



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

ADAM GREGG  
LT GOVERNOR

June 17, 2022

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

House File 2564, an Act making appropriations to the department of cultural affairs, the economic development authority, the Iowa finance authority, the public employment relations board, the department of workforce development, the state board of regents and certain regents institutions, providing for properly related matters, and including applicability provisions.

The above House File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Reynolds".

Kim Reynolds  
Governor of Iowa

cc: Secretary of the Senate  
Clerk of the House



House File 2564

AN ACT

MAKING APPROPRIATIONS TO THE DEPARTMENT OF CULTURAL AFFAIRS, THE ECONOMIC DEVELOPMENT AUTHORITY, THE IOWA FINANCE AUTHORITY, THE PUBLIC EMPLOYMENT RELATIONS BOARD, THE DEPARTMENT OF WORKFORCE DEVELOPMENT, THE STATE BOARD OF REGENTS AND CERTAIN REGENTS INSTITUTIONS, PROVIDING FOR PROPERLY RELATED MATTERS, AND INCLUDING APPLICABILITY PROVISIONS.

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

DIVISION I

FY 2022-2023 APPROPRIATIONS

Section 1. DEPARTMENT OF CULTURAL AFFAIRS.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year

beginning July 1, 2022, and ending June 30, 2023, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions for the department:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 168,637 |
| ..... | FTEs | 55.24   |

The department of cultural affairs shall coordinate activities with the tourism office of the economic development authority to promote attendance at the state historical building and at the state's historic sites.

Full-time equivalent positions authorized under this paragraph are funded, in full or in part, using moneys appropriated under this paragraph and paragraphs "c" through "g".

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under section 303.3:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 172,090 |
|-------|----|---------|

c. HISTORICAL DIVISION

For the support of the historical division:

|       |    |           |
|-------|----|-----------|
| ..... | \$ | 3,142,351 |
|-------|----|-----------|

d. HISTORIC SITES

For the administration and support of historic sites:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 426,398 |
|-------|----|---------|

e. ARTS DIVISION

For the support of the arts division:

|       |    |           |
|-------|----|-----------|
| ..... | \$ | 1,317,188 |
|-------|----|-----------|

Of the moneys appropriated in this paragraph, the department shall allocate \$300,000 for purposes of the film office.

f. IOWA GREAT PLACES

For the Iowa great places program established under section 303.3C:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 150,000 |
|-------|----|---------|

g. CULTURAL TRUST GRANTS

For grant programs administered by the Iowa arts council including those programs supporting the long-term



financial stability and sustainability of nonprofit cultural organizations:

..... \$ 150,000

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 2. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

1. For the fiscal year beginning July 1, 2022, the goals for the economic development authority shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the economic development authority shall do all of the following for the fiscal year beginning July 1, 2022:

a. Concentrate its efforts on programs and activities that result in commercially viable products and services.

b. Adopt practices and services consistent with free market, private sector philosophies.

c. Ensure economic growth and development throughout the state.

d. Work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans.

e. Coordinate with other state agencies to ensure that they are attentive to the needs of an entrepreneurial culture.

f. Establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. A priority shall be placed on recruiting new businesses, business expansion, and retaining existing Iowa businesses. Emphasis shall be placed on entrepreneurial development through helping entrepreneurs secure capital, and developing networks and a business climate conducive to entrepreneurs and small businesses.

g. Encourage the development of communities and quality of life to foster economic growth.

h. Prepare communities for future growth and development



through development, expansion, and modernization of infrastructure.

i. Develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts.

j. Develop, to the fullest extent possible, cooperative efforts for advertising with contributions from other sources.

Sec. 3. ECONOMIC DEVELOPMENT AUTHORITY.

1. APPROPRIATION

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection, and for not more than the following full-time equivalent positions:

|       |               |
|-------|---------------|
| ..... | \$ 13,318,553 |
| ..... | FTEs 105.85   |

b. (1) For salaries, support, miscellaneous purposes, programs, marketing, and the maintenance of an administration division, a business development division, a community development division, a small business development division, and other divisions the authority may organize.

