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SENATE FILE 2312
BY COMMITTEE ON APPROPRIATIONS
(SUCCESSOR TO SSB 2252)

WITHDRAWN
4-8-94

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act appropriating funds to the department of economic
2 development, the Iowa finance authority, and the Wallace
3 technology transfer foundation, and making statutory changes
4 relating to economic development.

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

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WITHDRAWN

SF 2312

1 Section 1. There is appropriated from the general fund of
2 the state and other designated funds to the department of
3 economic development for the fiscal year beginning July 1,
4 1994, and ending June 30, 1995, on the condition that the
5 department shall not use any moneys appropriated under this
6 Act for development, expansion, or operation of industrial
7 site locator programs until the industrial site locator
8 program at the university of northern Iowa is completed and
9 fully implemented and the department and the university have
10 reported to the general assembly on plans for coordination and
11 cooperation between the department and the university,
12 including access by the department to the database and
13 technology of the university program, the following amounts,
14 or so much thereof as is necessary, to be used for the
15 purposes designated:

16 1. ADMINISTRATIVE SERVICES DIVISION

17 a. General administration

18 For salaries, support, maintenance, miscellaneous purposes,
19 and for providing a written report to the joint economic
20 development appropriations subcommittee and the legislative
21 fiscal bureau not later than January 15, 1995, regarding the
22 structure of or plans to implement an advertising sales
23 program:

24	\$	892,000
25	FTEs	22.00

26 b. Primary research and computer center

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

30	\$	326,000
31	FTEs	5.50

32 c. Film office

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

1 \$ 182,000
2 FTEs 2.00

3 2. BUSINESS DEVELOPMENT DIVISION

4 a. Business development operations

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

8 \$ 3,000,000
9 FTEs 16.00

10 b. Small business programs

11 For salaries, support, maintenance, miscellaneous purposes,
12 and for not more than the following full-time equivalent
13 positions for the small business program, the small business
14 advisory council, targeted small business program, business
15 incubators, and for deaf interpreters funded through the
16 economic development deaf interpreters revolving fund
17 established in section 15.108, subsection 7, paragraph "j":

18 \$ 310,000
19 FTEs 5.50

20 The department shall report to the joint economic
21 development appropriations subcommittee and the legislative
22 fiscal bureau regarding the utilization of the deaf
23 interpreters by January 15, 1995, and the department shall
24 coordinate with the division of deaf services in the provision
25 of deaf interpreter services.

26 c. Federal procurement office

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

30 \$ 98,000
31 FTEs 3.00

32 Notwithstanding section 8.33, moneys remaining unencumbered
33 or unobligated on June 30, 1995, shall not revert and shall be
34 available for expenditure during the fiscal year beginning
35 July 1, 1995, for the same purposes.

1 d. Strategic investment fund

2 For deposit in the strategic investment fund for salaries,
3 support, and for not more than the following full-time
4 equivalent positions:

5 \$ 4,922,000
6 FTEs 10.00

7 e. Targeted small business incubator

8 Moneys appropriated for fiscal year 1994 and not expended
9 by June 30, 1994, shall not revert but shall be held by the
10 department for funding, with local matching funds, the
11 targeted small business incubator in Des Moines for the fiscal
12 year beginning July 1, 1994, and ending June 30, 1995:

13 For funding, with local matching funds, the targeted small
14 business incubator in Des Moines:
15 \$ 50,000

16 f. Insurance economic development

17 There is appropriated from moneys collected by the division
18 of insurance in excess of the anticipated gross revenues under
19 section 505.7, subsection 3, to the department for the fiscal
20 year beginning July 1, 1994, and ending June 30, 1995, the
21 following amount, or so much thereof as is necessary, for
22 insurance economic development and international insurance
23 economic development:

24 \$ 200,000

25 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

26 a. Community assistance

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent
29 positions for administration of the community economic
30 preparedness program, the Iowa community betterment program,
31 and the city development board:

32 \$ 571,000
33 FTEs 7.50

34 b. Main street/rural main street program

35 For salaries and support for not more than the following

1 full-time equivalent positions:

2 \$ 400,000

3 FTEs 3.00

4 Notwithstanding section 8.33, moneys committed to grantees
5 under contract from the general fund of the state that remain
6 unexpended on June 30 of the fiscal year shall not revert to
7 any fund but shall be available for expenditure for purposes
8 of the contract during the succeeding fiscal year.

9 c. Rural development program

10 For salaries, support, maintenance, miscellaneous purposes,
11 for not more than the following full-time equivalent positions
12 for rural resource coordination, rural community leadership,
13 and the rural enterprise fund:

14 \$ 450,000

15 FTEs 4.50

16 There is also appropriated from the rural community 2000
17 program revolving fund established in section 15.287 to the
18 rural development program for the purposes of the program
19 including the rural enterprise fund and collaborative skills
20 development training:

21 \$ 226,000

22 Notwithstanding section 8.33, moneys committed to grantees
23 under contract from the general fund of the state or through
24 transfers from the Iowa community development loan fund or
25 from the rural community 2000 program revolving fund that
26 remain unexpended at the end of the fiscal year shall not
27 revert but shall be available for expenditure for purposes of
28 the contract during the succeeding fiscal year.

29 d. Community development block grant and HOME

30 For administration and related federal housing and urban
31 development grant administration for salaries, support,
32 maintenance, miscellaneous purposes, and for not more than the
33 following full-time equivalent positions:

34 \$ 380,000

35 FTEs 18.75

1 e. Councils of governments

2 There is appropriated from the rural community 2000 program
3 revolving fund established in section 15.287 to provide to
4 Iowa's councils of governments funds for planning and
5 technical assistance funds to assist local governments to
6 develop community development strategies for addressing long-
7 term and short-term community needs:

8 \$ 178,000

9 4. INTERNATIONAL DIVISION

10 a. International trade operations

11 For conducting foreign trade missions on behalf of Iowa
12 businesses, salaries, support, maintenance, miscellaneous
13 purposes, for allocating \$100,000, or so much thereof as is
14 necessary, to fund the United States midwest Japan conference,
15 and for not more than the following full-time equivalent
16 positions:

17 \$ 776,000

18 FTEs 7.00

19 b. Foreign trade offices

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

23 \$ 585,000

24 c. Export trade assistance program

25 For export trade activities, including a program to
26 encourage and increase participation in trade shows and trade
27 missions by providing financial assistance to businesses for a
28 percentage of their costs of participating in trade shows and
29 trade missions, by providing for the lease/sublease of
30 showcase space in existing world trade centers, by providing
31 temporary office space for foreign buyers, international
32 prospects, and potential reverse investors, and by providing
33 other promotional and assistance activities, provided that the
34 department shall consult with the department of agriculture
35 and land stewardship prior to allocating export trade

1 assistance program moneys, including salaries and support for
2 not more than the following full-time equivalent positions:

3 \$ 317,000
4 FTEs 0.25

5 d. Agricultural product advisory council

6 For support, maintenance, and miscellaneous purposes:

7 \$ 1,330

8 e. For transfer to the partner state program which the
9 department may use to contract with private groups or
10 organizations which are the most appropriate to administer
11 this program and the groups and organizations participating in
12 the program shall, to the fullest extent possible, provide the
13 funds to match the appropriation made in this subsection of
14 the funds transferred, and \$10,000 shall be used only to
15 establish a partner state program with Vietnam:

16 \$ 106,000

17 f. For transfer to the Iowa peace institute for the
18 purpose of continuing to expand conflict resolution and
19 negotiation efforts in Iowa's schools and communities and
20 reporting to the joint appropriations subcommittee on economic
21 development by January 15, 1995, on all such activities
22 undertaken:

23 \$ 96,000

24 g. For transfer to the international development
25 foundation for the purposes of the foundation and reporting to
26 the joint appropriations subcommittee on economic development
27 by January 15, 1995, regarding actual and planned expenditures
28 for fiscal year 1995:

29 \$ 100,000

30 5. TOURISM DIVISION

31 a. Tourism operations

32 For salaries, support, maintenance, miscellaneous purposes,
33 and for not more than the following full-time equivalent
34 positions, provided that the appropriation shall not be used
35 for advertising placements for in-state and out-of-state

1 tourism marketing:

2 \$ 710,000

3 FTEs 17.77

4 b. Tourism advertising

5 For contracting exclusively for tourism advertising for in-
6 state and out-of-state tourism marketing services, tourism
7 promotion programs, electronic media, print media, and printed
8 materials:

9 \$ 2,437,000

10 The department shall not use the moneys appropriated in
11 this lettered paragraph unless the department develops public-
12 private partnerships with Iowa businesses in the tourism
13 industry, Iowa tour groups, Iowa tourism organizations, and
14 political subdivisions in this state to assist in the
15 development of advertising efforts. The department shall, to
16 the fullest extent possible, develop cooperative efforts for
17 advertising with contributions from other sources.

18 c. Welcome center program

19 To implement the recommendations of the statewide long-
20 range plan for developing and operating welcome centers
21 throughout the state, and for planning to construct the next
22 welcome center to be funded at living history farms:

23 \$ 250,000

24 Notwithstanding section 8.33, moneys committed to grantees
25 under contract that remain unexpended on June 30 of the fiscal
26 year shall not revert to any fund but shall be available for
27 expenditure for purposes of the contract during the succeeding
28 fiscal year.

29 6. WORKFORCE DEVELOPMENT DIVISION

30 a. Youth work force programs

31 For purposes of the conservation corps, including salary,
32 support, maintenance, miscellaneous purposes, and for not more
33 than the following full-time equivalent positions:

34 \$ 1,000,000

35 FTEs 2.40

1 The department may combine for administrative and budget
2 purposes the youth workforce conservation program and the Iowa
3 corps program.

4 Notwithstanding section 8.33, moneys committed to grantees
5 under contract that remain unexpended on June 30 of the fiscal
6 year shall not revert to any fund but shall be available for
7 expenditure for purposes of the contract during the succeeding
8 fiscal year.

9 b. Job retraining program

10 To the community college job training fund created in
11 section 260F.6, including salaries and support for not more
12 than the following full-time equivalent positions:

13	\$	767,000
14	FTEs	1.30

15 There is appropriated from the rural community 2000 program
16 revolving fund established in section 15.287 to the community
17 college job training fund created in section 260F.6,
18 subsection 1, \$125,000. It is the intent of the general
19 assembly that up to \$100,000 of all funds appropriated to the
20 program and some or all of the full-time equivalent positions
21 may be used for the administration of the Iowa small business
22 new jobs training Act.

23 c. Workforce investment program

24 For purposes of the workforce investment program, for a
25 competitive grant program by the department in consultation
26 with the state job training coordinating council for projects
27 that increase Iowa's pool of available labor via training and
28 support services with priority given to projects which serve
29 displaced homemakers or welfare recipients, including salaries
30 and support for not more than the following full-time
31 equivalent positions:

32	\$	476,000
33	FTEs	0.90

34 The department shall ensure that the workforce investment
35 program is coordinated with services provided under the

1 federal Job Training Partnership Act and that welfare
2 recipients receive priority for services under both programs.
3 Notwithstanding section 8.33, moneys committed to grantees
4 under contract that remain unexpended at the end of the fiscal
5 year, shall not revert to any fund but shall be available for
6 expenditure for purposes of the contract during the succeeding
7 fiscal year.

8 d. Labor management councils

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

12	\$	174,000
13	FTEs	0.50

14 The department shall not use moneys appropriated in this
15 lettered paragraph for grants to grantees who do not
16 facilitate the active participation of labor as members of
17 labor management councils or who fail to make a good faith
18 effort to either schedule meetings during nonworking hours or
19 obtain voluntary agreements with employers to allow employees
20 time off to attend labor management council meetings with no
21 loss of pay or other benefits.

22 Notwithstanding section 8.33, moneys committed to grantees
23 under contract that remain unexpended on June 30 of the fiscal
24 year shall not revert to any fund but shall be available for
25 expenditure for purposes of the contract during the succeeding
26 fiscal year.

