

CHAPTER 126

ECONOMIC DEVELOPMENT PROGRAMS AND FINANCIAL ASSISTANCE

H.F. 620

AN ACT relating to the economic development financial assistance duties and powers of the economic development authority by authorizing and creating fees, affecting the aggregate tax credit limit for certain economic development programs and the tax credit for the endow Iowa tax credit, making appropriations, and including effective date and retroactive applicability provisions.

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

DIVISION I COLLECTION OF FEES

Section 1. Section 15.106B, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 5. *a.* The authority may charge fees to businesses or individuals who receive financial assistance under chapter 15 or 15E. The amount of such fees shall be determined based on the costs of the authority associated with its performance of contract administration and compliance duties relating to economic development programs.

b. The authority may charge businesses and individuals a fee for the use of the authority's federal EB-5 immigrant investor regional center.

c. Fees collected by the authority pursuant to this subsection shall be deposited in a fund within the state treasury created pursuant to section 15.106A, subsection 1, paragraph "o", and are appropriated to the authority for the purposes set out in section 15.106A, subsection 1, paragraph "o". However, fees collected by the authority pursuant to section 15.330, subsection 12, and section 15E.198, shall be used exclusively for costs associated with the administration of due diligence and compliance.

Sec. 2. Section 15.330, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 12. *a.* The imposition of a one-time compliance cost fee of five hundred dollars to be collected by the authority prior to the issuance of a tax incentive certificate or the disbursement of financial assistance.

b. The imposition of a compliance cost fee equal to one-half of one percent of the value of tax incentives claimed pursuant to an agreement that has an aggregate tax incentive value of one hundred thousand dollars or greater. The authority shall collect the fee from the business after the tax incentive is claimed by the business from the department of revenue.

Sec. 3. NEW SECTION. **15E.198 Compliance cost fees.**

The compliance cost fees imposed in 15.330, subsection 12, shall apply to all agreements entered into under this division and shall be collected by the authority in the same manner and to the same extent as described in that subsection.

Sec. 4. **EFFECTIVE UPON ENACTMENT.** This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 5. **APPLICABILITY.** This division of this Act applies to agreements entered into on or after the effective date of this division of this Act.

DIVISION II AGGREGATE TAX CREDIT LIMITATION

Sec. 6. Section 15.119, subsection 1, Code 2013, is amended to read as follows:

1. *a.* Notwithstanding any provision to the contrary in any of the programs listed in subsection 2, the authority, except as provided in paragraph "b", shall not authorize for any one fiscal year an amount of tax credits for the programs specified in subsection 2 that is in excess of one hundred ~~twenty~~ seventy million dollars.

b. (1) The authority may authorize an amount of tax credits during a fiscal year that is in excess of the amount specified in paragraph “a”, but the amount of such excess shall not exceed twenty percent of the amount specified in paragraph “a”, and shall be counted against the total amount of tax credits that may be authorized for the next fiscal year.

(2) Any amount of tax credits authorized and awarded during a fiscal year for a program specified in subsection 2 which are irrevocably declined by the awarded business on or before June 30 of the next fiscal year may be reallocated, authorized, and awarded during the fiscal year in which the declination occurs. Tax credits authorized pursuant to this subparagraph shall not be considered for purposes of subparagraph (1).

Sec. 7. Section 15.119, subsection 2, paragraphs d and e, Code 2013, are amended to read as follows:

d. The tax credits for investments in qualifying businesses and community-based seed capital funds issued pursuant to section 15E.43. In allocating tax credits pursuant to this subsection, the authority shall allocate two million dollars for purposes of this paragraph, unless the authority determines that the tax credits awarded will be less than that amount.

e. The tax credits for investments in an innovation fund pursuant to section 15E.52. In allocating tax credits pursuant to this subsection, the authority shall allocate eight million dollars for purposes of this paragraph, unless the authority determines that the tax credits awarded will be less than that amount.

Sec. 8. Section 15.119, subsection 3, Code 2013, is amended to read as follows:

3. In allocating the amount of tax credits authorized pursuant to subsection 1 among the programs specified in subsection 2, the authority shall not allocate more than five ten million dollars for purposes of subsection 2, paragraph “f”.

Sec. 9. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 10. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2012.

DIVISION III ENDOW IOWA TAX CREDIT LIMIT

Sec. 11. Section 15E.305, subsection 2, Code 2013, is amended to read as follows:

2. The aggregate amount of tax credits authorized pursuant to this section shall not exceed a total of ~~three six million five hundred thousand~~ dollars ~~plus such additional credit amount as provided by this section~~ annually.

a. The maximum amount of tax credits granted to a taxpayer shall not exceed five percent of the aggregate amount of tax credits authorized.

a. b. Ten percent of the aggregate amount of tax credits authorized in a calendar year shall be reserved for those endowment gifts in amounts of thirty thousand dollars or less. If by September 1 of a calendar year the entire ten percent of the reserved tax credits is not distributed, the remaining tax credits shall be available to any other eligible applicants.

b. ~~For purposes of this subsection, the additional credit amount shall be an amount for each applicable calendar year determined by the department of revenue equal to the amount of money credited as provided by section 99F.11, subsection 3, paragraph “d”, subparagraph (3), for the prior fiscal year.~~

Sec. 12. Section 99F.11, subsection 3, paragraph d, subparagraph (3), Code 2013, is amended by striking the subparagraph.

Sec. 13. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 14. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2012, for endow Iowa tax credits authorized on or after that date and for endow Iowa tax credit applications received on or after that date.

DIVISION IV
CITY DEVELOPMENT BOARD FEES

Sec. 15. Section 368.10, Code 2013, is amended to read as follows:

368.10 Rules — establishment of filing fees.

The board may establish rules for the performance of its duties and the conduct of proceedings before it. The rules may include establishing filing fees for applications and petitions submitted to the board. The amounts collected from the establishment of such fees are appropriated to the board for the purpose of reimbursing the economic development authority for the budgeted costs of covering the board's expenses as described in section 368.9, subsection 1. Any amounts collected in a fiscal year by the board in excess of such budgeted costs shall be deposited in the general fund of the state. The board's rules are subject to chapter 17A, as applicable.

DIVISION V
MAIN STREET IOWA PROGRAM APPROPRIATION

Sec. 16. From the moneys appropriated in 2013 Iowa Acts, House File 604,¹ if enacted, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, from the Iowa skilled worker and job creation fund created in section 8.75, if enacted, to the economic development authority for the purposes of providing assistance under the high quality jobs program as described in section 15.335B, not more than \$1,000,000 may be used by the economic development authority for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

Approved June 17, 2013

¹ Chapter 141 herein