(2) The full-time equivalent positions authorized under this section are funded, in whole or in part, by the moneys appropriated under this subsection or by other moneys received by the authority, including certain federal moneys.

(3) For business development operations and programs, international trade, export assistance, workforce recruitment, and the partner state program.

(4) For transfer to a fund created pursuant to section 15.313 for purposes of financing strategic infrastructure projects.

(5) For community economic development programs, tourism operations, community assistance, plans for Iowa green corps and summer youth programs, the main street and rural main street programs, the school-to-career program, the community development block grant, and housing and shelter-related programs.

(6) For achieving the goals and accountability, and fulfilling the requirements and duties required under this Act.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in this subsection until the close of the succeeding fiscal year.

## 2. FINANCIAL ASSISTANCE RESTRICTIONS

a. A business creating jobs through moneys appropriated in subsection 1 shall be subject to contract provisions requiring new and retained jobs to be filled by individuals who are citizens of the United States who reside within the United States, or any person authorized to work in the United States pursuant to federal law, including legal resident aliens residing in the United States.

b. Any vendor who receives moneys appropriated in subsection 1 shall adhere to such contract provisions and provide periodic assurances as the state shall require that the jobs are filled solely by citizens of the United States who reside within the United States, or any person authorized to work in the United States, pursuant to federal law, including legal resident aliens residing in the United States.

c. A business that receives financial assistance from the authority from moneys appropriated in subsection 1 shall only employ individuals legally authorized to work in this state. In addition to all other applicable penalties provided by current law, all or a portion of the assistance received by a business which is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the authority.

## 3. USES OF APPROPRIATIONS

a. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of a grant to a community economic development entity for conducting a local workforce recruitment effort designed to recruit former citizens of the state and former students at colleges and universities in the state to meet the needs of local employers.

b. From the moneys appropriated in subsection 1, the authority may provide financial assistance to early stage



industry companies being established by women entrepreneurs.

c. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

d. The authority shall not use any moneys appropriated in subsection 1 for purposes of providing financial assistance for the Iowa green streets pilot project or for any other program or project that involves the installation of geothermal systems for melting snow and ice from streets or sidewalks.

4. WORLD FOOD PRIZE

In lieu of the standing appropriation in section 15.368, there is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount for the world food prize:

..... \$ 375,000

5. IOWA COMMISSION ON VOLUNTEER SERVICE

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount for allocation to the Iowa commission on volunteer service for purposes of the Iowa state commission grant program, the Iowa's promise and Iowa mentoring partnership programs, and for not more than the following full-time equivalent positions:

..... \$ 168,201

..... FTEs 12.70

Of the moneys appropriated in this subsection, the authority shall allocate \$75,000 for purposes of the Iowa state commission grant program and \$93,201 for purposes of the Iowa's promise and Iowa mentoring partnership programs.

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

6. COUNCILS OF GOVERNMENTS — ASSISTANCE



There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount to be used for the purposes of providing financial assistance to Iowa's councils of governments:

..... \$ 250,000

7. FUTURE READY IOWA REGISTERED APPRENTICESHIP DEVELOPMENT PROGRAM

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount to be used for the funding of the future ready Iowa registered apprenticeship development program under chapter 15C, to encourage small to midsize businesses to start or grow registered apprenticeships:

..... \$ 760,000

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

8. BUTCHERY INNOVATION AND REVITALIZATION PROGRAM

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, for the purpose designated:

For support of the butchery innovation and revitalization program established in section 15E.370:

..... \$ 633,325

b. There is appropriated from the Iowa skilled worker and job creation fund created in section 8.75 to the Iowa economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For support of the butchery innovation and revitalization program established in section 15E.370:

..... \$ 366,675

9. TOURISM OFFICE

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2021, and ending June 30, 2022, the following amount for the tourism office to be used for advertising, promoting, placement, and implementation of the economic development authority's strategic plan for tourism and travel:

..... \$ 1,100,000

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

c. The economic development authority shall submit an annual report on or before January 15 to the general assembly regarding the tourism office's activities funded with moneys appropriated under this subsection. The report shall be provided in an electronic format and shall include metrics and criteria that allow the general assembly to quantify and evaluate the effectiveness and economic impact of the tourism office's activities related to advertising, promoting, placement, and implementation of the economic development authority's strategic plan for tourism and travel.

10. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIPS

a. There is appropriated from the Iowa skilled worker and job creation fund created in section 8.75 to the Iowa economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the funding of internships for students studying in the fields of science, technology, engineering, and mathematics with eligible Iowa employers as provided in section 15.411, subsection 3, paragraph "c":  
..... \$ 633,325

b. No more than 3 percent of the moneys appropriated in this subsection may be used by the authority for costs associated with administration of the internship program.



c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsequent fiscal years.

11. FUTURE READY IOWA — VOLUNTEER MENTORING PROGRAM

a. There is appropriated from the Iowa skilled worker and job creation fund created in section 8.75 to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For allocation to the Iowa commission on volunteer services to be used for establishing a volunteer mentor program to support implementation of the future ready Iowa skilled workforce last-dollar scholarship program in section 261.131 and the future ready Iowa skilled workforce grant program created in section 261.132, and for not more than the following full-time equivalent positions:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 400,000 |
| ..... | FTEs | 1.15    |

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

12. STEM BEST AND EMPOWER RURAL IOWA

a. There is appropriated from the Iowa skilled worker and job creation fund created in section 8.75 to the economic development authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

STEM best:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 700,000 |
|-------|----|---------|

Empower rural Iowa program:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 700,000 |
|-------|----|---------|

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the



close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

c. The authority shall adopt rules pursuant to chapter 17A to establish criteria for the distribution of the moneys appropriated in this subsection.

Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2022-2023. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the amounts appropriated from the general fund of the state pursuant to those sections for the following purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 4, paragraph "d", subparagraph (1):

..... \$ 448,403

2. For the purposes of regional tourism marketing under section 99F.11, subsection 4, paragraph "d", subparagraph (2):

..... \$ 1,443,700

Sec. 5. FINANCIAL ASSISTANCE REPORTING — ECONOMIC DEVELOPMENT AUTHORITY. The economic development authority shall submit an annual report to the general assembly no later than November 1, 2022, that details the amount of every direct loan, forgivable loan, tax credit, tax exemption, tax refund, grant, or any other financial assistance awarded to a person during the prior fiscal year by the authority under an economic development program administered by the authority. The report shall identify the county where the project associated with each such award is located.

Sec. 6. INSURANCE ECONOMIC DEVELOPMENT. From the moneys collected by the insurance division in excess of the anticipated gross revenues under section 505.7, subsection 3, during the fiscal year beginning July 1, 2022, \$100,000 shall be transferred to the economic development authority for insurance economic development and international insurance economic development.

Sec. 7. IOWA FINANCE AUTHORITY.

1. There is appropriated from the general fund of the state

to the Iowa finance authority for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the home and community-based services rent subsidy program established in section 16.55:

..... \$ 658,000

2. Of the moneys appropriated in this section, not more than \$35,000 may be used for administrative costs.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 8. IOWA FINANCE AUTHORITY AUDIT. The auditor of state is requested to review the audit of the Iowa finance authority performed by the auditor hired by the authority.

Sec. 9. PUBLIC EMPLOYMENT RELATIONS BOARD.

1. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,492,452

..... FTEs 10.00

2. Of the moneys appropriated in this section, the board shall allocate \$15,000 for maintaining an internet site that allows access to a searchable database of collective bargaining information.

Sec. 10. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DIVISION OF LABOR SERVICES



a. For the division of labor services, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 3,491,252 |
| ..... | FTEs | 58.46     |

b. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF WORKERS' COMPENSATION

a. For the division of workers' compensation, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 3,321,044 |
| ..... | FTEs | 26.15     |

b. The division of workers' compensation shall charge a \$100 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. The moneys generated by the filing fee allowed under this paragraph are appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

3. WORKFORCE DEVELOPMENT OPERATIONS

a. For the operation of field offices, the workforce development board, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 6,675,650 |
| ..... | FTEs | 188.63    |

b. Of the moneys appropriated in paragraph "a", the department shall allocate \$150,000 to the state library for the purpose of licensing an online resource which prepares persons to succeed in the workplace through programs which improve job skills and vocational test-taking abilities.