27 Sec. 2. Notwithstanding section 15E.120, subsections 5, 6,
28 and 7, and section 15.287, there is appropriated from the Iowa
29 community development loan fund from the moneys available
30 during the fiscal year beginning July 1, 1994, and ending June
31 30, 1995, to the department of economic development for the
32 rural development program to be used by the department for the
33 purposes of the program.

34 Sec. 3. Notwithstanding section 15.251, subsection 2,
35 there is appropriated from the job training fund created in

1 the office of the treasurer of state to the department of
2 economic development for the fiscal year beginning July 1,
3 1994, and ending June 30, 1995, the following amounts, or so
4 much thereof as is necessary, to be used for the purposes
5 designated:

6 1. For administration of chapter 260E, including salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9	\$	150,000
10	FTEs	2.40

11 2. For the target alliance program:

12	\$	30,000
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13 3. For the job retraining program under section 260F.6:

14	\$	273,000
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15 Sec. 4. There is appropriated from the general fund of the
16 state to the Wallace technology transfer foundation for the
17 fiscal year beginning July 1, 1994, and ending June 30, 1995,
18 the following amount, or so much thereof as is necessary, to
19 be used for the purposes designated:

20 For salaries, support, maintenance, and other operational
21 purposes, for administering the industrial technology access
22 program, for approving and submitting to the governor and
23 general assembly not later than January 15 an annual report
24 relating to performance goals of and efforts by the foundation
25 to improve the modernization of industrial facilities, for
26 funding the small business innovation research program, for
27 funding activities as provided in section 15E.158, for
28 transferring \$50,000 of the funds appropriated in this section
29 to the Iowa quality coalition for productivity enhancement
30 projects, and for allocating \$350,000 to the industrial
31 technology assistance program and for not more than the
32 following full-time equivalent positions:

33	\$	2,100,000
34	FTEs	4.00

35 Sec. 5. There is appropriated from the general fund of the

1 state to the Iowa seed capital corporation fund established in
2 section 15E.89, for not more than the following full-time
3 equivalent positions:

4 \$ 853,000
5 FTEs 5.00

6 Sec. 6. There is appropriated from the general fund of the
7 state to the Iowa state university of science and technology
8 for the fiscal year beginning July 1, 1994, and ending June
9 30, 1995, the following amounts, or so much thereof as is
10 necessary, to be used for the purposes designated:

11 1. For funding and maintaining in their current locations
12 the existing small business development centers, for not more
13 than the following full-time equivalent positions and for
14 using \$38,000 or so much thereof as is necessary for salary
15 increases of up to four percent for non-Iowa state university
16 employees:

17 \$ 1,079,000

18 2. For funding the institute for physical research and
19 technology, and for not more than the following full-time
20 equivalent positions:

21 \$ 3,900,000

22 Sec. 7. There is appropriated from the general fund of the
23 state to the state university of Iowa for the fiscal year
24 beginning July 1, 1994, and ending June 30, 1995, the
25 following amount, or so much thereof as is necessary, to be
26 used for the purpose designated:

27 For funding the advanced drug development program at the
28 Oakdale research park, and for not more than the following
29 full-time equivalent positions:

30 \$ 491,389

31 The board of regents shall submit a report on the progress
32 of regents institutions in meeting the strategic plan for
33 technology transfer and economic development to the
34 chairpersons of the joint appropriations subcommittee on
35 economic development, the joint appropriations subcommittee on

1 education, the majority leader, and minority leader of the
 2 senate, the majority and minority leaders of the house of
 3 representatives, the secretary of the senate, the chief clerk
 4 of the house of representatives, and the legislative fiscal
 5 bureau by November 1, 1994.

6 Sec. 8. Not later than July 1, 1995, the department of
 7 economic development, with consultation and input from the
 8 general assembly, and representatives from business, labor,
 9 and education shall study and present recommendations to the
 10 general assembly which shall include but not be limited to the
 11 privatization and decentralization of Iowa's economic
 12 development efforts, the identification of areas appropriate
 13 to statewide economic development efforts and areas
 14 appropriate for regional economic development efforts,
 15 benchmark budgeting for statewide and regional efforts, the
 16 deregulation of economic development activities, and
 17 collaboration between public and private entities.

18 Sec. 9. 1993 Iowa Acts, chapter 167, section 3, subsection
 19 3, is amended to read as follows:

20 3. For the workforce coordinator:
 21 \$ 73,000
 22 FTEs 1.00

23 Any funds allocated for salary and benefits for the
 24 workforce coordinator, and not expended on June 30, 1994,
 25 shall not revert, notwithstanding section 8.33, but shall
 26 remain in the fund for expenditure for purposes of the fund
 27 during the succeeding year.

28 Sec. 10. There is appropriated from the general fund of
 29 the state to the Iowa finance authority for the fiscal year
 30 beginning July 1, 1994, and ending June 30, 1995, the
 31 following amount, or so much thereof as is necessary, to be
 32 used for the purpose designated:

33 For deposit in the housing improvement fund created in
 34 section 16.100 for purposes of the fund:
 35 \$ 500,000

1 Sec. 11. There is appropriated from the deaf interpreters
2 revolving fund established in section 15.108, subsection 7,
3 paragraph "j", to the strategic investment fund for the fiscal
4 year beginning July 1, 1994, and ending June 30, 1995, the
5 following amount:

6 \$ 40,000

7 Sec. 12. Section 15E.81, Code 1993, is amended to read as
8 follows:

9 15E.81 TITLE.

10 This division may be cited as the "Iowa Product-Development
11 Seed Capital Corporation Act".

12 Sec. 13. Section 15E.82, subsections 1, 2, and 5, Code
13 1993, are amended to read as follows:

14 1. "Board" means the board of directors of the Iowa
15 product-development seed capital corporation.

16 2. "Corporation" means the Iowa product-development seed
17 capital corporation.

18 5. "President" means the president of the Iowa product
19 development seed capital corporation.

20 Sec. 14. Section 15E.83, Code 1993, is amended to read as
21 follows:

22 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION.

23 1. ~~There is created a corporate body called the "Iowa~~
24 ~~product-development corporation".--The corporation is a quasi-~~
25 ~~public instrumentality and the exercise of the powers granted~~
26 ~~to the corporation in this division is an essential~~
27 ~~governmental function.~~ The Iowa seed capital corporation
28 shall be incorporated under chapter 504A. The corporation
29 shall not be regarded as a state agency, except for purposes
30 of chapter 17A, and a member of the board is not considered a
31 state employee, except for purposes of chapter 669. An
32 individual employed by the corporation is a state employee for
33 purposes of the Iowa public employees' retirement system,
34 state health and dental plans, and other state employee
35 benefit plans and chapter 669. Chapters 8, 18, 19A, and 20

1 and other provisions of law that relate to requirements or
2 restrictions dealing with state personnel or state funds do
3 not apply to the corporation and any employees of the board or
4 corporation except to the extent provided in this division.

5 2. The corporation shall be governed by a board of seven
6 directors who shall serve a term of four years. Each term
7 shall begin and end as provided in section 69.19. No more
8 than a simple majority of the members of the board shall
9 belong to the same political party as provided in section
10 69.16. Each director shall serve at the pleasure of the
11 governor and shall be appointed by the governor, subject to
12 confirmation by the senate pursuant to section 2.32. A
13 director is eligible for reappointment. A vacancy on the
14 board of directors shall be filled in the same manner as an
15 original appointment. ~~For the initial appointments to the~~
16 ~~board of directors, the governor shall appoint three members~~
17 ~~whose terms shall commence upon appointment and shall expire~~
18 ~~April 30, 1985, and four members whose terms shall commence~~
19 ~~upon appointment and shall expire April 30, 1987.~~

20 3. The board of directors shall annually elect one member
21 as chairperson and one member as secretary. The board may
22 elect other officers of the corporation as necessary. Members
23 shall be reimbursed for necessary expenses incurred in the
24 performance of duties from funds appropriated to the Iowa
25 department of economic development corporation.

26 4. Each director of the corporation shall take an oath of
27 office and the record of each oath shall be filed in the
28 office of the secretary of state.

29 5. The corporation shall receive information and cooperate
30 with other agencies of the state and the political
31 subdivisions of the state.

32 ~~6. The corporation shall be a part of the Iowa department~~
33 ~~of economic development which shall provide all staff and~~
34 ~~administrative assistance. The corporation shall submit to~~
35 ~~the department for its approval all plans, programs,~~

1 ~~initiatives-and-budgets:~~

2 Sec. 15. Section 15E.86, Code 1993, is amended to read as
3 follows:

4 15F.86 PRESIDENT.

5 ~~The director-of-the-department-of-economic-development~~
6 board shall appoint employ a president of the corporation who
7 shall serve at the pleasure of the ~~direector~~ board and shall
8 receive the compensation determined by the ~~direector~~ board.
9 ~~The-president-is-a-state-employee:~~ The president shall not be
10 a member of the board of directors. The president is the
11 chief administrative and operational officer of the
12 corporation and shall direct and supervise the administrative
13 affairs and the general management of the corporation subject
14 to the direction and oversight of the ~~direector~~ board. The
15 president may employ other employees as designated by the
16 board. The president shall provide copies of all minutes,
17 documents, and other records of the corporation and shall
18 provide a certificate which attests to truthfulness of the
19 copies, if requested. Persons dealing with the corporation
20 may rely upon the certificates. The president shall keep a
21 record of all proceedings, documents, and papers filed with
22 the corporation.

23 Sec. 16. Section 15E.87, subsection 1, Code 1993, is
24 amended to read as follows:

25 1. To have perpetual succession as a corporate body and to
26 adopt bylaws, policies, and procedures for the regulation of
27 its affairs and conduct of its business consistent with the
28 purposes of this division.

29 Sec. 17. Section 15E.87, subsection 4, Code 1993, is
30 amended by striking the subsection.

31 Sec. 18. Section 15E.87, subsection 7, Code 1993, is
32 amended to read as follows:

33 7. To employ assistants, agents, and other employees who
34 ~~shall-be-state-employees~~ and to engage consultants, attorneys,
35 and appraisers as necessary or desirable to carry out the

1 purposes of the corporation.

2 Sec. 19. Section 15E.88, Code 1993, is amended to read as
3 follows:

4 15E.88 APPLICATIONS FOR FINANCIAL AID.

5 ~~1. Applications for financial aid shall be forwarded,~~
6 ~~together with an application fee prescribed by the~~
7 ~~corporation, to the president of the corporation. The~~
8 ~~president, after preparing the necessary records for the~~
9 ~~corporation, shall forward each application to the staff of~~
10 ~~the corporation, for an investigation and report concerning~~
11 ~~the advisability of approving the financial aid for the~~
12 ~~company and concerning any other factors found relevant by the~~
13 ~~corporation. The investigation and report shall include but~~
14 ~~are not limited to the following:~~

15 a. ~~The history of the applicant, its wage standards, job~~
16 ~~opportunities, and stability of employment.~~

17 b. ~~The extent of the applicant's dependence on~~
18 ~~agriculture.~~

19 c. ~~The applicant's past, present, and future financial~~
20 ~~condition and structure.~~

21 d. ~~The applicant's pro forma income statements.~~

22 e. ~~The present and future market prospects for the~~
23 ~~product.~~

24 f. ~~The feasibility of the proposed project or invention to~~
25 ~~be given financial aid and the integrity of management.~~

26 g. ~~The state of the project's development.~~

27 2. ~~After receipt and consideration of the report and any~~
28 ~~other action the corporation finds necessary, the corporation~~
29 ~~shall approve or deny the application. The president shall~~
30 ~~promptly notify an applicant by certified mail of the~~
31 ~~disposition of its application. The corporation shall give~~
32 ~~priority to those applicants whose business is agriculture~~
33 ~~related or whose business is located in an area which the~~
34 ~~corporation determines has been severely adversely affected by~~
35 ~~depressed agricultural prices and whose proposed product or~~

~~1 invention-is-to-be-used-to-convert-all-or-a-portion-of-the
2 business-to-nonagriculture-related-industrial-or-commercial
3 activity-or-to-create-a-new-nonagriculture-related-industrial
4 or-commercial-business.~~

5 1. Applications for financial aid shall be received and
6 considered by the corporation pursuant to rules adopted by the
7 board pursuant to chapter 17A.

