

STRENGTHENING & GROWING PHILANTHROPY IN IOWA

HF 710 will sustain and maximize two state-legislated programs that benefit each of Iowa's 99 counties.

WHO WE ARE

COMMUNITY FOUNDATIONS:

Community foundations harness giving for local needs by bringing together the financial resources of individuals, families, and businesses to support local nonprofits and charitable causes. Community foundations serve a specific geographic region and are led by local leaders who serve on their boards or advisory committees. In Iowa, we have more than 130 that collectively serve all 99 counties.

QUALIFIED SPONSORING ORGANIZATIONS (QSOs):

Each of the 19 commercial casinos located in 15 Iowa counties is required to share its license with a Qualified Sponsoring Organization (QSO). Led by local boards of directors, QSOs receive a contractual percentage portion from their respective casinos' gaming revenue to annually reinvest in numerous charitable projects.

OUR GRANTMAKING

Through the County Endowment Fund Program (CEFP), 0.8% of the state's commercial gaming tax revenue is distributed to community foundations in the 84 counties that do not hold a state-issued gaming license. The community foundations then annually grant **75%** of those funds to nonprofits and charitable projects within their counties and place the remaining **25%** of funds in a permanent endowment fund, which is intended to attract other donations and provide a source of permanent funding for charitable projects within the county – forever.

Sixteen QSOs distribute state-mandated charitable gaming contributions in dozens of counties annually. State studies indicate that competition from neighboring states could reduce gaming revenue by as much as **35%** in some counties, with associated impact on local philanthropic support.

Together, community foundations and QSOs ensure that charitable investments are made annually in each county throughout Iowa. We need your help to ensure both programs can continue to support Iowans today and in the future.

OUR GOALS

ENDOW IOWA:

- Make tax credits readily available for all Iowans.
- Avoid closing the program down when waitlist process ends.
- Right-size the program by making \$7M in credits available annually.
- Make Endow Iowa tax credits available to more Iowans.

COUNTY ENDOWMENT FUND PROGRAM + QSO GRANTMAKING:

- Increase the amount of annual grantmaking available in each of Iowa's 99 counties.
- Distribute funds through community foundations and QSOs that have well established processes.
- Utilize local leaders as decision makers.

OUR ASK FOR 2023

HF 710 has unanimously passed out of the House Ways & Means Committee (24-0) and the House Appropriations Committee (24-0). **SUPPORT HF 710 TO:**

- 1 | Appropriate a one-time amount of \$7M to the Endow Iowa tax credit program as outlined in Iowa Code Section 15E.305 to significantly reduce the waitlist within IEDA
- 2 | Continue to appropriate \$1.75M to the Gambling Treatment Program
- 3 | Appropriate \$1M to Endow Iowa (15E.305), increasing the credit from \$6M to \$7M annually
- 4 | Divide the remaining amount of sports gambling taxes paid between the 99 counties evenly through:
 - the County Endowment Fund Program created in section 15E.311 (84 non-gaming counties)
 - the QSOs (15 gaming counties) for annual grantmaking purposes
- 5 | Provide a fix for an issue that was caused when last year's tax bill passed affecting Endow Iowa donors on the waitlist that gave above the new aggregate cap allocation



Complementary to this grantmaking, Endow Iowa tax credits help community foundations build local endowment funds to meet current and future community needs. Endow Iowa tax credits:

OFFER A 25% STATE INCOME TAX CREDIT

to donors who make gifts to an endowed fund at a qualified community foundation* in Iowa;

ARE AWARDED ON A

first-come, first-served basis;

OFFER A MAXIMUM ANNUAL CREDIT OF

\$100,000 per taxpayer & \$200,000 per couple (beginning 1/1/23);

CAN BE CLAIMED BY

individuals, businesses, or financial institutions;

AND ARE NOT

transferable or refundable.

*Qualified community foundations are confirmed in compliance with the National Standards for U.S. Community Foundations.

Demand has outpaced available credits for several years, resulting in a long waitlist.



ALL 2022 CREDITS
AWARDED

SEPT 13, 2021



ALL 2023 CREDITS
ALLOCATED

MARCH 30, 2022



ALL NEW GIFTS
WAITLISTED THROUGH

JUNE 30, 2023

However, the waitlist process will be discontinued on July 1, 2023.

The Iowa Economic Development Authority has communicated that they do not have the authority to oversee and administer tax credit waitlists. They plan to discontinue the waitlist process which will cause the program to shut down. The Legislature has the authority to address this challenge and keep the program working for Iowans.

ACCREDITED IOWA COMMUNITY FOUNDATIONS:

- Cedar Falls Community Foundation
- Community Foundation for Western Iowa
- Community Foundation of Carroll County
- Community Foundation of Greater Des Moines
- Community Foundation of Greater Dubuque
- Community Foundation of Greater Muscatine
- Community Foundation of Johnson County
- Community Foundation of Northeast Iowa
- Community Foundations of Southwest Iowa/ Omaha Community Foundation
- Fort Dodge Community Foundation & United Way
- Greater Cedar Rapids Community Foundation
- Greater Poweshiek Community Foundation
- Keokuk Area Community Foundation
- Pella Community Foundation
- Quad Cities Community Foundation
- Siouxland Community Foundation
- Waterloo Community Foundation

QUALIFIED SPONSORING ORGANIZATIONS (QSOs):

- Black Hawk County Gaming Association
- Clarke County Development Corporation
- Clinton County Development Association
- Dubuque Racing Association
- Grow Greene County Gaming Corporation
- Iowa West Racing Association
- Lyon County Riverboat Foundation
- Missouri River Historical Development
- Palo Alto County Gaming Development Corporation
- Prairie Meadows Regional Development Authority
- Scott County Regional Authority
- Southeast Iowa Regional Riverboat Commission
- Upper Mississippi Gaming Corporation
- Washington County Riverboat Foundation
- Worth County Development Authority

Endow Iowa and the County Endowment Fund Program are administered by the Iowa Economic Development Authority. Since 2004, the Iowa Council of Foundations has served as the state's Lead Philanthropic Entity for both programs.