4. OFFENDER REENTRY PROGRAM

a. For the development and administration of an offender reentry program to provide offenders with employment skills, and for not more than the following full-time equivalent



positions:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 387,158 |
| ..... | FTEs | 5.00    |

b. The department of workforce development shall partner with the department of corrections to provide staff within the correctional facilities resources to improve offenders' abilities to find and retain productive employment.

5. INTEGRATED INFORMATION FOR IOWA SYSTEM

For the payment of services provided by the department of administrative services related to the integrated information for Iowa system:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 228,822 |
|-------|----|---------|

6. SUMMER YOUTH INTERN PILOT PROGRAM

For the funding of a summer youth intern pilot program that will help young people at risk of not graduating from high school to explore and prepare for high-demand careers through summer work experience, including the development of soft skills:

|       |    |         |
|-------|----|---------|
| ..... | \$ | 250,000 |
|-------|----|---------|

7. NONREVERSION

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 11. GENERAL FUND — EMPLOYEE MISCLASSIFICATION PROGRAM. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enhancing efforts to investigate employers that misclassify workers, and for not more than the following full-time equivalent positions:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 379,631 |
| ..... | FTEs | 3.15    |

Sec. 12. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.

1. There is appropriated from the special employment security contingency fund to the department of workforce

development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for field offices:

..... \$ 2,416,084

2. Any remaining additional penalty and interest revenue collected by the department of workforce development is appropriated to the department for the fiscal year beginning July 1, 2022, and ending June 30, 2023, to accomplish the mission of the department.

Sec. 13. UNEMPLOYMENT COMPENSATION RESERVE FUND — FIELD OFFICES. Notwithstanding section 96.9, subsection 8, paragraph "e", there is appropriated from interest earned on the unemployment compensation reserve fund to the department of workforce development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the operation of field offices:

..... \$ 2,200,000

Sec. 14. VIRTUAL ACCESS WORKFORCE DEVELOPMENT OFFICES. The department of workforce development shall require a unique identification login for all users of workforce development centers operated through electronic means.

Sec. 15. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act are appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year beginning after December 31, 2022.

Sec. 16. IOWA SKILLED WORKER AND JOB CREATION FUND.

1. There is appropriated from the Iowa skilled worker and job creation fund created in section 8.75 to the following departments, agencies, and institutions for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:



a. ECONOMIC DEVELOPMENT AUTHORITY

(1) For the purposes of providing assistance as described in section 15.335B for the high quality jobs program:

..... \$ 11,700,000

From the moneys appropriated in this subparagraph, the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to main street communities under the main street Iowa program and may allocate not more than \$300,000 for the purposes of supporting statewide worker education and quality preapprenticeship programs.

(2) As a condition of receiving moneys appropriated in this lettered paragraph "a", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

(1) STATE BOARD OF REGENTS. For capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in implementation of activities under chapter 262B:

..... \$ 3,000,000

(a) Of the moneys appropriated pursuant to this subparagraph (1), 35 percent shall be allocated for Iowa state university of science and technology, 35 percent shall be allocated for the state university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

(b) The institutions shall provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this subparagraph (1).

(c) The state board of regents shall submit a report by January 15, 2023, to the governor and the general assembly regarding the activities, projects, and programs funded with moneys appropriated under this subparagraph (1). The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the economic development authority. The metrics and criteria shall allow the governor's office and



the general assembly to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

(2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY. For small business development centers, the research park, and the center for industrial research and service, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 2,424,302 |
| ..... | FTEs | 50.95     |

(a) Of the moneys appropriated in this subparagraph (2), Iowa state university of science and technology shall allocate at least \$735,728 for purposes of funding small business development centers. Iowa state university of science and technology may allocate the appropriated moneys to the various small business development centers in any manner necessary to achieve the purposes of this subparagraph.

(b) Iowa state university of science and technology shall do all of the following:

(i) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(ii) Provide emphasis to providing services to Iowa-based companies.