8 3 2. Notwithstanding the requirements of chapter 21,
9 relating to open meetings, and chapter 22, relating to
10 examination of public records, the corporation shall keep as
11 confidential those items on the application for financial aid
12 that the applicant has specifically requested to be held in
13 confidence. These items shall remain confidential until the
14 applicant says otherwise or the corporation determines the
15 items no longer need to be held confidential.

16 Sec. 20. Section 15E.89, Code Supplement 1993, is amended
17 to read as follows:

18 15E.89 IOWA ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION
19 FUND.

20 1. There is created an "Iowa ~~product-development~~ seed
21 capital corporation fund". All funds of the corporation
22 including the proceeds from the issuance of notes or sale of
23 bonds under this division, any funds appropriated to the
24 corporation, and income derived from other sources from the
25 exercise of powers granted to the corporation under this
26 division shall be paid into the Iowa ~~product-development~~ seed
27 capital corporation fund notwithstanding section 12.10. The
28 money in the Iowa ~~product-development~~ seed capital corporation
29 fund, except moneys held by a trustee or a depository pursuant
30 to a bond resolution or indenture relating to the issuance of
31 bonds or notes pursuant to section 15E.90 or 15E.91, shall be
32 paid out on the order of the person authorized by the
33 corporation. The money in the Iowa ~~product-development~~ seed
34 capital corporation fund shall be used for repayment of notes
35 and bonds issued under this division and the extension of

1 financial aid granted by the corporation under this division,
2 and the amount remaining may be used for the payment of the
3 administrative and overhead costs of the corporation to the
4 extent required. ~~There is also created in the Iowa product~~
5 ~~development corporation fund an Iowa technology assistance~~
6 ~~program account, which shall provide seed capital for the~~
7 ~~commercialization of products, or the development of processes~~
8 ~~or materials through research at Iowa colleges and~~
9 ~~universities or by private industry.~~

10 2. Notwithstanding section 8.33, no part of the Iowa
11 ~~product development corporation~~ this fund shall revert at or
12 after the close of a fiscal year unless otherwise provided by
13 the general assembly, but shall remain in the fund and
14 appropriated for the purposes of this division. The board
15 shall seek to repay the state for appropriations by
16 recommending to the general assembly reversions from income
17 received from successful ventures. The board shall recommend
18 such action at any time when the revenue available to the
19 board is deemed sufficient to continue existing operations.

20 3. Upon dissolution of the corporation, all remaining
21 moneys in the Iowa seed capital corporation fund, as well as
22 the net proceeds realized by the corporation through the
23 liquidation of the assets of the corporation, shall revert to
24 the state.

25 Sec. 21. Section 15E.90, Code 1993, is amended to read as
26 follows:

27 15E.90 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION FUND
28 NOTES.

29 The corporation may issue Iowa product-development seed
30 capital corporation fund notes, the principal and interest of
31 which shall be payable solely from the Iowa product
32 development seed capital corporation fund established by this
33 division. The fund notes of each issue shall be dated, shall
34 mature at such times and may be made redeemable before
35 maturity, at prices and under terms and conditions as

1 determined by the corporation. The corporation shall
2 determine the form and manner of execution of the fund notes,
3 including any interest coupons to be attached, and shall fix
4 the denominations and the places of payment of principal and
5 interest, which may be any financial institution within or
6 without the state or any agent, including the lender. If an
7 officer whose signature or a facsimile of whose signature
8 appears on fund notes or coupons ceases to be that officer
9 before the delivery of the notes or coupons, the signature or
10 facsimile is valid and sufficient for all purposes the same as
11 if the officer had remained in office until delivery. The
12 fund notes may be issued in coupon or in registered form, or
13 both, as the corporation determines, and provision may be made
14 for the registration of coupon fund notes as to principal
15 alone and also as to both principal and interest, and for the
16 conversion into coupon fund notes of any fund notes registered
17 as to both principal and interest, and for the interchange of
18 registered and coupon fund notes. Fund notes shall bear
19 interest at rates as determined by the corporation and may be
20 sold in a manner, either at public or private sale, and for a
21 price as the corporation determines to be best to effectuate
22 the purposes of the Iowa product-development seed capital
23 corporation fund. The proceeds of fund notes shall be used
24 solely for the purposes for which issued and shall be
25 disbursed in a manner and under restrictions as provided in
26 this division and in the resolution of the corporation
27 providing for their issuance. The corporation may provide for
28 the replacement of fund notes which become mutilated or are
29 destroyed or lost.

30 Sec. 22. Section 15E.92, Code Supplement 1993, is amended
31 to read as follows:

32 15E.92 REPORTING AND FUND SOLVENCY.

33 The chairperson of the corporation on or before December 31
34 of each fiscal year shall make and deliver a report to the
35 governor and the legislative fiscal committee. The report

1 shall include all transactions conducted by the corporation in
2 the preceding fiscal year. The report shall also include a
3 balance sheet outlining the financial solvency of the Iowa
4 product-development seed capital corporation fund, a certified
5 copy of any audits of the corporation conducted in the
6 preceding fiscal year, and other information requested by the
7 governor or the legislative fiscal committee.

8 Sec. 23. Section 15E.152, Code Supplement 1993, is amended
9 by adding the following new subsection:

10 NEW SUBSECTION. 7. Establishment of a seed capital fund
11 which shall be administered by the board to provide seed
12 capital for the commercialization of product, or the
13 development of processes or materials through research at Iowa
14 colleges and universities or by private industry.

15 Sec. 24. LEASE-PURCHASE -- BUDGET SUBMISSION. This
16 section applies to each state agency receiving an
17 appropriation in this Act. The departmental estimate required
18 under section 8.23 for the fiscal period beginning July 1,
19 1995, which includes the state agency, shall provide an
20 itemized list indicating the nature and amount of each lease-
21 purchase contract payment included in the estimate for
22 proposed contracts which have not been reported by the state
23 agency to the legislative fiscal committee of the legislative
24 council pursuant to section 8.46 prior to the submission of
25 the estimate. The governor shall include in the governor's
26 budget for the fiscal year beginning July 1, 1995, a listing
27 indicating the nature and amount of each lease-purchase
28 contract which was itemized in a departmental estimate in
29 accordance with this section and is included in the governor's
30 budget. A state agency receiving an appropriation in this Act
31 shall not enter into a lease-purchase contract during the
32 fiscal year beginning July 1, 1995, unless the contract was
33 itemized in a departmental estimate and included in the
34 governor's budget in accordance with this section.

35

EXPLANATION

1 This bill makes appropriations and transfers from the
2 general fund and other funds to the department of economic
3 development, the Wallace technology transfer foundation, the
4 Iowa seed capital corporation, the Iowa finance authority, and
5 the general fund.

6 The bill also changes the name of the Iowa product
7 development corporation to the Iowa seed capital corporation
8 and transfers administration of the seed capital fund back to
9 the Wallace technology transfer foundation. In addition, the
10 bill provides that the Iowa seed capital corporation shall be
11 incorporated as a nonprofit corporation under chapter 504A.
12 The bill provides that the corporation is not a state agency
13 and its employees are not to be considered state employees
14 except in certain circumstances.

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SENATE FILE 2312

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1 Amend Senate File 2312 as follows:

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

4 "Section 1. There is appropriated from the general
5 fund of the state and other designated funds to the
6 department of economic development for the fiscal year
7 beginning July 1, 1994, and ending June 30, 1995, the
8 following amounts, or so much thereof as is necessary,
9 to be used for the purposes designated:

10 1. ADMINISTRATIVE SERVICES DIVISION

11 a. General administration

12 For salaries, support, maintenance, miscellaneous
13 purposes, for providing a written report to the joint
14 economic development appropriations subcommittee and
15 the legislative fiscal bureau not later than January
16 15, 1995, regarding the structure of or plans to
17 implement an advertising sales program:

18 \$ 892,883

19 FTEs 22.00

20 b. Primary research and computer center

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

24 \$ 326,295

25 FTEs 5.50

26 c. Film office

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

30 \$ 182,664

31 FTEs 2.00

32 2. BUSINESS DEVELOPMENT DIVISION

33 a. Business development operations

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

37 \$ 3,007,840

38 FTEs 16.00

39 b. Small business programs

40 For salaries, support, maintenance, miscellaneous
41 purposes, and for not more than the following full-
42 time equivalent positions for the small business
43 program, the small business advisory council, targeted
44 small business program, business incubators, for
45 providing one FTE for the targeted small business
46 compliance officer who shall continue to work jointly
47 with the department of management, and for deaf
48 interpreters funded through the economic development
49 deaf interpreters revolving fund established in
50 section 15.108, subsection 7, paragraph "j":

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1	\$	360,338
2	FTEs	6.50

3 The department shall report to the joint economic
 4 development appropriations subcommittee and the
 5 legislative fiscal bureau regarding the utilization of
 6 the deaf interpreters by January 15, 1995, and the
 7 department shall coordinate with the division of deaf
 8 services in the provision of deaf interpreter
 9 services.

10 c. Federal procurement office

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

14	.....	\$	98,689
15	.....	FTEs	3.00

16 Notwithstanding section 8.33, moneys remaining
 17 unencumbered or unobligated on June 30, 1995, shall
 18 not revert and shall be available for expenditure
 19 during the fiscal year beginning July 1, 1995, for the
 20 same purposes.

21 d. Strategic investment fund

22 For deposit in the strategic investment fund for
 23 salaries, support, and for not more than the following
 24 full-time equivalent positions:

25	.....	\$	6,756,086
26	.....	FTEs	10.00

27 e. Insurance economic development

28 There is appropriated from moneys collected by the
 29 division of insurance in excess of the anticipated
 30 gross revenues under section 505.7, subsection 3, to
 31 the department for the fiscal year beginning July 1,
 32 1994, and ending June 30, 1995, the following amount,
 33 or so much thereof as is necessary, for insurance
 34 economic development and international insurance
 35 economic development:

36	\$	200,000
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37 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

38 a. Community assistance

39 For salaries, support, maintenance, miscellaneous
 40 purposes, and for not more than the following full-
 41 time equivalent positions for administration of the
 42 community economic preparedness program, the Iowa
 43 community betterment program, and the city development
 44 board:

45	.....	\$	571,025
46	.....	FTEs	7.50

47 b. Main street/rural main street program

48 For salaries and support for not more than the
 49 following full-time equivalent positions:

50	\$	350,484
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1 FTEs 3.00

2 Notwithstanding section 8.33, moneys committed to
3 grantees under contract from the general fund of the
4 state that remain unexpended on June 30 of the fiscal
5 year shall not revert to any fund but shall be
6 available for expenditure for purposes of the contract
7 during the succeeding fiscal year.

8 c. Rural development program

9 For salaries, support, maintenance, miscellaneous
10 purposes, for not more than the following full-time
11 equivalent positions for rural resource coordination,
12 rural community leadership, and the rural enterprise
13 fund:

14 \$ 422,883

15 FTEs 4.50

16 There is also appropriated from the rural community
17 2000 program revolving fund established in section
18 15.287 to the rural development program for the
19 purposes of the program including the rural enterprise
20 fund and collaborative skills development training:

21 \$ 226,338

22 Notwithstanding section 8.33, moneys committed to
23 grantees under contract from the general fund of the
24 state or through transfers from the Iowa community
25 development loan fund or from the rural community 2000
26 program revolving fund that remain unexpended at the
27 end of the fiscal year shall not revert but shall be
28 available for expenditure for purposes of the contract
29 during the succeeding fiscal year.

