

enforce the provisions of this Act pursuant to chapter 91A, but shall not impose liquidated damages.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved January 25, 2007

CHAPTER 2

URBAN RENEWAL TARGETED JOBS WITHHOLDING TAX CREDITS — PILOT PROJECT CITY DESIGNATIONS

H.F. 95

AN ACT relating to the designation of pilot project cities for a targeted jobs withholding tax credit to be used for funding improvements in certain urban renewal areas and including effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 403.19A, subsection 2, paragraph b, Code 2007, is amended to read as follows:

b. The department of economic development shall approve four eligible cities as pilot project cities, one pursuant to paragraph “a”, subparagraph (1), one pursuant to paragraph “a”, subparagraph (2), and two pursuant to paragraph “a”, subparagraph (3). If two eligible cities are approved which are located in the same county and the county has a population of less than forty-five thousand, the two approved eligible cities shall be considered one pilot project city. If more than two cities meeting the requirements of paragraph “a”, subparagraph (3), apply to be designated as a pilot project city, the department of management, in consultation with the department of economic development, shall determine which two cities hold the most potential to create new jobs or generate the greatest capital within their areas. Applications from eligible cities filed on or after October 1, 2006, shall not be considered.

If a pilot project city does not enter into a withholding agreement within one year of its approval as a pilot project city, the city shall lose its status as a pilot project city. If two pilot project cities are located in the same county, the loss of status by one pilot project city shall not cause the second pilot project city in the county to lose its status as a pilot project city. Upon such occurrence, the department of economic development shall take applications from other eligible cities to replace that city. Another city shall be designated within six months.

Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to July 1, 2006, and is applicable to pilot project city applications received prior to October 1, 2006.

Approved February 6, 2007