



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

April 10, 2013

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 397, an Act relating to the administration of duties and programs by the Economic Development Authority.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in blue ink, reading "Terry E. Branstad".

Terry E. Branstad
Governor

cc: Secretary of the Senate
Clerk of the House



House File 397

AN ACT
RELATING TO THE ADMINISTRATION OF DUTIES AND PROGRAMS BY THE
ECONOMIC DEVELOPMENT AUTHORITY.

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

DIVISION I
CONTRACT ADMINISTRATION

Section 1. Section 15.106B, subsection 4, paragraph c, Code 2013, is amended to read as follows:

c. The authority shall not enter into a contract for services, including a contract executed pursuant to subsection 2, paragraph "d", that exceeds ~~two~~ three years in duration.

Sec. 2. Section 15.329, subsection 2, Code 2013, is amended to read as follows:

2. a. If the authority finds that a business has a record of violations of the law, including but not limited to antitrust, environmental, and worker safety statutes, rules, and regulations, that over a period of time that tends to show a consistent pattern or that establishes intentional, criminal, or reckless conduct in violation of such laws, the business shall not qualify for economic development assistance under this part, ~~unless~~ except as provided in paragraph "b".

b. If the authority finds that the violations described in paragraph "a" did not seriously affect public health or, public safety, or the environment, or if it did, the authority finds that there were mitigating circumstances involved, the business may qualify for economic development assistance under this part, notwithstanding paragraph "a".

c. In making the findings and determinations regarding

violations, mitigating circumstances, and whether the business is disqualified for economic development assistance under this part, the authority shall be exempt from chapter 17A.

Sec. 3. Section 15.330, unnumbered paragraph 1, Code 2013, is amended to read as follows:

A business shall enter into an agreement with the authority specifying the requirements that must be met to confirm eligibility pursuant to this part and the requirements that must be maintained throughout the period of the agreement in order to retain the incentives or financial assistance received. The authority shall consult with the community during negotiations relating to the agreement. The agreement shall contain, at a minimum, the following provisions:

Sec. 4. Section 15.330, subsection 2, Code 2013, is amended to read as follows:

2. The repayment of incentives or financial assistance by the business if the business does not meet any of the requirements of this part or the resulting agreement. The repayment of incentives pursuant to this subsection shall be considered a tax payment due and payable to the department of revenue by any taxpayer who has claimed such incentives, and the failure to make such a repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due or required to be shown due with the filing of a return or deposit form. In addition, the county shall have the authority to take action to recover the value of property taxes not collected as a result of the exemption provided to the business under this part.

DIVISION II

MICROENTERPRISES

Sec. 5. Section 15.102, subsections 5 and 9, Code 2013, are amended by striking the subsections.

Sec. 6. REPEAL. Section 15.240, Code 2013, is repealed.

DIVISION III

BROADBAND ACCESS GOVERNING BOARD

Sec. 7. 2009 Iowa Acts, chapter 173, section 13, subsection 5, paragraphs b, c, and d, are amended by striking the paragraphs.

DIVISION IV

INDUSTRIAL PROPERTY TAX EXEMPTION APPROVALS

Sec. 8. Section 427B.1, subsection 1, Code 2013, is amended to read as follows:

1. A city council, or a county board of supervisors as

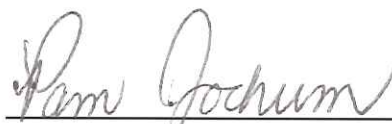
authorized by section 427B.2, may provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e". "New construction" means new buildings and structures and includes new buildings and structures which are constructed as additions to existing buildings and structures. "New construction" does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products which determination shall receive prior approval from the city council of the city or the board of supervisors of the county ~~upon the recommendation of the economic development authority~~. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e", unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status. "Research-service facilities" means a building or group of buildings devoted primarily to research and development activities, including, but not limited to, the design and production or manufacture of prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing on-site services to the public. "Warehouse" means a building or structure used as a public warehouse for the storage of goods pursuant to chapter 554, article 7, except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail. "Distribution center" means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. "Distribution center" does not mean a building or structure used primarily to store raw agricultural products, used primarily by a manufacturer to store goods to be used in

the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.



KRAIG PAULSEN

Speaker of the House



PAM JOCHUM

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 397, Eighty-fifth General Assembly.



CARMINE BOAL

Chief Clerk of the House

Approved April 10, 2013



TERRY E. BRANSTAD

Governor