30 d. Community development block grant and HOME

31 For administration and related federal housing and
32 urban development grant administration for salaries,
33 support, maintenance, miscellaneous purposes, and for
34 not more than the following full-time equivalent
35 positions:

36 \$ 380,045

37 FTEs 18.75

38 e. Councils of governments

39 There is appropriated from the rural community 2000
40 program revolving fund established in section 15.287
41 to provide to Iowa's councils of governments funds for
42 planning and technical assistance funds to assist
43 local governments to develop community development
44 strategies for addressing long-term and short-term
45 community needs:

46 \$ 178,250

47 4. INTERNATIONAL DIVISION

48 a. International trade operations

49 For conducting foreign trade missions on behalf of
50 Iowa businesses, salaries, support, maintenance,

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1 miscellaneous purposes, for allocating \$100,000, or so
2 much thereof as is necessary, to fund the United
3 States midwest Japan conference, and for not more than
4 the following full-time equivalent positions:
5 \$ 686,114
6 FTEs 7.00

7 b. Foreign trade offices
8 For salaries, support, maintenance, miscellaneous
9 purposes, and for not more than the following full-
10 time equivalent positions:
11 \$ 585,299

12 c. Export trade assistance program
13 For export trade activities, including a program to
14 encourage and increase participation in trade shows
15 and trade missions by providing financial assistance
16 to businesses for a percentage of their costs of
17 participating in trade shows and trade missions, by
18 providing for the lease/sublease of showcase space in
19 existing world trade centers, by providing temporary
20 office space for foreign buyers, international
21 prospects, and potential reverse investors, and by
22 providing other promotional and assistance activities,
23 provided that the department shall consult with the
24 department of agriculture and land stewardship prior
25 to allocating export trade assistance program moneys,
26 including salaries and support for not more than the
27 following full-time equivalent positions:
28 \$ 317,000
29 FTEs 0.25

30 d. Agricultural product advisory council
31 For support, maintenance, and miscellaneous
32 purposes:
33 \$ 1,330

34 e. For transferring from the department of
35 agriculture and land stewardship and colocating the
36 agriculture international marketing function and its
37 current staff in the international marketing division
38 of the department, for salaries and support for not
39 more than the following full-time equivalent
40 positions:
41 \$ 206,000
42 FTEs 4.00

43 f. For transfer to the partner state program which
44 the department may use to contract with private groups
45 or organizations which are the most appropriate to
46 administer this program and the groups and
47 organizations participating in the program shall, to
48 the fullest extent possible, provide the funds to
49 match the appropriation made in this subsection:
50 \$ 96,000

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1 5. TOURISM DIVISION

2 a. Tourism operations

3 For salaries, support, maintenance, miscellaneous
4 purposes, and for not more than the following full-
5 time equivalent positions, provided that the
6 appropriation shall not be used for advertising
7 placements for in-state and out-of-state tourism
8 marketing:

9 \$ 710,176
10 FTEs 17.77

11 b. Tourism advertising

12 For contracting exclusively for tourism advertising
13 for in-state and out-of-state tourism marketing
14 services, tourism promotion programs, electronic
15 media, print media, and printed materials:

16 \$ 2,537,000

17 The department shall not use the moneys
18 appropriated in this lettered paragraph unless the
19 department develops public-private partnerships with
20 Iowa businesses in the tourism industry, Iowa tour
21 groups, Iowa tourism organizations, and political
22 subdivisions in this state to assist in the
23 development of advertising efforts. The department
24 shall, to the fullest extent possible, develop
25 cooperative efforts for advertising with contributions
26 from other sources.

27 c. Welcome center program

28 To implement the recommendations of the statewide
29 long-range plan for developing and operating welcome
30 centers throughout the state, to allocate \$100,000 to
31 the Northwood welcome center, and for planning to
32 construct the next welcome center to be funded at
33 living history farms:

34 \$ 350,000

35 It is the intent of the general assembly that the
36 Northwood welcome center receive an additional \$50,000
37 in fiscal year 1996.

38 Notwithstanding section 8.33, moneys committed to
39 grantees under contract that remain unexpended on June
40 30 of the fiscal year shall not revert to any fund but
41 shall be available for expenditure for purposes of the
42 contract during the succeeding fiscal year.

43 6. WORKFORCE DEVELOPMENT DIVISION

44 a. Youth workforce programs

45 For purposes of the conservation corps, including
46 salary, support, maintenance, miscellaneous purposes,
47 and for not more than the following full-time
48 equivalent positions:

49 \$ 951,574
50 FTEs 2.40

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1 The department may combine for administrative and
2 budget purposes the youth workforce conservation
3 program and the Iowa corps program.

4 Notwithstanding section 8.33, moneys committed to
5 grantees under contract that remain unexpended on June
6 30 of the fiscal year shall not revert to any fund but
7 shall be available for expenditure for purposes of the
8 contract during the succeeding fiscal year.

9 b. Job retraining program

10 To the community college job training fund created
11 in section 260F.6, including salaries and support for
12 not more than the following full-time equivalent
13 positions:

14	\$	161,000
15	FTEs	1.30

16 There is appropriated from the rural community 2000
17 program revolving fund established in section 15.287
18 to the community college job training fund created in
19 section 260F.6, subsection 1, \$325,000. It is the
20 intent of the general assembly that up to \$100,000 of
21 all funds appropriated to the program and some or all
22 of the FTEs may be used for the administration of the
23 Iowa small business new jobs training Act.

24 c. Workforce investment program

25 For purposes of the workforce investment program,
26 for a competitive grant program by the department in
27 consultation with the state job training coordinating
28 council for projects that increase Iowa's pool of
29 available labor via training and support services with
30 priority given to projects which serve displaced
31 homemakers or welfare recipients, including salaries
32 and support for not more than the following full-time
33 equivalent positions:

34	\$	476,691
35	FTEs	0.90

36 The department shall ensure that the workforce
37 investment program is coordinated with services
38 provided under the federal Job Training Partnership
39 Act and that welfare recipients receive priority for
40 services under both programs.

41 Notwithstanding section 8.33, moneys committed to
42 grantees under contract that remain unexpended at the
43 end of the fiscal year, shall not revert to any fund
44 but shall be available for expenditure for purposes of
45 the contract during the succeeding fiscal year.

46 d. Labor management councils

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

50	\$	50,467
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1 FTEs 0.50
 2 The department shall not use moneys appropriated in
 3 this lettered paragraph for grants to grantees who do
 4 not facilitate the active participation of labor as
 5 members of labor management councils or who fail to
 6 make a good faith effort to either schedule meetings
 7 during nonworking hours or obtain voluntary agreements
 8 with employers to allow employees time off to attend
 9 labor management council meetings with no loss of pay
 10 or other benefits.

11 Notwithstanding section 8.33, moneys committed to
 12 grantees under contract that remain unexpended on June
 13 30 of the fiscal year shall not revert to any fund but
 14 shall be available for expenditure for purposes of the
 15 contract during the succeeding fiscal year.

16 Sec. 2. TARGETED SMALL BUSINESS INCUBATOR. Moneys
 17 appropriated for fiscal year 1994 and not expended by
 18 June 30, 1994, shall not revert but shall be held by
 19 the department for funding, with local matching funds,
 20 the targeted small business incubator in Des Moines
 21 for the fiscal year beginning July 1, 1994, and ending
 22 June 30, 1995:

23 There is appropriated from the general fund of the
 24 state and other designated funds to the department of
 25 economic development for the fiscal year beginning
 26 July 1, 1995, and ending June 30, 1996, the following
 27 amount, or so much thereof as is necessary to be used
 28 for funding, with local matching funds, the targeted
 29 small business incubator in Des Moines:

30 \$ 50,000

31 Sec. 3. Notwithstanding section 15E.120,
 32 subsections 5, 6, and 7, and section 15.287, there is
 33 appropriated from the Iowa community development loan
 34 fund from the moneys available during the fiscal year
 35 beginning July 1, 1994, and ending June 30, 1995, to
 36 the department of economic development for the rural
 37 development program to be used by the department for
 38 the purposes of the program.

39 Sec. 4. Notwithstanding section 15.251, subsection
 40 2, there is appropriated from the job training fund
 41 created in the office of the treasurer of state to the
 42 department of economic development for the fiscal year
 43 beginning July 1, 1994, and ending June 30, 1995, the
 44 following amounts, or so much thereof as is necessary,
 45 to be used for the purposes designated:

46 1. For administration of chapter 260E, including
 47 salaries, support, maintenance, miscellaneous
 48 purposes, and for not more than the following full-
 49 time equivalent positions:

50 \$ 150,000

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1	FTEs	2.40
2 2. For the target alliance program:		
3	\$	30,000

4 3. All moneys in the job training fund not
 5 appropriated in subsections 1 and 2 shall be used for
 6 job training and retraining programs under section
 7 260F.6.

8 Sec. 5. There is appropriated from the general
 9 fund of the state to the Wallace technology transfer
 10 foundation for the fiscal year beginning July 1, 1994,
 11 and ending June 30, 1995, the following amount, or so
 12 much thereof as is necessary, to be used for the
 13 purposes designated:

14 For salaries, support, maintenance, and other
 15 operational purposes, for administering the industrial
 16 technology access program, for approving and
 17 submitting to the governor and general assembly not
 18 later than January 15 an annual report relating to
 19 performance goals of and efforts by the foundation to
 20 improve the modernization of industrial facilities,
 21 for funding the small business innovation research
 22 program, for funding activities as provided in section
 23 15E.158, for transferring \$50,000 of the funds
 24 appropriated in this section to the Iowa quality
 25 coalition for productivity enhancement projects, and
 26 for not more than the following full-time equivalent
 27 positions:

28	\$	2,000,000
29	FTEs	4.00

30 Sec. 6. There is appropriated from the general
 31 fund of the state to the Iowa seed capital corporation
 32 fund established in section 15E.89, for not more than
 33 the following full-time equivalent positions:

34	\$	853,085
35	FTEs	5.00

36 Sec. 7. There is appropriated from the general
 37 fund of the state to the Iowa state university of
 38 science and technology for the fiscal year beginning
 39 July 1, 1994, and ending June 30, 1995, the following
 40 amounts, or so much thereof as is necessary, to be
 41 used for the purposes designated:

42 1. For funding and maintaining in their current
 43 locations the existing small business development
 44 centers:

45	\$	1,079,389
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46 2. For funding the institute for physical research
 47 and technology:

48	\$	3,899,863
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49 It is the intent of the general assembly that the
 50 incentive program focus on Iowa industrial sectors and

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1 seek contributions and in-kind donations from
 2 businesses, industrial foundations, and trade
 3 associations and that moneys for the institute for
 4 physical research and technology industrial incentive
 5 program shall only be allocated for projects which are
 6 matched by private sector moneys for directed contract
 7 research or for nondirected research. The match
 8 required of small businesses as defined in section
 9 15.102, subsection 4, for directed contract research
 10 or for nondirected research shall be \$1 for each \$3 of
 11 state funds. The match required for other businesses
 12 for directed contract research or for nondirected
 13 research shall be \$1 for each \$1 of state funds. The
 14 match required of industrial foundations or trade
 15 associations shall be \$1 for each \$1 of state funds.
 16 Iowa state university shall report annually to the
 17 joint economic development subcommittee of the senate
 18 and house appropriations committees the total amounts
 19 of private contributions, the proportion of
 20 contributions from small businesses and other
 21 businesses, and the proportion for directed contract
 22 research and nondirected research of benefit to Iowa
 23 businesses and industrial sectors.

24 Notwithstanding section 8.33, moneys appropriated
 25 for any fiscal year which remain unobligated and
 26 unexpended at the end of the fiscal year shall not
 27 revert but shall be available for expenditure the
 28 following fiscal year and the appropriation for the
 29 incentive program for the following year shall be
 30 reduced by an equal amount.

31 Sec. 8. There is appropriated from the general
 32 fund of the state to the state university of Iowa for
 33 the fiscal year beginning July 1, 1994, and ending
 34 June 30, 1995, the following amount, or so much
 35 thereof as is necessary, to be used for the purpose
 36 designated:

37 For funding the advanced drug development program
 38 at the Oakdale research park:
 39 \$ 491,389

40 The board of regents shall submit a report on the
 41 progress of regents institutions in meeting the
 42 strategic plan for technology transfer and economic
 43 development to the chairpersons of the joint
 44 appropriations subcommittee on economic development,
 45 the joint appropriations subcommittee on education,
 46 the majority leader, and minority leaders of the
 47 senate, the majority and minority leaders of the house
 48 of representatives, the secretary of the senate, the
 49 chief clerk of the house of representatives, and the
 50 legislative fiscal bureau by November 1, 1994.

