

FILED JAN 31 1990

SENATE FILE **218U**  
BY COMMITTEE ON SMALL BUSINESS  
AND ECONOMIC DEVELOPMENT  
*Approved (p. 300)*  
(SUCCESSOR TO SSB 2036)

Passed Senate, Date 2-5-90 (p. 358) Passed House, Date 3/13/90 (p. 1046)  
Vote: Ayes 28 Nays 19 Vote: Ayes 82 Nays 13  
Approved April 3, 1990

*Repassed Senate as amended (S-5501)  
3/27/90 (p. 1330)  
3-1*

A BILL FOR

1 An Act relating to the receipt of assistance under certain  
2 economic development programs and providing civil penalties  
3 for certain violations.

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

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SF 218U

*10/14/74 session 10/14/74*

1 Section 1. NEW SECTION. 28.170 JOB CREATION ASSISTANCE -  
2 - VIOLATIONS -- CIVIL PENALTIES.

3 1. A business which receives state financial assistance  
4 relating to the creation or retention of jobs receives the  
5 assistance subject to the requirements of this section. A  
6 business receiving a loan, loan guarantee, grant, or  
7 additional financial or technical state assistance through an  
8 economic development program, which requires the business to  
9 estimate the number of jobs to be created or retained  
10 following receipt of the assistance, shall make a good faith  
11 effort in estimating the number of jobs to be created or  
12 retained and shall make a good faith effort to create or  
13 retain the estimated number of jobs.

14 2. A business which violates subsection 1 is subject to a  
15 civil penalty which may be levied by the department of  
16 economic development, of not more than one thousand dollars  
17 per violation. Civil penalties collected pursuant to this  
18 section shall be credited to the account of the economic  
19 development program under which the business received the  
20 assistance.

21 3. A business which violates this section is ineligible to  
22 receive state financial assistance for two years from the date  
23 of the violation.

24 4. An appeal from the department's initial determination  
25 of a violation may be taken pursuant to the provisions of  
26 chapter 17A relating to contested cases.

27 5. The department shall adopt rules, pursuant to chapter  
28 17A, to administer this section.

29 6. For purposes of this section, "economic development  
30 program" means a state program providing financial or  
31 technical assistance to encourage or facilitate job creation  
32 in this state.

33 EXPLANATION

34 This bill requires businesses to make a good faith effort  
35 in estimating the number of jobs to be created or retained

1 when receiving state assistance through a state economic  
2 development program and also requires the business to make a  
3 good faith effort to create or retain that number of jobs.  
4 The bill provides for civil penalties for a violation of the  
5 good faith effort to estimate and create or retain the jobs.  
6 The business is subject to a penalty of up to \$1,000 for a  
7 violation and the business is ineligible to receive state  
8 financial assistance for two years from the date of the  
9 violation.

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SENATE FILE 2186

H-5146

1 Amend Senate File 2186, as passed by the Senate, as  
2 follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 28.171 PUBLIC ECONOMIC  
6 DEVELOPMENT ASSISTANCE -- VIOLATIONS -- CRIMINAL  
7 PENALTIES.

8 A person who engages in deception and knowingly  
9 makes or causes to be made, directly or indirectly, a  
10 false statement in writing, for the purpose of  
11 procuring economic development assistance from a state  
12 agency or political subdivision, for the benefit of  
13 the person or for whom the person is acting, is guilty  
14 of a fraudulent practice in the first degree as  
15 defined in section 714.9. For purposes of this  
16 section, "deception" means deception as defined in  
17 section 702.9."

18 2. Title page, line 2, by striking the word  
19 "civil" and inserting the following: "criminal".

By COMMITTEE ON ECONOMIC DEVELOPMENT  
SWARTZ of Marshall, Chairperson

H-5146 FILED FEBRUARY 14, 1990

*Adopted 3/12/90 (p. 1045)*

SENATE FILE 2186

H-5632

1 Amend the amendment, H-5146, to Senate File 2186,  
2 as passed by the Senate, as follows:

3 1. Page 1, by striking lines 14 and 15 and in-  
4 serting the following: "of a fraudulent practice as  
5 defined in section 714.8 and is guilty of a class "D"  
6 felony. For purposes of this".

By METCALF of Poik

H-5632 FILED MARCH 13, 1990

LOST (p. 1045)

HOUSE AMENDMENT TO  
SENATE FILE 2186

S-5501

1 Amend Senate File 2186, as passed by the Senate, as  
2 follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 28.171 PUBLIC ECONOMIC  
6 DEVELOPMENT ASSISTANCE -- VIOLATIONS -- CRIMINAL  
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13 the person or for whom the person is acting, is guilty  
14 of a fraudulent practice in the first degree as  
15 defined in section 714.9. For purposes of this  
16 section, "deception" means deception as defined in  
17 section 702.9."

18 2. Title page, line 2, by striking the word  
19 "civil" and inserting the following: "criminal".

RECEIVED FROM THE HOUSE

S-5501 FILED MARCH 15, 1990

*Senate concurred 3/27 (p. 1330)*

CONNOLLY, CH.  
SZYMONIAK  
HAGERLA

SSB 2036  
SMALL BUSINESS/  
ECONOMIC DEVELOPMENT

SENATE FILE 2196

BY (PROPOSED COMMITTEE ON  
SMALL BUSINESS AND  
ECONOMIC DEVELOPMENT BILL  
BY BOSWELL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

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17 per violation. Civil penalties collected pursuant to this  
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EXPLANATION

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JO ANN ZICKMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2186, Seventy-third General Assembly.

\_\_\_\_\_  
JOHN F. DWYER  
Secretary of the Senate

Approved *April 3* \_\_\_\_\_, 1990

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2186

AN ACT

RELATING TO THE RECEIPT OF ASSISTANCE UNDER CERTAIN ECONOMIC DEVELOPMENT PROGRAMS AND PROVIDING CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS.

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

Section 1. NEW SECTION. 28.171 PUBLIC ECONOMIC DEVELOPMENT ASSISTANCE -- VIOLATIONS -- CRIMINAL PENALTIES.

A person who engages in deception and knowingly makes or causes to be made, directly or indirectly, a false statement in writing, for the purpose of procuring economic development assistance from a state agency or political subdivision, for the benefit of the person or for whom the person is acting, is guilty of a fraudulent practice in the first degree as defined