

CHAPTER 136

APPROPRIATIONS — ECONOMIC DEVELOPMENT

S.F. 499

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, and the state board of regents and certain regents institutions, modifying programs and duties of the economic development authority, providing for other properly related matters, and including effective date and retroactive applicability provisions.

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

DIVISION I
FY 2015-2016

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, 2015, and ending June 30, 2016, 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:

.....	\$	176,882
.....	FTEs	74.50

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 this 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, paragraphs “c” through “g”, and paragraph “i”.

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under [section 303.3](#):

.....	\$	172,090
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c. HISTORICAL DIVISION

For the support of the historical division:

.....	\$	3,167,701
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d. HISTORIC SITES

For the administration and support of historic sites:

.....	\$	426,398
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e. ARTS DIVISION

For the support of the arts division:

.....	\$	1,233,764
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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
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g. ARCHIVE IOWA GOVERNORS’ RECORDS

For archiving the records of Iowa governors:

.....	\$	65,933
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h. RECORDS CENTER RENT

For payment of rent for the state records center:

.....	\$	227,243
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i. BATTLE FLAGS

For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection:

..... \$ 94,000

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, 2015, 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, 2015:

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, 2015, and ending June 30, 2016, 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:

..... \$ 15,516,372

..... FTEs 149.00

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 mainstreet and rural mainstreet 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 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 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

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following amount for the world food prize and in lieu of the standing appropriation in [section 15.368, subsection 1](#):

..... \$ 712,500

5. IOWA COMMISSION ON VOLUNTEER SERVICE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2015, and ending June 30, 2016, 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:

..... \$ 178,133

..... FTEs 7.00

Of the moneys appropriated in this subsection, the authority shall allocate \$75,000 for purposes of the Iowa state commission grant program and \$103,133 for purposes of the Iowa’s promise and Iowa mentoring partnership programs.

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, 2015, and ending June 30, 2016, the following amount to be used for the purposes of providing financial assistance to Iowa’s councils of governments:

..... \$ 200,000

Sec. 4. VISION IOWA PROGRAM — FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program for the fiscal year beginning July 1, 2015, the economic development authority is authorized an additional 2.25 FTEs above those otherwise authorized in this division of this Act.

Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. From the moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, during the fiscal year beginning July 1, 2015, \$100,000 shall be transferred to the economic development authority for insurance economic development and international insurance economic development.

Sec. 6. 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, 2015, and ending June 30, 2016, the following amount, or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the rent subsidy program:

..... \$ 658,000

2. Participation in the rent subsidy program shall be limited to only those persons who meet the requirements for the nursing facility level of care for home and community-based services waiver services as in effect on July 1, 2015, and to those individuals who are eligible for the federal money follows the person grant program under the medical assistance program. Of the moneys appropriated in this section, not more than \$35,000 may be used for administrative costs.

Sec. 7. 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. 8. 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, 2015, and ending June 30, 2016, the following amount, or so much thereof as is necessary, for the purposes designated:

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

..... \$ 1,342,452
..... FTEs 10.00

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

Sec. 9. 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, 2015, and ending June 30, 2016, the following amounts, or so much thereof as is necessary, 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:

.....	\$	4,579,916
.....	FTEs	67.00

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.

c. Of the moneys appropriated under this subsection, the department shall allocate \$87,500 for the purpose of employing an additional investigator and support staff to investigate wage enforcement.

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:

.....	\$	3,259,044
.....	FTEs	30.00

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 subsection 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:

.....	\$	9,179,413
.....	FTEs	130.00

b. Of the moneys appropriated in paragraph "a" of this subsection, 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.

c. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate at least \$1,130,602 for the operation of the three satellite field offices projected by the department to serve the most people from the offices located in Decorah, Fort Madison, Iowa City, or Webster City.

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:

.....	\$	358,464
.....	FTEs	4.00

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

5. 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. 10. 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, 2015, and ending June 30, 2016, 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:

.....	\$	451,458
.....	FTEs	8.10

Sec. 11. 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, 2015, and ending June 30, 2016, the following amount, or so much thereof as is necessary, to be used for field offices:

..... \$ 1,766,084

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, 2015, and ending June 30, 2016, to accomplish the mission of the department.

Sec. 12. 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, 2015, and ending June 30, 2016, the following amount, or so much thereof as is necessary, for the purposes designated:

For the operation of satellite field offices:

..... \$ 400,000

Sec. 13. 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. 14. 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, 2015.