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1 Sec. 9. Not later than July 1, 1995, the
 2 department of economic development, with consultation
 3 and input from the general assembly, and
 4 representatives from business, labor, and education
 5 shall study and present recommendations to the general
 6 assembly which shall include but not be limited to the
 7 privatization and decentralization of Iowa's economic
 8 development efforts, the identification of areas
 9 appropriate to statewide economic development efforts
 10 and areas appropriate for regional economic
 11 development efforts, benchmark budgeting for statewide
 12 and regional efforts, the deregulation of economic
 13 development activities, and collaboration between
 14 public and private entities.

15 Sec. 10. 1993 Iowa Acts, chapter 167, section 3,
 16 subsection 3, is amended to read as follows:

17 3. For the workforce coordinator:

18	\$	73,000
19	FTEs	1.00

20 Any funds allocated for salary and benefits for the
 21 workforce coordinator, and not expended on June 30,
 22 1994, shall not revert, notwithstanding section 8.33,
 23 but shall be carried forward and be available for use
 24 for the workforce coordinator during the succeeding
 25 year.

26 Sec. 11. RURAL COMMUNITY 2000 TRANSFER.
 27 Notwithstanding the provisions in section 15.287,
 28 16.100, or other provision of law providing that
 29 moneys in the fund shall remain in the rural community
 30 2000 revolving fund of the state, not more than
 31 \$310,000 of the moneys in the revolving fund which
 32 remain unencumbered on July 1, 1993, shall be
 33 transferred and credited to the general fund of the
 34 state.

35 Sec. 12. LOTTERY TRANSFER. Notwithstanding the
 36 requirement in section 99E.10, subsection 1, to
 37 transfer lottery revenue remaining after expenses are
 38 deducted, notwithstanding the requirement under
 39 section 99E.20, subsection 2, for the commissioner to
 40 certify and transfer a portion of the lottery fund to
 41 the CLEAN fund, and notwithstanding the appropriations
 42 and allocations in section 99E.34, all lottery
 43 revenues received during the fiscal year beginning
 44 July 1, 1994, and ending June 30, 1995, after
 45 deductions as provided in section 99E.10, subsection
 46 1, and as appropriated under any Act of the Seventy-
 47 fifth General Assembly, 1994 Session, shall not be
 48 transferred to and deposited into the CLEAN fund but
 49 shall be transferred and credited to the general fund
 50 of the state.

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1 Sec. 13. IOWA PLAN FUND TRANSFER OF ACCOUNTS.
 2 Notwithstanding any provision to the contrary, all
 3 unencumbered or unobligated moneys in the jobs now
 4 capitals, jobs now, education and agriculture research
 5 and development, and surplus accounts of the Iowa plan
 6 fund under chapter 99E for economic development on the
 7 effective date of this Act shall be transferred to the
 8 general fund of the state to be used for any purposes
 9 for which appropriated by the general assembly
 10 notwithstanding the moneys in those accounts may have
 11 been previously appropriated for specific purposes.

12 Sec. 14. COMMUNITY COLLEGE JOB TRAINING FUND
 13 TRANSFER. Notwithstanding the provisions of section
 14 260F.6, 260F.8, or any other provision of law
 15 providing for retention of moneys in the community
 16 college job training fund, not more than \$40,000 of
 17 the moneys in the training fund which remain
 18 unencumbered on July 1, 1993, shall be transferred and
 19 credited to the general fund of the state.

20 Sec. 15. There is appropriated from the state's
 21 share of the receipts collected pursuant to section
 22 428A.1, prior to deposit in the general fund of the
 23 state under section 428A.8, to the Iowa finance
 24 authority for the fiscal year beginning July 1, 1994,
 25 and ending June 30, 1995, the following amount, or so
 26 much thereof as is necessary, to be used for the
 27 purpose designated:

28 For deposit in the housing improvement fund created
 29 in section 16.100 for purposes of the fund:
 30 \$ 300,000

31 Sec. 16. There is appropriated from the deaf
 32 interpreters revolving fund established in section
 33 15.108, subsection 7, paragraph "j", to the strategic
 34 investment fund for the fiscal year beginning July 1,
 35 1994, and ending June 30, 1995, the following amount:
 36 \$ 40,000

37 Sec. 17. Section 12.43, Code 1993, is amended by
 38 adding the following new subsection:

39 NEW SUBSECTION. 5. A preference shall be given to
 40 those persons who are less able than other persons to
 41 secure funds for a targeted small business without
 42 participation in the targeted small business linked
 43 investment program.

44 Sec. 18. Section 15.108, subsection 1, paragraph
 45 e, Code Supplement 1993, is amended by striking the
 46 paragraph.

47 Sec. 19. Section 15.251, subsection 3, Code
 48 Supplement 1993, is amended by striking the
 49 subsection.

50 Sec. 20. Section 15.308, subsection 2, paragraph

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1 a, Code 1993, is amended by striking the paragraph.
2 Sec. 21. Section 15E.81, Code 1993, is amended to
3 read as follows:

4 15E.81 TITLE.

5 This division may be cited as the "Iowa Product
6 Development Seed Capital Corporation Act".

7 Sec. 22. Section 15E.82, subsections 1, 2, and 5,
8 Code 1993, are amended to read as follows:

9 1. "Board" means the board of directors of the
10 Iowa product-development seed capital corporation.

11 2. "Corporation" means the Iowa product
12 development seed capital corporation.

13 5. "President" means the president of the Iowa
14 product-development seed capital corporation.

15 Sec. 23. Section 15E.83, Code 1993, is amended to
16 read as follows:

17 15E.83 ~~PRODUCE-DEVELOPMENT~~ SEED CAPITAL
18 CORPORATION.

19 1. ~~There is created a corporate body called the~~
20 ~~"Iowa product development corporation".~~ The
21 ~~corporation is a quasi-public instrumentality and the~~
22 ~~exercise of the powers granted to the corporation in~~
23 ~~this division is an essential governmental function.~~
24 The Iowa seed capital corporation shall be
25 incorporated under chapter 504A. The corporation
26 shall not be regarded as a state agency, except for
27 purposes of chapters 17A and 69, and a member of the
28 board is not considered a state employee, except for
29 purposes of chapter 669. An individual employed by
30 the corporation is a state employee for purposes of
31 the Iowa public employee's retirement system, state
32 health and dental plans, and other state employee
33 benefit plans and chapter 669. Chapters 8, 18, 19A,
34 and 20 and other provisions of law that relate to
35 requirements or restrictions dealing with state
36 personnel or state funds do not apply to the
37 corporation and any employees of the board or
38 corporation except to the extent provided in this
39 division. Chapters 21 and 22 shall apply to
40 activities of the corporation and to employees of the
41 board or corporation except to the extent provided in
42 this division.

43 2. The corporation shall be governed by a board of
44 seven directors who shall serve a term of four years.
45 ~~Each term shall begin and end as provided in section~~
46 ~~69.19.~~ ~~No more than a simple majority of the members~~
47 ~~of the board shall belong to the same political party~~
48 ~~as provided in section 69.16.~~ At least one director
49 shall be chosen from the accounting profession, at
50 least one director shall have local economic

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1 development experience, and at least two directors
2 shall be chosen from businesses with fewer than one
3 hundred employees. Each director shall serve at the
4 pleasure of the governor and shall be appointed by the
5 governor, subject to confirmation by the senate
6 pursuant to section 2.32. A director is eligible for
7 reappointment. A vacancy on the board of directors
8 shall be filled in the same manner as an original
9 appointment. For-the-initial-appointments-to-the
10 board-of-directors,-the-governor-shall-appoint-three
11 members-whose-terms-shall-commence-upon-appointment
12 and-shall-expire-April-30,-1985,-and-four-members
13 whose-terms-shall-commence-upon-appointment-and-shall
14 expire-April-30,-1987-

15 3. The board of directors shall annually elect one
16 member as chairperson and one member as secretary.
17 The board may elect other officers of the corporation
18 as necessary. Members shall be reimbursed for
19 necessary expenses incurred in the performance of
20 duties from funds appropriated to the Iowa department
21 of-economic-development corporation.

22 4. Each director of the corporation shall take an
23 oath of office and the record of each oath shall be
24 filed in the office of the secretary of state.

25 5. The corporation shall receive information and
26 cooperate with other agencies of the state and the
27 political subdivisions of the state.

28 ~~6--The-corporation-shall-be-a-part-of-the-Iowa~~
29 ~~department-of-economic-development-which-shall-provide~~
30 ~~all-staff-and-administrative-assistance.--The~~
31 ~~corporation-shall-submit-to-the-department-for-its~~
32 ~~approval-all-plans,-programs,-initiatives-and-budgets-~~

33 Sec. 24. Section 15E.86, Code 1993, is amended to
34 read as follows:

35 15E.86 PRESIDENT.

36 The ~~director-of-the-department-of-economic~~
37 development board shall appoint employ a president of
38 the corporation who shall serve at the pleasure of the
39 director board and shall receive the compensation
40 determined by the director board. ~~The-president-is-a~~
41 ~~state-employee-~~ The president shall not be a member
42 of the board of directors. The president is the chief
43 administrative and operational officer of the
44 corporation and shall direct and supervise the
45 administrative affairs and the general management of
46 the corporation subject to the direction and oversight
47 of the director board. The president may employ other
48 employees as designated by the board. The president
49 shall provide copies of all minutes, documents, and
50 other records of the corporation and shall provide a

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1 certificate which attests to truthfulness of the
2 copies, if requested. Persons dealing with the
3 corporation may rely upon the certificates. The
4 president shall keep a record of all proceedings,
5 documents, and papers filed with the corporation.

6 Sec. 25. Section 15E.87, subsection 1, Code 1993,
7 is amended to read as follows:

8 1. To have perpetual succession as a corporate
9 body and to adopt bylaws, policies, and procedures for
10 the regulation of its affairs and conduct of its
11 business consistent with the purposes of this
12 division. The Iowa seed capital corporation shall be
13 the legal successor entity to the Iowa product
14 development corporation and shall assume all property,
15 assets, and liabilities of the Iowa product
16 development corporation.

17 Sec. 26. Section 15E.87, subsection 4, Code 1993,
18 is amended by striking the subsection.

19 Sec. 27. Section 15E.87, subsection 7, Code 1993,
20 is amended to read as follows:

21 7. To employ assistants, agents, and other
22 employees ~~who shall be state employees~~ and to engage
23 consultants, attorneys, and appraisers as necessary or
24 desirable to carry out the purposes of the
25 corporation.

26 Sec. 28. Section 15E.88, Code 1993, is amended to
27 read as follows:

28 15E.88 APPLICATIONS FOR FINANCIAL AID.

29 ~~1. Applications for financial aid shall be~~
30 ~~forwarded, together with an application fee prescribed~~
31 ~~by the corporation, to the president of the~~
32 ~~corporation. The president, after preparing the~~
33 ~~necessary records for the corporation, shall forward~~
34 ~~each application to the staff of the corporation, for~~
35 ~~an investigation and report concerning the~~
36 ~~advisability of approving the financial aid for the~~
37 ~~company and concerning any other factors found~~
38 ~~relevant by the corporation. The investigation and~~
39 ~~report shall include but are not limited to the~~
40 following:

41 ~~a. The history of the applicant, its wage~~
42 ~~standards, job opportunities, and stability of~~
43 ~~employment.~~

44 ~~b. The extent of the applicant's dependence on~~
45 ~~agriculture.~~

46 ~~c. The applicant's past, present, and future~~
47 ~~financial condition and structure.~~

48 ~~d. The applicant's pro-forma income statements.~~

49 ~~e. The present and future market prospects for the~~
50 ~~product.~~

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1 ~~---f.---The-feasibility-of-the-proposed-project-or~~
 2 ~~invention-to-be-given-financial-aid-and-the-integrity~~
 3 ~~of-management.~~
 4 ~~---g.---The-state-of-the-project's-development.~~
 5 ~~---2.---After-receipt-and-consideration-of-the-report~~
 6 ~~and-any-other-action-the-corporation-finds-necessary,~~
 7 ~~the-corporation-shall-approve-or-deny-the-application.~~
 8 ~~The-president-shall-promptly-notify-an-applicant-by~~
 9 ~~certified-mail-of-the-disposition-of-its-application.~~
 10 ~~The-corporation-shall-give-priority-to-those~~
 11 ~~applicants-whose-business-is-agriculture-related-or~~
 12 ~~whose-business-is-located-in-an-area-which-the~~
 13 ~~corporation-determines-has-been-severely-adversely~~
 14 ~~affected-by-depressed-agricultural-prices-and-whose~~
 15 ~~proposed-product-or-invention-is-to-be-used-to-convert~~
 16 ~~all-or-a-portion-of-the-business-to-nonagriculture-~~
 17 ~~related-industrial-or-commercial-activity-or-to-create~~
 18 ~~a-new-nonagriculture-related-industrial-or-commercial~~
 19 ~~business.~~

20 1. Applications for financial aid shall be
 21 received and considered by the corporation pursuant to
 22 rules adopted by the board pursuant to chapter 17A.