(c) It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations, and that moneys for the center for industrial research and service industrial incentive program shall be allocated only for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102 for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

(d) Iowa state university of science and technology shall report annually to the general assembly the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

(3) STATE UNIVERSITY OF IOWA. For the state university of Iowa research park and for university of Iowa pharmaceuticals located at the research park, including salaries, support, maintenance, equipment, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 209,279 |
| ..... | FTEs | 6.00    |

The state university of Iowa shall do all of the following:

(a) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(b) Provide emphasis to providing services to Iowa-based companies.

(4) STATE UNIVERSITY OF IOWA. For the purpose of implementing the entrepreneurship and economic growth initiative, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 2,000,000 |
| ..... | FTEs | 8.00      |

(5) UNIVERSITY OF NORTHERN IOWA. For the metal casting center, the center for business growth and innovation, and the institute for decision making, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 1,066,419 |
| ..... | FTEs | 10.00     |

(a) Of the moneys appropriated in this subparagraph, the university of northern Iowa shall allocate at least \$617,638 for purposes of support of entrepreneurs through the university's center for business growth and innovation and advance Iowa program.

(b) The university of northern Iowa shall do all of the following:

(i) Direct expenditures for research toward projects that



will provide economic stimulus for Iowa.

(ii) Provide emphasis to providing services to Iowa-based companies.

(6) As a condition of receiving moneys appropriated in this lettered paragraph "b", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

c. DEPARTMENT OF WORKFORCE DEVELOPMENT

To develop a long-term sustained program to train unemployed and underemployed central Iowans with skills necessary to advance to higher-paying jobs with full benefits:

..... \$ 100,000

(1) The department of workforce development shall begin a request for proposals process, issued for purposes of this lettered paragraph "c", no later than September 1, 2022.

(2) As a condition of receiving moneys appropriated under this lettered paragraph "c", an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

d. DEPARTMENT OF WORKFORCE DEVELOPMENT

For the funding of a future ready Iowa coordinator in the department, and for not more than the following full-time equivalent positions:

..... \$ 150,000

..... FTEs 1.00

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 17. GENERAL FUND — CERTAIN REGENTS INSTITUTIONS.

1. There is appropriated from the general fund of the state to the following institutions for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

In cooperation with the Iowa economic development authority, for support of a biosciences innovation ecosystem, to

strengthen Iowa's leadership positions in the area of bio-based chemicals, digital agriculture, vaccines, and medical devices, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |           |
|-------|------|-----------|
| ..... | \$   | 2,623,481 |
| ..... | FTEs | 10.01     |

b. STATE UNIVERSITY OF IOWA

In cooperation with the Iowa economic development authority, for support of a biosciences innovation ecosystem, to strengthen Iowa's leadership positions in the area of bio-based chemicals, digital agriculture, vaccines, and medical devices, including salaries, support, maintenance, and miscellaneous purposes:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 874,494 |
| ..... | FTEs | 4.35    |

c. UNIVERSITY OF NORTHERN IOWA

For equipment and technology to expand the university's additive manufacturing capabilities related to investment castings technology and industry support, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

|       |      |         |
|-------|------|---------|
| ..... | \$   | 394,321 |
| ..... | FTEs | 2.73    |

The university of northern Iowa shall make a good-faith effort to coordinate with private entities to seek moneys to supplement this appropriation to support the expansion of the university's additive manufacturing capabilities.

2. Notwithstanding section 8.33, moneys appropriated in subsection 1, paragraphs "a" and "b", that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION II

BEER AND LIQUOR CONTROL FUND — STATEWIDE TOURISM MARKETING SERVICES AND EFFORTS

Sec. 18. NEW SECTION. 15.275 Statewide tourism marketing services and efforts.

1. From the moneys transferred to the authority from the



beer and liquor control fund pursuant to section 123.17, subsection 7, the authority shall award contracts to one or more entities to conduct statewide tourism marketing services and efforts and to provide services to campaigns, workshops, and conferences that promote travel and tourism throughout the state. Each contract awarded by the authority shall specify that the entity must conduct statewide tourism marketing services and efforts that meet all of the following requirements:

*a.* The marketing services and efforts shall be of professional quality and shall be coordinated with, and not duplicate, existing programs or services conducted by the authority that are related to tourism marketing.

*b.* The marketing services and efforts shall include hosting and leveraging tourism advocacy events.

