

House File 555 - Introduced

HOUSE FILE 555
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 36)

A BILL FOR

1 An Act relating to programs and projects administered by the
2 economic development authority.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

SPORTS TOURISM PROGRAM — TECHNICAL CHANGES

Section 1. Section 15F.401, subsections 2 and 6, Code 2017, are amended to read as follows:

2. *a.* A city or county in the state or a public ~~organization~~ entity, including a convention and visitors bureau or a district, may apply to the authority for financial assistance for a project that actively and directly promotes sporting events for accredited colleges and universities and other sporting events in the area served by the city, county, or public ~~organization~~ entity.
- b.* A city, county, or public ~~organization~~ entity may apply for and receive financial assistance for more than one project.
- c.* A city, county, or public ~~organization~~ entity may apply for financial assistance for a project that spans multiple fiscal years or may apply for renewal of financial assistance awarded in a prior year if all applicable contractual requirements are met. The decision as to whether to renew an award shall be at the discretion of the board. The board may adopt by rule certain metrics and return on investment estimates for purposes of this paragraph. The authority may include such metrics and estimates in a program agreement executed pursuant to [this section](#).
- d.* A convention and visitors bureau may apply to the authority for financial assistance pursuant to [this section](#) and a district may apply to the authority for district financial assistance, but a convention and visitors bureau shall not in the same year receive financial assistance under the program created in [this section](#) and financial assistance as part of a district.
6. *a.* A city, county, or public ~~organization~~ entity may use financial assistance received under the program for marketing, promotions, and infrastructure. Whether an activity or individual cost item is directly related to the promotion of the sporting event shall be within the discretion of the

1 authority.

2 *b.* All applications to the authority for financial
3 assistance shall be made at least ninety days prior to an
4 event's scheduled date. A city, county, or public ~~organization~~
5 entity shall not use financial assistance received under the
6 program as reimbursement for completed projects.

7 Sec. 2. Section 15F.403, subsection 2, paragraph a, Code
8 2017, is amended to read as follows:

9 *a.* Moneys in the fund are appropriated to the authority
10 for purposes of providing financial assistance to cities,
11 counties, and public ~~organizations~~ entities under the sports
12 tourism program established and administered pursuant to this
13 subchapter.

14 DIVISION II

15 TARGETED SMALL BUSINESS CERTIFICATION

16 Sec. 3. Section 8A.111, subsection 7, Code 2017, is amended
17 to read as follows:

18 7. An annual report regarding the Iowa targeted small
19 business procurement Act activities of the department as
20 required under section 15.108, subsection 7, paragraph
21 "*c*", and quarterly reports regarding the total dollar
22 amount of certified purchases for certified targeted small
23 businesses during the previous quarter as required in section
24 73.16, subsection 2. The department shall keep any vendor
25 identification information received from the ~~department of~~
26 ~~inspections and appeals~~ economic development authority as
27 provided in section ~~10A.104, subsection 8~~ 15.108, subsection
28 7, paragraph "*od*", and necessary for the quarterly reports,
29 confidential to the same extent as the ~~department of inspection~~
30 ~~and appeals~~ economic development authority is required to
31 keep such information. Confidential information received by
32 the department from the ~~department of inspections and appeals~~
33 economic development authority shall not be disclosed except
34 pursuant to court order or with the approval of the ~~department~~
35 ~~of inspections and appeals~~ economic development authority.

1 Sec. 4. Section 10A.104, subsection 8, Code 2017, is amended
2 by striking the subsection.

3 Sec. 5. Section 12.44, Code 2017, is amended to read as
4 follows:

5 **12.44 Iowa satisfaction and performance bond program.**

6 Agencies of state government shall be required to waive the
7 requirement of satisfaction, performance, surety, or bid bonds
8 for targeted small businesses which are able to demonstrate
9 the inability of securing such a bond because of a lack of
10 experience, lack of net worth, or lack of capital. This waiver
11 shall not apply to businesses with a record of repeated failure
12 of substantial performance or material breach of contract in
13 prior circumstances. The waiver shall be applied only to a
14 project or individual transaction amounting to fifty thousand
15 dollars or less, notwithstanding [section 573.2](#). In order to
16 qualify, the targeted small business shall provide written
17 evidence to the ~~department of inspections and appeals~~ economic
18 development authority that the bond would otherwise be denied
19 the business. The granting of the waiver shall in no way
20 relieve the business from its contractual obligations and shall
21 not preclude the state agency from pursuing any remedies under
22 law upon default or breach of contract.

23 The ~~department of inspections and appeals~~ economic
24 development authority shall certify targeted small businesses
25 for eligibility and participation in this program and shall
26 make this information available to other state agencies.

27 Subdivisions of state government may also grant such a
28 waiver under similar circumstances.

29 Sec. 6. Section 15.107B, subsection 2, paragraph b, Code
30 2017, is amended to read as follows:

31 **b.** A summary of ~~the report filed by December 1 of each year~~
32 ~~by the department of inspections and appeals with the authority~~
33 ~~regarding~~ certifications of targeted small businesses. At a
34 minimum, the summary shall include the number of certified
35 targeted small businesses for the previous year, the increase

1 or decrease in that number during the previous fiscal year
2 compared to the prior fiscal year, and the number of targeted
3 small businesses that have been decertified in the previous
4 fiscal year.

5 Sec. 7. Section 15.108, subsection 7, paragraph c,
6 subparagraph (1), subparagraph division (b), Code 2017, is
7 amended by striking the subparagraph division.