23 § 2. Notwithstanding the requirements of chapter
 24 21, relating to open meetings, and chapter 22,
 25 relating to examination of public records, the
 26 corporation shall keep as confidential those items on
 27 the application for financial aid that the applicant
 28 has specifically requested to be held in confidence.
 29 These items shall remain confidential until the
 30 applicant says otherwise or the corporation determines
 31 the items no longer need to be held confidential.

32 Sec. 29. Section 15E.89, Code Supplement 1993, is
 33 amended to read as follows:

34 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL
 35 CORPORATION FUND.

36 1. There is created an "Iowa product-development
 37 seed capital corporation fund". All funds of the
 38 corporation including the proceeds from the issuance
 39 of notes or sale of bonds under this division, any
 40 funds appropriated to the corporation, and income
 41 derived from other sources from the exercise of powers
 42 granted to the corporation under this division shall
 43 be paid into the Iowa product-development seed capital
 44 corporation fund notwithstanding section 12.10. The
 45 money in the Iowa product-development seed capital
 46 corporation fund, except moneys held by a trustee or a
 47 depository pursuant to a bond resolution or indenture
 48 relating to the issuance of bonds or notes pursuant to
 49 section 15E.90 or 15E.91, shall be paid out on the
 50 order of the person authorized by the corporation.

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1 The money in the Iowa product-development seed capital
2 corporation fund shall be used for repayment of notes
3 and bonds issued under this division and the extension
4 of financial aid granted by the corporation under this
5 division, and the amount remaining may be used for the
6 payment of the administrative and overhead costs of
7 the corporation to the extent required. ~~There is also~~
8 ~~created in the Iowa product-development corporation~~
9 ~~fund an Iowa technology assistance program account,~~
10 ~~which shall provide seed capital for the~~
11 ~~commercialization of products, or the development of~~
12 ~~processes or materials through research at Iowa~~
13 ~~colleges and universities or by private industry.~~

14 2. Notwithstanding section 8.33, no part of the
15 ~~Iowa product-development corporation~~ this fund shall
16 revert at or after the close of a fiscal year unless
17 otherwise provided by the general assembly, but shall
18 remain in the fund and appropriated for the purposes
19 of this division. The board shall seek to repay the
20 state for appropriations by recommending to the
21 general assembly reversions from income received from
22 successful ventures. The board shall recommend such
23 action at any time when the revenue available to the
24 board is deemed sufficient to continue existing
25 operations.

26 3. Upon dissolution of the corporation, all
27 remaining moneys in the Iowa seed capital corporation
28 fund, as well as the net proceeds realized by the
29 corporation through the liquidation of the assets of
30 the corporation, shall revert to the state.

31 Sec. 30. Section 15E.90, Code 1993, is amended to
32 read as follows:

33 15E.90 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL
34 CORPORATION NOTES.

35 The corporation may issue Iowa product-development
36 seed capital corporation fund notes, the principal and
37 interest of which shall be payable solely from the
38 Iowa product-development seed capital corporation fund
39 established by this division. The fund notes of each
40 issue shall be dated, shall mature at such times and
41 may be made redeemable before maturity, at prices and
42 under terms and conditions as determined by the
43 corporation. The corporation shall determine the form
44 and manner of execution of the fund notes, including
45 any interest coupons to be attached, and shall fix the
46 denominations and the places of payment of principal
47 and interest, which may be any financial institution
48 within or without the state or any agent, including
49 the lender. If an officer whose signature or a
50 facsimile of whose signature appears on fund notes or

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1 coupons ceases to be that officer before the delivery
2 of the notes or coupons, the signature or facsimile is
3 valid and sufficient for all purposes the same as if
4 the officer had remained in office until delivery.
5 The fund notes may be issued in coupon or in
6 registered form, or both, as the corporation
7 determines, and provision may be made for the
8 registration of coupon fund notes as to principal
9 alone and also as to both principal and interest, and
10 for the conversion into coupon fund notes of any fund
11 notes registered as to both principal and interest,
12 and for the interchange of registered and coupon fund
13 notes. Fund notes shall bear interest at rates as
14 determined by the corporation and may be sold in a
15 manner, either at public or private sale, and for a
16 price as the corporation determines to be best to
17 effectuate the purposes of the Iowa product
18 development seed capital corporation fund. The
19 proceeds of fund notes shall be used solely for the
20 purposes for which issued and shall be disbursed in a
21 manner and under restrictions as provided in this
22 division and in the resolution of the corporation
23 providing for their issuance. The corporation may
24 provide for the replacement of fund notes which become
25 mutilated or are destroyed or lost.

26 Sec. 31. Section 15E.92, Code Supplement 1993, is
27 amended to read as follows:

28 15E.92 REPORTING AND FUND SOLVENCY.

29 The chairperson of the corporation on or before
30 December 31 of each fiscal year shall make and deliver
31 a report to the governor and the legislative fiscal
32 committee. The report shall include all transactions
33 conducted by the corporation in the preceding fiscal
34 year. The report shall also include a balance sheet
35 outlining the financial solvency of the Iowa product
36 development seed capital corporation fund, a certified
37 copy of any audits of the corporation conducted in the
38 preceding fiscal year, and other information requested
39 by the governor or the legislative fiscal committee.

40 Sec. 32. Section 15E.152, Code Supplement 1993, is
41 amended by adding the following new subsection:

42 NEW SUBSECTION. 7. Establishment of a seed
43 capital fund which shall be administered by the board
44 to provide seed capital for the commercialization of
45 product, or the development of processes or materials
46 through research at Iowa colleges and universities or
47 by private industry.

48 Sec. 33. Section 428A.8, unnumbered paragraph 1,
49 Code 1993, is amended to read as follows:

50 On or before the tenth day of each month the county

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1 recorder shall determine and pay to the treasurer of
2 state eighty-two and three-fourths percent of the
3 receipts from the real estate transfer tax collected
4 during the preceding month and the treasurer of state
5 shall deposit ninety-five percent of the receipts in
6 the general fund of the state and transfer five
7 percent of the receipts to the Iowa finance authority
8 for deposit in the housing improvement fund created in
9 section 16.100.

10 Sec. 34. Sections 99E.31, 99E.32, and 99E.33, Code
11 1993, are repealed effective June 30, 1994.

12 Sec. 35. BUDGET UNIT DESIGNATIONS. The department
13 of management shall, prior to January 15, 1995,
14 conform all budget unit designations to the
15 designations used in the Code.

16 Sec. 36. EFFECTIVE DATES.

17 1. Sections 11 through 16, being deemed of
18 immediate importance, take effect upon enactment.

19 2. Section 33 of this Act takes effect July 1,
20 1995."

21 2. Title page, line 4, by inserting after the
22 word "development" the following: ", and providing
23 effective dates".

By TONY BISIGNANO

S-5492 FILED APRIL 6, 1994

ADOPTED

Brisignans - Chair
Murphy
Borlaway

SSB. 2252
Appropriations

SENATE FILE 2312
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
THE SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act appropriating funds to the department of economic
2 development, the Iowa finance authority, and the Wallace
3 technology transfer foundation, and making statutory changes
4 relating to economic development including a conditional
5 property tax exemption, and providing effective dates.

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

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1 Section 1. There is appropriated from the general fund of
2 the state and other designated funds to the department of
3 economic development for the fiscal year beginning July 1,
4 1994, and ending June 30, 1995, the following amounts, or so
5 much thereof as is necessary, to be used for the purposes
6 designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 for providing a written report to the joint economic
11 development appropriations subcommittee and the legislative
12 fiscal bureau not later than January 15, 1995, regarding the
13 structure of or plans to implement an advertising sales
14 program:

15 \$ 892,000
16 FTEs 22.00

17 b. Primary research and computer center

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

21 \$ 326,000
22 FTEs 5.50

23 c. Film office

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

27 \$ 182,000
28 FTEs 2.00

29 2. BUSINESS DEVELOPMENT DIVISION

30 a. Business development operations

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

34 \$ 3,000,000
35 FTEs 16.00

1 b. Small business programs

2 For salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions for the small business program, the small business
5 advisory council, targeted small business program, business
6 incubators, and for deaf interpreters funded through the
7 economic development deaf interpreters revolving fund
8 established in section 15.108, subsection 7, paragraph "j":

9	\$	310,000
10	FTEs	5.50

11 The department shall report to the joint economic
12 development appropriations subcommittee and the legislative
13 fiscal bureau regarding the utilization of the deaf
14 interpreters by January 15, 1995, and the department shall
15 coordinate with the division of deaf services in the provision
16 of deaf interpreter services.

17 c. Federal procurement office

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

21	\$	98,000
22	FTEs	3.00

23 Notwithstanding section 8.33, moneys remaining unencumbered
24 or unobligated on June 30, 1995, shall not revert and shall be
25 available for expenditure during the fiscal year beginning
26 July 1, 1995, for the same purposes.

27 d. Strategic investment fund

28 For deposit in the strategic investment fund for salaries,
29 support, and for not more than the following full-time
30 equivalent positions:

31	\$	4,922,000
32	FTEs	10.00

33 e. Targeted small business incubator

34 Moneys appropriated for fiscal year 1994 and not expended
35 by June 30, 1994, shall not revert but shall be held by the

1 department for funding, with local matching funds, the
2 targeted small business incubator in Des Moines for the fiscal
3 year beginning July 1, 1994, and ending June 30, 1995:

4 For funding, with local matching funds, the targeted small
5 business incubator in Des Moines:

6 \$ 50,000

7 f. Insurance economic development

8 There is appropriated from moneys collected by the division
9 of insurance in excess of the anticipated gross revenues under
10 section 505.7, subsection 3, to the department for the fiscal
11 year beginning July 1, 1994, and ending June 30, 1995, the
12 following amount, or so much thereof as is necessary, for
13 insurance economic development and international insurance
14 economic development:

15 \$ 200,000

16 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

17 a. Community assistance

18 For salaries, support, maintenance, miscellaneous purposes,
19 and for not more than the following full-time equivalent
20 positions for administration of the community economic
21 preparedness program, the Iowa community betterment program,
22 and the city development board:

23 \$ 571,000

24 FTEs 7.50

25 b. Main street/rural main street program

26 For salaries and support for not more than the following
27 full-time equivalent positions:

28 \$ 400,000

29 FTEs 3.00

30 Notwithstanding section 8.33, moneys committed to grantees
31 under contract from the general fund of the state that remain
32 unexpended on June 30 of the fiscal year shall not revert to
33 any fund but shall be available for expenditure for purposes
34 of the contract during the succeeding fiscal year.

35 c. Rural development program

1 For salaries, support, maintenance, miscellaneous purposes,
 2 for not more than the following full-time equivalent positions
 3 for rural resource coordination, rural community leadership,
 4 and the rural enterprise fund:

5 \$ 450,000
 6 FTEs 4.50

7 There is also appropriated from the rural community 2000
 8 program revolving fund established in section 15.287 to the
 9 rural development program for the purposes of the program
 10 including the rural enterprise fund and collaborative skills
 11 development training:

12 \$ 226,000

13 Notwithstanding section 8.33, moneys committed to grantees
 14 under contract from the general fund of the state or through
 15 transfers from the Iowa community development loan fund or
 16 from the rural community 2000 program revolving fund that
 17 remain unexpended at the end of the fiscal year shall not
 18 revert but shall be available for expenditure for purposes of
 19 the contract during the succeeding fiscal year.