Sec. 15. SMALL BUSINESS DEVELOPMENT CENTERS. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following amount, or so much thereof as is necessary, to be used for the purposes of funding small business development centers:

..... \$ 101,000

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, 2015, and ending June 30, 2016, 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 under the high quality jobs program as described in section 15.335B:

..... \$ 16,900,000

(2) From the moneys appropriated in this lettered paragraph “a”, the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

(3) 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

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 university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

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

(b) The state board of regents shall annually submit a report by January 15 to the governor, the general assembly, and the legislative services agency 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 science and technology 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	56.63

(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, subsection 8](#), 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.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency 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 the advanced drug development program at the Oakdale 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
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..... FTEs 8.00
 (5) UNIVERSITY OF NORTHERN IOWA. For the metal casting institute, the MyEntreNet internet application, and the institute of decision making, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,066,419
 FTEs 9.75

(a) Of the moneys appropriated pursuant to this subparagraph (5), the university of northern Iowa shall allocate at least \$617,639 for purposes of support of entrepreneurs through the university’s regional business center and economic gardening 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, 2015.

(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.

2. Notwithstanding [section 8.33](#), moneys appropriated in this section of this Act 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
 FY 2016-2017

Sec. 17. 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, 2016, and ending June 30, 2017, 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:

..... \$ 88,441
 FTEs 74.50

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 this 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, paragraphs “c” through “g”, and paragraph “i”.

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under [section 303.3](#):

..... \$ 86,045

c. HISTORICAL DIVISION

For the support of the historical division:

..... \$ 1,583,851

d. HISTORIC SITES

For the administration and support of historic sites:	\$	213,199
.....		
e. ARTS DIVISION		
For the support of the arts division:	\$	616,882
.....		
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 :	\$	75,000
.....		
g. ARCHIVE IOWA GOVERNORS' RECORDS		
For archiving the records of Iowa governors:	\$	32,967
.....		
h. RECORDS CENTER RENT		
For payment of rent for the state records center:	\$	113,622
.....		
i. BATTLE FLAGS		
For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection:	\$	47,000
.....		
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. 18. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

1. For the fiscal year beginning July 1, 2016, 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, 2016:

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. 19. 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, 2016, and ending June 30, 2017, 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:

.....	\$	7,758,186
.....	FTEs	149.00

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 mainstreet and rural mainstreet 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 unavailable 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 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 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

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount for the world food prize and in lieu of the standing appropriation in [section 15.368, subsection 1](#):

..... \$ 356,250

5. IOWA COMMISSION ON VOLUNTEER SERVICE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, 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:

..... \$ 89,067
..... FTEs 7.00

Of the moneys appropriated in this subsection, the authority shall allocate \$37,500 for purposes of the Iowa state commission grant program and \$51,567 for purposes of the Iowa’s promise and Iowa mentoring partnership programs.

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, 2016, and ending June 30, 2017, the following amount to be used for the purposes of providing financial assistance to Iowa’s councils of governments:

..... \$ 100,000

7. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIPS

a. There is appropriated from the general fund of the state to the Iowa economic development authority for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, 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”](#):

..... \$ 500,000

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 which remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsequent fiscal years.

Sec. 20. VISION IOWA PROGRAM — FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program for the fiscal year beginning July 1, 2016, the economic development authority is authorized an additional 2.25 FTEs above those otherwise authorized in this division of this Act.

Sec. 21. INSURANCE ECONOMIC DEVELOPMENT. From the moneys collected by the division of insurance in excess of the anticipated gross revenues under [section 505.7, subsection 3](#), during the fiscal year beginning July 1, 2016, \$100,000 shall be transferred to the economic development authority for insurance economic development and international insurance economic development.

Sec. 22. 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, 2016, and ending June 30, 2017, the following amount,

or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the rent subsidy program:

..... \$ 329,000

2. Participation in the rent subsidy program shall be limited to only those persons who meet the requirements for the nursing facility level of care for home and community-based services waiver services as in effect on July 1, 2016, and to those individuals who are eligible for the federal money follows the person grant program under the medical assistance program. Of the moneys appropriated in this section, not more than \$35,000 may be used for administrative costs.

Sec. 23. 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. 24. 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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, for the purposes designated:

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

..... \$ 671,226
..... FTEs 10.00

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

Sec. 25. 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, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, 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:

..... \$ 2,289,958
..... FTEs 67.00

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:

..... \$ 1,629,522
..... FTEs 30.00

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 subsection 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:

..... \$ 4,589,707
..... FTEs 130.00

b. Of the moneys appropriated in paragraph "a" of this subsection, 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.

c. Of the moneys appropriated in paragraph “a” of this subsection, the department shall allocate at least \$1,130,602 for the operation of the three satellite field offices projected by the department to serve the most people from the offices located in Decorah, Fort Madison, Iowa City, or Webster City.

