa 331.425 allows counties to hold a special election to exceed the basic or supplemental levy limits. To be allowed to exceed the basic and/or supplemental levy limits, the county must give notice of the requested special election not later than February 15 prior to the fiscal year in which the proposed higher limits will be applied.
- b. The special election would then be held on the first Tuesday in March.

4. Additions to Levies – City Special Levy Election

- a. Code of Iowa 384.12(4) is the city-specific companion, which allows cities to hold a special election on the question of allowing the city to exceed a specific levy limit in the next fiscal year. For cities, the special election can be used to exceed whichever of the city's levy limits the city desires, not just their general levy limit.
- b. The special election must be called for by the city council not less than 46 days prior to the first Tuesday in March, and be held on the first Tuesday in March.

5. Tax Abatement – Local Gov't

- a. Iowa Code section 445.62 provides authority at the local level for the board of supervisors to abate property taxes for a person whose property was destroyed by fire, tornado, or other unavoidable casualty. The abatement allowed is only the amount that is not covered by insurance.
- b. Note that the property taxes due in September of 2024 and March of 2025 are calculated on the 2023 assessment. One reading of the statute suggests that any abatement of tax due to recent disasters (i.e. disasters that occurred in assessment year 2024) will be on the taxes due in September of 2025 and March of 2026.

6. Bond Capacity – Local Gov't

- a. Under Iowa Code sections 384.25 and 384.28, cities may bond for an "essential corporate purpose." Iowa Code section 384.24(3)(w) defines "essential corporate purpose" to include "remediation, restoration, repair, cleanup, replacement, and improvement of property, buildings, equipment, and public facilities that have been damaged by a disaster as defined in section 29C.2 and that are located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster."
- b. While cities and counties can bond up to 5% of taxable valuation within the taxing jurisdiction, we are aware of no exception to the constitutional debt limitation for cities and counties under Iowa Const. art. XI, § 3 for disaster funding purposes. Bond election must be held the first Tuesday in March and notice must be given 46 days before the election for cities and by February 15th for Counties