20 d. Community development block grant and HOME

21 For administration and related federal housing and urban
 22 development grant administration for salaries, support,
 23 maintenance, miscellaneous purposes, and for not more than the
 24 following full-time equivalent positions:

25 \$ 380,000
 26 FTEs 18.75

27 e. Councils of governments

28 There is appropriated from the rural community 2000 program
 29 revolving fund established in section 15.287 to provide to
 30 Iowa's councils of governments funds for planning and
 31 technical assistance funds to assist local governments to
 32 develop community development strategies for addressing long-
 33 term and short-term community needs:

34 \$ 178,000

35 4. INTERNATIONAL DIVISION

1 a. International trade operations
2 For conducting foreign trade missions on behalf of Iowa
3 businesses, salaries, support, maintenance, miscellaneous
4 purposes, for allocating \$100,000, or so much thereof as is
5 necessary, to fund the United States midwest Japan conference,
6 and for not more than the following full-time equivalent
7 positions:

8 \$ 776,000
9 FTEs 7.00

10 b. Foreign trade offices
11 For salaries, support, maintenance, miscellaneous purposes,
12 and for not more than the following full-time equivalent
13 positions:

14 \$ 585,000

15 c. Export trade assistance program
16 For export trade activities, including a program to
17 encourage and increase participation in trade shows and trade
18 missions by providing financial assistance to businesses for a
19 percentage of their costs of participating in trade shows and
20 trade missions, by providing for the lease/sublease of
21 showcase space in existing world trade centers, by providing
22 temporary office space for foreign buyers, international
23 prospects, and potential reverse investors, and by providing
24 other promotional and assistance activities, provided that the
25 department shall consult with the department of agriculture
26 and land stewardship prior to allocating export trade
27 assistance program moneys, including salaries and support for
28 not more than the following full-time equivalent positions:

29 \$ 317,000
30 FTEs 0.25

31 d. Agricultural product advisory council
32 For support, maintenance, and miscellaneous purposes:

33 \$ 1,330

34 e. For transfer to the partner state program which the
35 department may use to contract with private groups or

1 organizations which are the most appropriate to administer
2 this program and the groups and organizations participating in
3 the program shall, to the fullest extent possible, provide the
4 funds to match the appropriation made in this subsection of
5 the funds transferred, and \$10,000 shall be used only to
6 establish a partner state program with Vietnam:

7 \$ 106,000

8 f. For transfer to the Iowa peace institute for the
9 purpose of continuing to expand conflict resolution and
10 negotiation efforts in Iowa's schools and communities and
11 reporting to the joint appropriations subcommittee on economic
12 development by January 15, 1995, on all such activities
13 undertaken:

14 \$ 96,000

15 g. For transfer to the international development
16 foundation for the purposes of the foundation and reporting to
17 the joint appropriations subcommittee on economic development
18 by January 15, 1995, regarding actual and planned expenditures
19 for fiscal year 1995:

20 \$ 100,000

21 5. TOURISM DIVISION

22 a. Tourism operations

23 For salaries, support, maintenance, miscellaneous purposes,
24 and for not more than the following full-time equivalent
25 positions, provided that the appropriation shall not be used
26 for advertising placements for in-state and out-of-state
27 tourism marketing:

28 \$ 710,000

29 FTEs 17.77

30 b. Tourism advertising

31 For contracting exclusively for tourism advertising for in-
32 state and out-of-state tourism marketing services, tourism
33 promotion programs, electronic media, print media, and printed
34 materials:

35 \$ 2,437,000

1 The department shall not use the moneys appropriated in
2 this lettered paragraph unless the department develops public-
3 private partnerships with Iowa businesses in the tourism
4 industry, Iowa tour groups, Iowa tourism organizations, and
5 political subdivisions in this state to assist in the
6 development of advertising efforts. The department shall, to
7 the fullest extent possible, develop cooperative efforts for
8 advertising with contributions from other sources.

9 c. Welcome center program

10 To implement the recommendations of the statewide long-
11 range plan for developing and operating welcome centers
12 throughout the state, and for planning to construct the next
13 welcome center to be funded at living history farms:

14 \$ 250,000

15 Notwithstanding section 8.33, moneys committed to grantees
16 under contract that remain unexpended on June 30 of the fiscal
17 year shall not revert to any fund but shall be available for
18 expenditure for purposes of the contract during the succeeding
19 fiscal year.

20 6. WORKFORCE DEVELOPMENT DIVISION

21 a. Youth work force programs

22 For purposes of the conservation corps, including salary,
23 support, maintenance, miscellaneous purposes, and for not more
24 than the following full-time equivalent positions:

25 \$ 1,000,000

26 FTEs 2.40

27 The department may combine for administrative and budget
28 purposes the youth workforce conservation program and the Iowa
29 corps program.

30 Notwithstanding section 8.33, moneys committed to grantees
31 under contract that remain unexpended on June 30 of the fiscal
32 year shall not revert to any fund but shall be available for
33 expenditure for purposes of the contract during the succeeding
34 fiscal year.

35 b. Job retraining program

1 To the community college job training fund created in
2 section 260F.6, including salaries and support for not more
3 than the following full-time equivalent positions:

4	\$	767,000
5	FTEs	1.30

6 There is appropriated from the rural community 2000 program
7 revolving fund established in section 15.287 to the community
8 college job training fund created in section 260F.6,
9 subsection 1, \$125,000. It is the intent of the general
10 assembly that up to \$100,000 of all funds appropriated to the
11 program and some or all of the full-time equivalent positions
12 may be used for the administration of the Iowa small business
13 new jobs training Act.

14 c. Workforce investment program

15 For purposes of the workforce investment program, for a
16 competitive grant program by the department in consultation
17 with the state job training coordinating council for projects
18 that increase Iowa's pool of available labor via training and
19 support services with priority given to projects which serve
20 displaced homemakers or welfare recipients, including salaries
21 and support for not more than the following full-time
22 equivalent positions:

23	\$	476,000
24	FTEs	0.90

25 The department shall ensure that the workforce investment
26 program is coordinated with services provided under the
27 federal Job Training Partnership Act and that welfare
28 recipients receive priority for services under both programs.

29 Notwithstanding section 8.33, moneys committed to grantees
30 under contract that remain unexpended at the end of the fiscal
31 year, shall not revert to any fund but shall be available for
32 expenditure for purposes of the contract during the succeeding
33 fiscal year.

34 d. Labor management councils

35 For salaries, support, maintenance, miscellaneous purposes,

1 and for not more than the following full-time equivalent
2 positions:

3	\$	174,000
4	FTEs	0.50

5 The department shall not use moneys appropriated in this
6 lettered paragraph for grants to grantees who do not
7 facilitate the active participation of labor as members of
8 labor management councils or who fail to make a good faith
9 effort to either schedule meetings during nonworking hours or
10 obtain voluntary agreements with employers to allow employees
11 time off to attend labor management council meetings with no
12 loss of pay or other benefits.

13 Notwithstanding section 8.33, moneys committed to grantees
14 under contract that remain unexpended on June 30 of the fiscal
15 year shall not revert to any fund but shall be available for
16 expenditure for purposes of the contract during the succeeding
17 fiscal year.

18 Sec. 2. Notwithstanding section 15E.120, subsections 5, 6,
19 and 7, and section 15.287, there is appropriated from the Iowa
20 community development loan fund from the moneys available
21 during the fiscal year beginning July 1, 1994, and ending June
22 30, 1995, to the department of economic development for the
23 rural development program to be used by the department for the
24 purposes of the program.

25 Sec. 3. Notwithstanding section 15.251, subsection 2,
26 there is appropriated from the job training fund created in
27 the office of the treasurer of state to the department of
28 economic development for the fiscal year beginning July 1,
29 1994, and ending June 30, 1995, the following amounts, or so
30 much thereof as is necessary, to be used for the purposes
31 designated:

32 1. For administration of chapter 260E, including salaries,
33 support, maintenance, miscellaneous purposes, and for not more
34 than the following full-time equivalent positions:

35	\$	150,000
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1 FTEs 2.40

2 2. For the target alliance program:

3 \$ 30,000

4 3. For the job retraining program under section 260F.6:

5 \$ 273,000

6 Sec. 4. There is appropriated from the general fund of the
7 state to the Wallace technology transfer foundation for the
8 fiscal year beginning July 1, 1994, and ending June 30, 1995,
9 the following amount, or so much thereof as is necessary, to
10 be used for the purposes designated:

11 For salaries, support, maintenance, and other operational
12 purposes, for administering the industrial technology access
13 program, for approving and submitting to the governor and
14 general assembly not later than January 15 an annual report
15 relating to performance goals of and efforts by the foundation
16 to improve the modernization of industrial facilities, for
17 funding the small business innovation research program, for
18 funding activities as provided in section 15E.158, for
19 transferring \$50,000 of the funds appropriated in this section
20 to the Iowa quality coalition for productivity enhancement
21 projects, and for allocating \$350,000 to the industrial
22 technology assistance program and for not more than the
23 following full-time equivalent positions:

24 \$ 2,100,000

25 FTEs 4.00

26 Sec. 5. There is appropriated from the general fund of the
27 state to the Iowa seed capital corporation fund established in
28 section 15E.89, for not more than the following full-time
29 equivalent positions:

30 \$ 853,000

31 FTEs 5.00

32 Sec. 6. There is appropriated from the general fund of the
33 state to the Iowa state university of science and technology
34 for the fiscal year beginning July 1, 1994, and ending June
35 30, 1995, the following amounts, or so much thereof as is

1 necessary, to be used for the purposes designated:

2 1. For funding and maintaining in their current locations
3 the existing small business development centers, for not more
4 than the following full-time equivalent positions and for
5 using \$38,000 or so much thereof as is necessary for salary
6 increases of up to four percent for non-Iowa state university
7 employees:

8 \$ 1,079,000

9 2. For funding the institute for physical research and
10 technology, and for not more than the following full-time
11 equivalent positions:

12 \$ 3,900,000

13 Sec. 7. There is appropriated from the general fund of the
14 state to the state university of Iowa for the fiscal year
15 beginning July 1, 1994, and ending June 30, 1995, the
16 following amount, or so much thereof as is necessary, to be
17 used for the purpose designated:

18 For funding the advanced drug development program at the
19 Oakdale research park, and for not more than the following
20 full-time equivalent positions:

21 \$ 491,389

22 The board of regents shall submit a report on the progress
23 of regents institutions in meeting the strategic plan for
24 technology transfer and economic development to the
25 chairpersons of the joint appropriations subcommittee on
26 economic development, the joint appropriations subcommittee on
27 education, the majority leader, and minority leaders of the
28 senate, the majority and minority leaders of the house of
29 representatives, the secretary of the senate, the chief clerk
30 of the house of representatives, and the legislative fiscal
31 bureau by November 1, 1994.

32 Sec. 8. Not later than July 1, 1995, the department of
33 economic development, with consultation and input from the
34 general assembly, and representatives from business, labor,
35 and education shall study and present recommendations to the

1 general assembly which shall include but not be limited to the
2 privatization and decentralization of Iowa's economic
3 development efforts, the identification of areas appropriate
4 to statewide economic development efforts and areas
5 appropriate for regional economic development efforts,
6 benchmark budgeting for statewide and regional efforts, the
7 deregulation of economic development activities, and
8 collaboration between public and private entities.

9 Sec. 9. 1993 Iowa Acts, chapter 167, section 3, subsection
10 3, is amended to read as follows:

11 3. For the workforce coordinator:

12 \$ 73,000
13 FTEs 1.00

14 Any funds allocated for salary and benefits for the
15 workforce coordinator, and not expended on June 30, 1994,
16 shall not revert, notwithstanding section 8.33, but shall
17 remain in the fund for expenditure for purposes of the fund
18 during the succeeding year.