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:

.....	\$	179,232
.....	FTEs	4.00

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

5. 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. 26. 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, 2016, and ending June 30, 2017, 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:

.....	\$	225,729
.....	FTEs	8.10

Sec. 27. 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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for field offices:

.....	\$	883,042
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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, 2016, and ending June 30, 2017, to accomplish the mission of the department.

Sec. 28. 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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, for the purposes designated:

For the operation of satellite field offices:

.....	\$	200,000
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Sec. 29. 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. 30. 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, 2016.

Sec. 31. SMALL BUSINESS DEVELOPMENT CENTERS. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes of funding small business development centers:

..... \$ 50,500

Sec. 32. 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, 2016, and ending June 30, 2017, 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 under the high quality jobs program as described in section 15.335B:

..... \$ 8,450,000

(2) From the moneys appropriated in this lettered paragraph “a”, the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

(3) 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:

..... \$ 1,500,000

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 university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

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

(b) The state board of regents shall annually submit a report by January 15 to the governor, the general assembly, and the legislative services agency 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 science and technology research park, and the center for industrial research and service, and for not more than the following full-time equivalent positions:

..... \$ 1,212,151
 FTEs 56.63

(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, subsection 8](#), 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.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency 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 the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	104,640
.....	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:

.....	\$	1,000,000
.....	FTEs	8.00

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

.....	\$	533,210
.....	FTEs	9.75

(a) Of the moneys appropriated pursuant to this subparagraph (5), the university of northern Iowa shall allocate at least \$533,210 for purposes of support of entrepreneurs through the university’s regional business center and economic gardening 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:

.....	\$	50,000
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(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, 2016.

(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.

2. Notwithstanding [section 8.33](#), moneys appropriated in this section of this Act 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 III
MISCELLANEOUS PROVISIONS — VETERAN-OWNED BUSINESSES

Sec. 33. Section 15.102, subsection 10, paragraph a, unnumbered paragraph 1, Code 2015, is amended to read as follows:

“Targeted small business” means a small business which is fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, service-disabled veterans, or persons with a disability provided the business meets all of the following requirements:

Sec. 34. Section 15.102, subsection 10, paragraph b, Code 2015, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) *“Service-disabled veteran”* means the same as defined in 15 U.S.C. §632.

Sec. 35. Section 73.14, subsection 1, Code 2015, is amended to read as follows:

1. The state, board of regents institutions, counties, townships, school districts, community colleges, cities, and other public entities, and every person acting as contracting agent for any such entity, shall, when issuing bonds or other obligations, make a good-faith effort to utilize minority-owned, service-disabled veteran-owned, and female-owned businesses for attorneys, accountants, financial advisors, banks, underwriters, insurers, and other occupations necessary to carry out the issuance of bonds or other obligations by the entity.

Sec. 36. Section 73.14, subsection 2, Code 2015, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. *“Service-disabled veteran-owned business”* means a business that is fifty-one percent or more owned, operated, and actively managed by one or more service-disabled veterans, as defined in 15 U.S.C. §632.

Sec. 37. Section 73.16, subsection 2, paragraph d, Code 2015, is amended to read as follows:

d. Of the total value of anticipated procurements of goods and services under [this subsection](#), an additional goal shall be established to procure at least forty percent from minority-owned businesses, and forty percent from female-owned businesses and forty percent from service-disabled veteran-owned businesses, as defined in [section 73.14](#), that are targeted small businesses.

*DIVISION IV
MISCELLANEOUS PROVISIONS —
MERIT SYSTEM STATUS AND APPEALS

Sec. 38. Section 8A.412, subsection 11, Code 2015, is amended to read as follows:

11. *Professional employees under the supervision of the attorney general, the state public defender, the secretary of state, the auditor of state, the treasurer of state, and the public employment relations board. However, employees of the consumer advocate division of the department of justice, other than the consumer advocate, and administrative law judges appointed or employed by the public employment relations board, are subject to the merit system.*

Sec. 39. Section 8A.415, subsection 1, paragraph b, Code 2015, is amended to read as follows:

b. *If not satisfied, the employee may, within thirty calendar days following the director’s response, file an appeal with the public employment relations board. The hearing shall be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. Decisions rendered shall be based upon a standard of substantial compliance with this subchapter and the rules of the*

* Item veto; see message at end of the Act

department. Decisions by the public employment relations board constitute final agency action. However, if the employee is an administrative law judge appointed or employed by the public employment relations board, the employee's appeal shall be heard by an administrative law judge employed by the administrative hearings division of the department of inspections and appeals in accordance with the provisions of section 10A.801, whose decision shall constitute final agency action.