*c.* The marketing services and efforts shall be accessible to tourism-focused organizations.

*d.* The marketing services and efforts shall advocate for the travel and tourism industry and the sectors connected to Iowa's visitor economy to leverage public and private partnerships to market and promote the state as a travel destination.

2. The authority shall report to the general assembly on or before September 1 of each fiscal year on the effectiveness of each entity that conducted statewide tourism marketing services and efforts in the immediately preceding fiscal year pursuant to a contract awarded under subsection 1. The report shall be provided in an electronic format and shall include metrics and criteria that allow the general assembly to quantify and evaluate the effectiveness and economic impact of each entity's statewide tourism marketing services and efforts.

Sec. 19. Section 123.17, subsection 7, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

7. After any transfers provided for in subsections 3, 5, and 6, and before any other transfer to the general fund, the department of commerce shall transfer to the economic development authority from the beer and liquor control fund two million dollars annually for statewide tourism marketing services and efforts pursuant to section 15.275.

DIVISION III  
HOUSING RENEWAL PILOT PROGRAM

Sec. 20. HOUSING RENEWAL PILOT PROGRAM.

1. For purposes of this section, "nonprofit Iowa affiliate" means a nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for use by low-income families.

2. a. A housing renewal program fund is created in the state treasury under the control of the Iowa finance authority. The fund shall consist of moneys appropriated to or deposited in the fund. Moneys in the fund are appropriated to the authority to establish and administer a housing renewal pilot program.

b. For the fiscal year beginning July 1, 2022, and ending June 30, 2023, there is appropriated from the general fund of the state to the Iowa finance authority five hundred thousand dollars for deposit in the housing renewal program fund.

c. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the housing renewal program fund shall be credited to the fund. Payment of interest, recaptures of grant awards, and other repayments under the housing renewal pilot program shall be deposited in the fund.

3. a. The Iowa finance authority shall provide moneys from the housing renewal program fund to a nonprofit Iowa affiliate that shall use the moneys to award grants under the housing renewal pilot program to eligible participants.

b. Eligible participants under paragraph "a" shall use a grant awarded under the housing renewal pilot program only for purposes of the acquisition, rehabilitation, and resale of ownership units; the acquisition and demolition of blighted structures; and the redevelopment of ownership units.

4. Twenty-five percent of moneys appropriated to the housing renewal program fund shall be allocated to rural communities in the eighty-eight least populated counties in the state.

5. a. The nonprofit Iowa affiliate may partner with a city, a county, a consortium of local governments, or an organization exempt from taxation pursuant to section 501(c)(3) of the



Internal Revenue Code; however, the nonprofit Iowa affiliate shall determine the geographic location of all projects for which a grant is awarded.

b. The nonprofit Iowa affiliate shall not award a grantee more than one hundred thousand dollars per ownership unit. A grantee may use up to five percent of a grant for administration expenses related to the grantee's project.

c. (1) A grantee shall have thirty-six months from the date a contract is executed between the nonprofit Iowa affiliate and the grantee for the grantee's project. The grantee's project shall be considered complete when all grant funds awarded to the grantee have been expended, and all ownership units that are covered by the contract are finished and available for sale.

(2) If a grantee has no project activity within thirty-six months from the date a contract is executed between the nonprofit Iowa affiliate and the grantee, the grant award shall be returned to the Iowa finance authority for deposit in the housing renewal program fund.

d. A grantee shall sell each completed ownership unit to a homebuyer whose income is under the one hundred twenty percent area median income and who must occupy the ownership unit as the homebuyer's primary residence. The deed to the ownership unit must contain a restrictive resale requirement that prohibits the homebuyer or a subsequent owner from selling the ownership unit to a person with an income above the one hundred twenty percent area median income for five calendar years from the date the grantee sold the ownership unit to the first homebuyer whose income is under the one hundred twenty percent area median income.

6. A grantee may use income generated from the sale of an ownership unit only for the purpose of additional eligible expenses under the housing renewal pilot program.

7. The Iowa finance authority shall not use more than five percent of moneys allocated to the housing renewal program fund for administration and oversight of the housing renewal pilot program.