8 Sec. 8. Section 15.108, subsection 7, Code 2017, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *Od.* (1) Establish standards and procedures,
11 by rule, for certifying that targeted small businesses are
12 eligible to participate in the procurement program established
13 in sections 73.15 through 73.21 and are eligible for financial
14 and technical assistance provided for under this subsection.
15 The rules for certifying eligibility adopted pursuant to this
16 paragraph shall not recognize self-certification by a business.
17 The authority may also establish, by rule, the appropriate
18 level of public access to differing classes of electronic
19 records and other records under the procurement program to
20 ensure the confidentiality of any records that are required by
21 law to be confidential.

22 (2) Maintain a current directory of targeted small
23 businesses certified pursuant to this paragraph. The
24 authority shall also provide information to the department of
25 administrative services necessary for the identification of
26 targeted small businesses under section 8A.111, subsection 7.

27 Sec. 9. Section 15.108, subsection 7, paragraph g,
28 subparagraph (1), Code 2017, is amended to read as follows:

29 (1) Developing a uniform small business vendor application
30 form which can be adopted by all agencies and departments of
31 state government to identify small businesses and targeted
32 small businesses which desire to sell goods and services to the
33 state. This form shall also contain information which can be
34 used to determine certification as a targeted small business
35 pursuant to ~~section 10A.104, subsection 8~~ paragraph *Od*.

1 Sec. 10. Section 73.16, subsection 2, paragraph a,
2 unnumbered paragraph 1, Code 2017, is amended to read as
3 follows:

4 Prior to the commencement of a fiscal year, the director of
5 each agency or department of state government having purchasing
6 authority, in cooperation with the targeted small business
7 ~~marketing and compliance~~ project manager of the economic
8 development authority, shall establish for that fiscal year
9 a procurement goal from certified targeted small businesses
10 identified pursuant to ~~section 10A.104, subsection 8~~ 15.108,
11 subsection 7, paragraph "0d".

12 Sec. 11. Section 73.16, subsection 2, paragraph c,
13 subparagraph (3), Code 2017, is amended to read as follows:

14 (3) A community college, area education agency, or school
15 district shall establish a procurement goal from certified
16 targeted small businesses, identified pursuant to section
17 ~~10A.104, subsection 8~~ 15.108, subsection 7, paragraph "0d", of
18 at least ten percent of the value of anticipated procurements
19 of goods and services including construction, but not including
20 utility services, each fiscal year.

21 DIVISION III

22 TARGETED JOBS WITHHOLDING CREDIT

23 Sec. 12. Section 403.19A, subsection 1, Code 2017, is
24 amended by adding the following new paragraph:

25 NEW PARAGRAPH. *0d. "Laborshed wage"* means the wage level
26 represented by those wages within two standard deviations
27 from the mean wage within the laborshed area in which the
28 eligible business is located, as calculated by the authority,
29 by rule, using the most current covered wage and employment
30 data available from the department of workforce development for
31 the laborshed area. The authority shall designate laborshed
32 areas by rule, in consultation with the department of workforce
33 development.

34 Sec. 13. Section 403.19A, subsection 1, paragraph g, Code
35 2017, is amended to read as follows:

1 *g. "Targeted job"* means a job in a business which is or will
2 be located in a pilot project city that pays a wage at least
3 equal to the ~~countywide~~ average laborshed wage. *"Targeted job"*
4 includes new or retained jobs from Iowa business expansions or
5 retentions within the city limits of the pilot project city and
6 those jobs resulting from established out-of-state businesses,
7 as defined by the economic development authority, moving to or
8 expanding in Iowa.

9 Sec. 14. Section 403.19A, subsection 2, paragraph b, Code
10 2017, is amended to read as follows:

11 *b. (1)* The ~~department of~~ economic development authority
12 shall approve four eligible cities as pilot project cities, one
13 pursuant to paragraph "a", subparagraph (1), one pursuant to
14 paragraph "a", subparagraph (2), and two pursuant to paragraph
15 "a", subparagraph (3). If two eligible cities are approved
16 which are located in the same county and the county has a
17 population of less than forty-five thousand, the two approved
18 eligible cities shall be considered one pilot project city. If
19 more than two cities meeting the requirements of paragraph "a",
20 subparagraph (3), apply to be designated as a pilot project
21 city, the ~~department of~~ economic development authority shall
22 determine which two cities hold the most potential to create
23 new jobs or generate the greatest capital within their areas.
24 Applications from eligible cities filed on or after October 1,
25 2006, shall not be considered.

26 *(2)* If a pilot project city does not enter into a
27 withholding agreement within one year of its approval as a
28 pilot project city, the city shall lose its status as a pilot
29 project city. If two pilot project cities are located in the
30 same county, the loss of status by one pilot project city shall
31 not cause the second pilot project city in the county to lose
32 its status as a pilot project city. Upon such occurrence,
33 the ~~department of~~ economic development authority shall take
34 applications from other eligible cities to replace that city.
35 Another city shall be designated within six months.

~~(3) On July 1, 2011, the economic development authority shall assume responsibility for the administration of this subsection.~~

EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill relates to programs and projects administered by
8 the economic development authority (authority).

9 Division I of the bill makes technical changes relating
10 to the eligibility for applying for and receiving financial
11 assistance under the sports tourism program by replacing the
12 term "organization" with "entity".

13 Division II of the bill transfers responsibility for
14 certifying targeted small businesses under the targeted small
15 business procurement goal program, and associated reporting
16 requirements, from the department of inspections and appeals to
17 the authority. The division also specifies that the authority
18 may establish standards for public access to different classes
19 of information obtained under the program.

20 Division III of the bill relates to the targeted jobs
21 withholding credit pilot project by requiring that targeted
22 jobs be determined on the basis of a laborshed wage, as defined
23 in the bill, rather than a countywide average wage. Under
24 the division, a laborshed wage is a wage within two standard
25 deviations above or below the average wage within the laborshed
26 area.