Sec. 40. Section 8A.415, subsection 2, paragraph b, Code 2015, is amended to read as follows:

b. If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board. The employee has the right to a hearing closed to the public, unless a public hearing is requested by the employee. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken by the appointing authority was for political, religious, racial, national origin, sex, age, or other reasons not constituting just cause, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action. However, if the employee is an administrative law judge appointed or employed by the public employment relations board, the employee's appeal shall be heard by an administrative law judge employed by the administrative hearings division of the department of inspections and appeals in accordance with the provisions of section 10A.801, whose decision shall constitute final agency action.

Sec. 41. Section 10A.801, subsection 3, paragraph a, Code 2015, is amended to read as follows:

a. The department shall employ a sufficient number of administrative law judges to conduct proceedings for which agencies are required, by section 17A.11 or any other provision of law, to use an administrative law judge employed by the division. An administrative law judge employed by the division shall not perform duties inconsistent with the judge's duties and responsibilities as an administrative law judge and shall be located in an office that is separated from the offices of the agencies for which that person acts as a presiding officer. Administrative The administrator and all administrative law judges shall be covered by the merit system provisions of chapter 8A, subchapter IV.

Sec. 42. Section 86.2, subsection 1, paragraph b, Code 2015, is amended to read as follows:

b. Deputy workers' compensation commissioners for whose acts the commissioner is responsible and who shall serve at the pleasure of the commissioner be appointed and serve pursuant to the merit system provisions of chapter 8A, subchapter IV, unless the commissioners are otherwise covered by a collective bargaining agreement.

Sec. 43. Section 96.6, subsection 3, paragraph b, Code 2015, is amended to read as follows:

b. Appeals from the initial determination shall be heard by an administrative law judge employed by the department who shall be covered by the merit system provisions of chapter 8A, subchapter IV, unless the administrative law judge is otherwise covered by a collective bargaining agreement. An administrative law judge's decision may be appealed by any party to the employment appeal board created in section 10A.601. The decision of the appeal board is final agency action and an appeal of the decision shall be made directly to the district court.*

* Item veto; see message at end of the Act

DIVISION V
MISCELLANEOUS PROVISIONS — ECONOMIC DEVELOPMENT AUTHORITY
REDEVELOPMENT TAX CREDITS

Sec. 44. Section 15.293B, subsection 4, Code 2015, is amended to read as follows:

4. A registered project shall be completed within thirty months of the date the project was registered unless the authority, upon recommendation of the council and approval of the board, provides additional time to complete the project. ~~A project shall not be provided more than twelve months of additional time.~~ If the registered project is not completed within the time required, the project is not eligible to claim a tax credit provided in [section 15.293A](#).

Sec. 45. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 46. RETROACTIVE APPLICABILITY. The section of this division of this Act amending Code [section 15.293B](#) applies retroactively to qualifying redevelopment project agreements entered into on or after July 1, 2010, for which a request for a project extension is submitted to the economic development authority on or after January 1, 2015.

DIVISION VI
MISCELLANEOUS PROVISIONS — NUISANCE PROPERTIES AND ABANDONED
BUILDINGS

Sec. 47. Section 15.335B, subsection 2, paragraph a, Code 2015, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) For deposit in the nuisance property remediation fund created pursuant to [section 15.338](#).

Sec. 48. NEW SECTION. **15.338 Nuisance property remediation assistance — fund.**

1. a. The economic development authority shall establish a nuisance property remediation fund pursuant to [section 15.106A, subsection 1](#), paragraph “o”, for purposes of providing financial assistance to cities for the remediation of nuisance properties and abandoned buildings and other structures. The authority shall administer the fund in a manner designed to make funds annually available to cities for purposes of this section.

b. The authority may administer a fund established for purposes of this section as a revolving fund. The fund may consist of any moneys appropriated by the general assembly for purposes of this section and any other moneys that are lawfully available to the authority, including moneys transferred or deposited from other funds created pursuant to [section 15.106A, subsection 1](#), paragraph “o”.

c. The authority shall use any moneys specifically appropriated for purposes of this section only for the purposes of this section. The authority may use all other moneys in the fund, including interest, earnings, recaptures, and repayments for purposes of this section or the authority may transfer the other moneys to other funds created pursuant to [section 15.106A, subsection 1](#), paragraph “o”.

d. Notwithstanding [section 8.33](#), moneys in the nuisance property remediation fund at the end of each fiscal year shall not revert to any other fund but shall remain in the fund for expenditure for subsequent fiscal years.

e. The authority may use not more than five percent of the moneys in the fund at the beginning of the fiscal year for purposes of administrative costs, finance, compliance, marketing, and program support.