8. The Iowa finance authority shall adopt rules pursuant to chapter 17A to administer this division.

9. The Iowa finance authority, in coordination with the nonprofit Iowa affiliate, shall submit a report to the general assembly on or before December 31, 2023, describing the community, economic, and financial impact of the housing renewal pilot program.

DIVISION IV

HIGH QUALITY JOBS TAX CREDITS

Sec. 21. Section 15.119, subsection 2, paragraph a, subparagraph (2), Code 2022, is amended to read as follows:

(2) In allocating tax credits pursuant to this subsection for the fiscal year beginning July 1, ~~2021~~ 2022, and for each fiscal year thereafter, the authority shall not allocate more than ~~seventy~~ sixty-eight million dollars for purposes of this paragraph.

DIVISION V

EMPLOYER CHILD CARE TAX CREDIT

Sec. 22. NEW SECTION. 237A.31 Employer child care tax credit.

1. The taxes imposed under chapter 422, subchapter II or III, the franchise tax imposed under chapter 422, subchapter V, the gross premiums tax under chapter 432, or the moneys and credits tax imposed under section 533.329 shall be reduced by an employer child care tax credit equal to the amount of the federal employer-provided child care tax credit provided in section 45F of the Internal Revenue Code the taxpayer was eligible for in the same tax year.

2. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

3. a. The aggregate amount of tax credits authorized pursuant to this section shall not exceed an aggregate limit of two million dollars annually.

b. To receive a tax credit, a taxpayer must submit an application to the economic development authority in the form and manner prescribed by the authority by rule. The economic development authority shall issue certificates under this section on a first-come, first-served basis, which certificates may be redeemed for tax credits. The economic development



authority shall issue such certificates so that not more than the amount authorized for such tax credits under paragraph "a" may be claimed.

4. The department of revenue, in consultation with the economic development authority, shall adopt rules pursuant to chapter 17A to administer this section.

Sec. 23. NEW SECTION. 422.120 Employer child care tax credit.

1. The taxes imposed under this subchapter, less the credits allowed under section 422.12, shall be reduced by an employer child care tax credit allowed pursuant to section 237A.31.

2. An individual may claim the tax credit allowed a partnership, S corporation, limited liability company, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, S corporation, limited liability company, estate, or trust.

Sec. 24. Section 422.33, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 32. The taxes imposed under this subchapter shall be reduced by an employer child care tax credit allowed pursuant to section 237A.31.

Sec. 25. Section 422.60, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 15. The taxes imposed under this division shall be reduced by an employer child care tax credit allowed pursuant to section 237A.31.

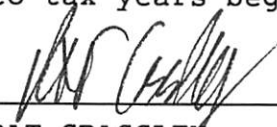
Sec. 26. NEW SECTION. 432.120 Employer child care tax credit.

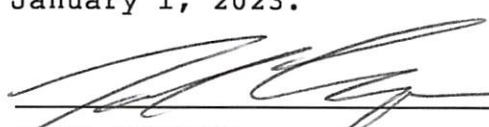
The taxes imposed under this chapter shall be reduced by an employer child care tax credit allowed pursuant to section 237A.31.

Sec. 27. Section 533.329, subsection 2, Code 2022, is amended by adding the following new paragraph:

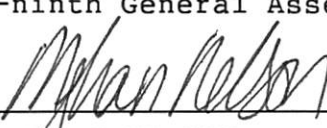
NEW PARAGRAPH. *m*. The moneys and credits tax imposed under this section shall be reduced by an employer child care tax credit allowed pursuant to section 237A.31.

Sec. 28. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2023.

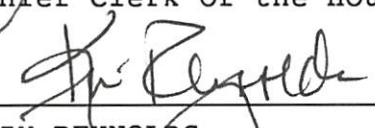
  
\_\_\_\_\_  
PAT GRASSLEY  
Speaker of the House

  
\_\_\_\_\_  
JAKE CHAPMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2564, Eighty-ninth General Assembly.

  
\_\_\_\_\_  
MEGHAN NELSON  
Chief Clerk of the House

Approved June 17<sup>th</sup>, 2022

  
\_\_\_\_\_  
KIM REYNOLDS  
Governor