2. The authority shall use moneys in the fund to provide financial assistance to cities for the remediation of nuisance properties and abandoned buildings and other structures. Such financial assistance may include loans or forgivable loans. The authority may provide financial assistance under this section using a competitive scoring process.

3. In providing financial assistance under this section, the authority may give priority to cities with severe blighted areas, widespread dilapidated housing stock, or high rates of low or moderate income residents.

4. The authority shall enter into an agreement with each city for the receipt of financial assistance under this section. The authority may negotiate the terms of the agreement.

5. In providing financial assistance under this section, the authority shall coordinate with a city to develop a plan for the use of funds that is consistent with the community development, housing, and economic development goals of the city. The terms of the agreement entered into pursuant to subsection 3 and the use of financial assistance provided under this section shall reflect the plan developed based on a city's goals.

6. If a city receives financial assistance under this section, the amount of any lien created for costs related to remediation of the property, shall not include any moneys that the city received pursuant to this section to remediate the property.

7. The authority shall submit a report to the general assembly and the governor's office on or before January 31, 2019, describing the results of the program implemented pursuant to this section and making recommendations for additional program changes.

Sec. 49. Section 657A.1, subsections 1 and 3, Code 2015, are amended to read as follows:

1. "Abandoned" or "abandonment" means that a building has remained vacant and has been in violation of the housing code or building code of the city in which the property is located or the housing code or building code applicable in the county in which the property is located if outside the limits of a city for a period of six consecutive months.

3. "Building" means a building or structure located in a city or outside the limits of a city in a county, which is used or intended to be used for commercial or industrial purposes or which is used or intended to be used for residential purposes; and includes a building or structure in which some floors may be used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and other floors are used, designed, or intended to be used for residential purposes.

Sec. 50. Section 657A.10A, subsection 1, paragraph b, Code 2015, is amended to read as follows:

b. The petition shall be filed in the district court of the county in which the property is located. Service on the owner and any other named respondents shall be by personal service or certified mail and or, if service cannot be made by either method, by posting the notice in a conspicuous place on the building and by publication in a newspaper of general circulation in the city. The action shall be in equity.

Sec. 51. Section 657A.10A, subsection 3, paragraphs d, f, and j, Code 2015, are amended to read as follows:

d. Whether the building meets the city's housing code ~~for~~ as being fit for human habitation, occupancy, or use.

f. Whether the building is boarded up or otherwise secured from unauthorized entry.

j. Past and current compliance with orders of the local housing or building code official.

Sec. 52. Section 657A.10A, subsection 3, Code 2015, is amended by adding the following new paragraphs:

NEW PARAGRAPH. 0e. Whether the building meets the city's building code as being fit for occupancy or use.

NEW PARAGRAPH. 0h. Whether those claiming an interest in the property have, prior to the filing of the petition, demonstrated a good-faith effort to restore the property to productive use.

Sec. 53. Section 657A.10A, subsections 4 and 5, Code 2015, are amended to read as follows:

4. In lieu of the considerations in subsection 3, if the city can establish to the court's satisfaction that all parties with an interest in the property have received proper notice and either consented to the entry of an order awarding title to the property to the city or did not make a ~~good-faith~~ good-faith effort to comply with the order of the local housing or building code official within sixty days after the filing of the petition, the court shall enter judgment against the respondents granting the city title to the property.

5. If the court determines that the property has been abandoned or that [subsection 4](#) applies, the court shall enter judgment and order awarding title to the city. The title awarded to the city shall be free and clear of any claims, liens, or encumbrances held by the respondents.

DIVISION VII

CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS

Sec. 54. EFFECTIVE UPON ENACTMENT. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2015, takes effect upon enactment.

Sec. 55. RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2015, applies retroactively to July 1, 2015.

Approved July 2, 2015, with exceptions noted.

TERRY E. BRANSTAD, *Governor*

Dear Mr. Secretary:

I hereby transmit Senate File 499, an Act relating to 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, and the state board of regents and certain regents institutions, modifying programs and duties of the economic development authority, providing for other properly related matters, and including effective date and retroactive and other applicability provisions.

Senate File 499 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated Division IV in its entirety. This item is related to state employee classifications. Under current Iowa Code, administrators are classified as at-will employees. The at-will designation allows for greater accountability for these managers. Subjecting administrators to the merit system would decrease accountability to taxpayers and hinder the effective management of important government functions.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 499 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*