19 Sec. 10. There is appropriated from the general fund of
20 the state to the Iowa finance authority for the fiscal year
21 beginning July 1, 1994, and ending June 30, 1995, the
22 following amount, or so much thereof as is necessary, to be
23 used for the purpose designated:

24 For deposit in the housing improvement fund created in
25 section 16.100 for purposes of the fund:

26 \$ 500,000

27 Sec. 11. There is appropriated from the deaf interpreters
28 revolving fund established in section 15.108, subsection 7,
29 paragraph "j", to the strategic investment fund for the fiscal
30 year beginning July 1, 1994, and ending June 30, 1995, the
31 following amount:

32 \$ 40,000

33 Sec. 12. Section 15E.81, Code 1993, is amended to read as
34 follows:

35 15E.81 TITLE.

1 This division may be cited as the "Iowa Product-Development
2 Seed Capital Corporation Act".

3 Sec. 13. Section 15E.82, subsections 1, 2, and 5, Code
4 1993, are amended to read as follows:

5 1. "Board" means the board of directors of the Iowa
6 product-development seed capital corporation.

7 2. "Corporation" means the Iowa product-development seed
8 capital corporation.

9 5. "President" means the president of the Iowa product
10 development seed capital corporation.

11 Sec. 14. Section 15E.83, Code 1993, is amended to read as
12 follows:

13 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION.

14 ~~1. There is created a corporate body called the "Iowa~~
15 ~~product-development corporation".--The corporation is a quasi-~~
16 ~~public instrumentality and the exercise of the powers granted~~
17 ~~to the corporation in this division is an essential~~
18 ~~governmental function.~~ The Iowa seed capital corporation
19 shall be incorporated under chapter 504A. The corporation
20 shall not be regarded as a state agency, except for purposes
21 of chapter 17A, and a member of the board is not considered a
22 state employee, except for purposes of chapter 669. An
23 individual employed by the corporation is a state employee for
24 purposes of the Iowa public employee's retirement system,
25 state health and dental plans, and other state employee
26 benefit plans and chapter 669. Chapters 8, 18, 19A, and 20
27 and other provisions of law that relate to requirements or
28 restrictions dealing with state personnel or state funds do
29 not apply to the corporation and any employees of the board or
30 corporation except to the extent provided in this division.

31 2. The corporation shall be governed by a board of seven
32 directors who shall serve a term of four years. Each term
33 shall begin and end as provided in section 69.19. No more
34 than a simple majority of the members of the board shall
35 belong to the same political party as provided in section

1 69.16. Each director shall serve at the pleasure of the
2 governor and shall be appointed by the governor, subject to
3 confirmation by the senate pursuant to section 2.32. A
4 director is eligible for reappointment. A vacancy on the
5 board of directors shall be filled in the same manner as an
6 original appointment. ~~For-the-initial-appointments-to-the~~
7 ~~board-of-directors, the-governor-shall-appoint-three-members~~
8 ~~whose-terms-shall-commence-upon-appointment-and-shall-expire~~
9 ~~April-30, 1985, and-four-members-whose-terms-shall-commence~~
10 ~~upon-appointment-and-shall-expire-April-30, 1987.~~

11 3. The board of directors shall annually elect one member
12 as chairperson and one member as secretary. The board may
13 elect other officers of the corporation as necessary. Members
14 shall be reimbursed for necessary expenses incurred in the
15 performance of duties from funds appropriated to the ~~Iowa~~
16 department-of-economic-development corporation.

17 4. Each director of the corporation shall take an oath of
18 office and the record of each oath shall be filed in the
19 office of the secretary of state.

20 5. The corporation shall receive information and cooperate
21 with other agencies of the state and the political
22 subdivisions of the state.

23 ~~6. The-corporation-shall-be-a-part-of-the-Iowa-department~~
24 ~~of-economic-development-which-shall-provide-all-staff-and~~
25 ~~administrative-assistance. The-corporation-shall-submit-to~~
26 ~~the-department-for-its-approval-all-plans, programs,~~
27 ~~initiatives-and-budgets.~~

28 Sec. 15. Section 15E.86, Code 1993, is amended to read as
29 follows:

30 15E.86 PRESIDENT.

31 ~~The-director-of-the-department-of-economic-development~~
32 board shall appoint employ a president of the corporation who
33 shall serve at the pleasure of the director board and shall
34 receive the compensation determined by the director board.
35 ~~The-president-is-a-state-employee.~~ The president shall not be

1 a member of the board of directors. The president is the
2 chief administrative and operational officer of the
3 corporation and shall direct and supervise the administrative
4 affairs and the general management of the corporation subject
5 to the direction and oversight of the director board. The
6 president may employ other employees as designated by the
7 board. The president shall provide copies of all minutes,
8 documents, and other records of the corporation and shall
9 provide a certificate which attests to truthfulness of the
10 copies, if requested. Persons dealing with the corporation
11 may rely upon the certificates. The president shall keep a
12 record of all proceedings, documents, and papers filed with
13 the corporation.

14 Sec. 16. Section 15E.87, subsection 1, Code 1993, is
15 amended to read as follows:

16 1. To have perpetual succession as a corporate body and to
17 adopt bylaws, policies, and procedures for the regulation of
18 its affairs and conduct of its business consistent with the
19 purposes of this division.

20 Sec. 17. Section 15E.87, subsection 4, Code 1993, is
21 amended by striking the subsection.

22 Sec. 18. Section 15E.87, subsection 7, Code 1993, is
23 amended to read as follows:

24 7. To employ assistants, agents, and other employees who
25 ~~shall be state employees~~ and to engage consultants, attorneys,
26 and appraisers as necessary or desirable to carry out the
27 purposes of the corporation.

28 Sec. 19. Section 15E.88, Code 1993, is amended to read as
29 follows:

30 15E.88 APPLICATIONS FOR FINANCIAL AID.

31 ~~1. Applications for financial aid shall be forwarded,~~
32 ~~together with an application fee prescribed by the~~
33 ~~corporation, to the president of the corporation. The~~
34 ~~president, after preparing the necessary records for the~~
35 ~~corporation, shall forward each application to the staff of~~

1 the corporation, for an investigation and report concerning
2 the advisability of approving the financial aid for the
3 company and concerning any other factors found relevant by the
4 corporation. The investigation and report shall include but
5 are not limited to the following:

6 a. The history of the applicant, its wage standards, job
7 opportunities, and stability of employment.

8 b. The extent of the applicant's dependence on
9 agriculture.

10 c. The applicant's past, present, and future financial
11 condition and structure.

12 d. The applicant's pro forma income statements.

13 e. The present and future market prospects for the
14 product.

15 f. The feasibility of the proposed project or invention to
16 be given financial aid and the integrity of management.

17 g. The state of the project's development.

18 2. After receipt and consideration of the report and any
19 other action the corporation finds necessary, the corporation
20 shall approve or deny the application. The president shall
21 promptly notify an applicant by certified mail of the
22 disposition of its application. The corporation shall give
23 priority to those applicants whose business is agriculture
24 related or whose business is located in an area which the
25 corporation determines has been severely adversely affected by
26 depressed agricultural prices and whose proposed product or
27 invention is to be used to convert all or a portion of the
28 business to nonagriculture related industrial or commercial
29 activity or to create a new nonagriculture related industrial
30 or commercial business.

31 1. Applications for financial aid shall be received and
32 considered by the corporation pursuant to rules adopted by the
33 board pursuant to chapter 17A.

34 3 2. Notwithstanding the requirements of chapter 21,
35 relating to open meetings, and chapter 22, relating to

1 examination of public records, the corporation shall keep as
2 confidential those items on the application for financial aid
3 that the applicant has specifically requested to be held in
4 confidence. These items shall remain confidential until the
5 applicant says otherwise or the corporation determines the
6 items no longer need to be held confidential.

7 Sec. 20. Section 15E.89, Code Supplement 1993, is amended
8 to read as follows:

9 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION
10 FUND.

11 1. There is created an "Iowa product-development seed
12 capital corporation fund". All funds of the corporation
13 including the proceeds from the issuance of notes or sale of
14 bonds under this division, any funds appropriated to the
15 corporation, and income derived from other sources from the
16 exercise of powers granted to the corporation under this
17 division shall be paid into the Iowa product-development seed
18 capital corporation fund notwithstanding section 12.10. The
19 money in the Iowa product-development seed capital corporation
20 fund, except moneys held by a trustee or a depository pursuant
21 to a bond resolution or indenture relating to the issuance of
22 bonds or notes pursuant to section 15E.90 or 15E.91, shall be
23 paid out on the order of the person authorized by the
24 corporation. The money in the Iowa product-development seed
25 capital corporation fund shall be used for repayment of notes
26 and bonds issued under this division and the extension of
27 financial aid granted by the corporation under this division,
28 and the amount remaining may be used for the payment of the
29 administrative and overhead costs of the corporation to the
30 extent required. ~~There is also created in the Iowa product~~
31 ~~development corporation fund an Iowa technology assistance~~
32 ~~program account, which shall provide seed capital for the~~
33 ~~commercialization of products, or the development of processes~~
34 ~~or materials through research at Iowa colleges and~~
35 ~~universities or by private industry.~~

1 2. Notwithstanding section 8.33, no part of the-Iowa
2 ~~product-development-corporation~~ this fund shall revert at or
3 after the close of a fiscal year unless otherwise provided by
4 the general assembly, but shall remain in the fund and
5 appropriated for the purposes of this division. The board
6 shall seek to repay the state for appropriations by
7 recommending to the general assembly reversions from income
8 received from successful ventures. The board shall recommend
9 such action at any time when the revenue available to the
10 board is deemed sufficient to continue existing operations.

11 3. Upon dissolution of the corporation, all remaining
12 moneys in the Iowa seed capital corporation fund, as well as
13 the net proceeds realized by the corporation through the
14 liquidation of the assets of the corporation, shall revert to
15 the state.

16 Sec. 21. Section 15E.90, Code 1993, is amended to read as
17 follows:

18 15E.90 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION NOTES.

19 The corporation may issue Iowa product-development seed
20 capital corporation fund notes, the principal and interest of
21 which shall be payable solely from the Iowa product
22 development seed capital corporation fund established by this
23 division. The fund notes of each issue shall be dated, shall
24 mature at such times and may be made redeemable before
25 maturity, at prices and under terms and conditions as
26 determined by the corporation. The corporation shall
27 determine the form and manner of execution of the fund notes,
28 including any interest coupons to be attached, and shall fix
29 the denominations and the places of payment of principal and
30 interest, which may be any financial institution within or
31 without the state or any agent, including the lender. If an
32 officer whose signature or a facsimile of whose signature
33 appears on fund notes or coupons ceases to be that officer
34 before the delivery of the notes or coupons, the signature or
35 facsimile is valid and sufficient for all purposes the same as

1 if the officer had remained in office until delivery. The
2 fund notes may be issued in coupon or in registered form, or
3 both, as the corporation determines, and provision may be made
4 for the registration of coupon fund notes as to principal
5 alone and also as to both principal and interest, and for the
6 conversion into coupon fund notes of any fund notes registered
7 as to both principal and interest, and for the interchange of
8 registered and coupon fund notes. Fund notes shall bear
9 interest at rates as determined by the corporation and may be
10 sold in a manner, either at public or private sale, and for a
11 price as the corporation determines to be best to effectuate
12 the purposes of the Iowa product-development seed capital
13 corporation fund. The proceeds of fund notes shall be used
14 solely for the purposes for which issued and shall be
15 disbursed in a manner and under restrictions as provided in
16 this division and in the resolution of the corporation
17 providing for their issuance. The corporation may provide for
18 the replacement of fund notes which become mutilated or are
19 destroyed or lost.

20 Sec. 22. Section 15E.92, Code Supplement 1993, is amended .
21 to read as follows:

22 15E.92 REPORTING AND FUND SOLVENCY.

23 The chairperson of the corporation on or before December 31
24 of each fiscal year shall make and deliver a report to the
25 governor and the legislative fiscal committee. The report
26 shall include all transactions conducted by the corporation in
27 the preceding fiscal year. The report shall also include a
28 balance sheet outlining the financial solvency of the Iowa
29 product-development seed capital corporation fund, a certified
30 copy of any audits of the corporation conducted in the
31 preceding fiscal year, and other information requested by the
32 governor or the legislative fiscal committee.

33 Sec. 23. Section 15E.152, Code Supplement 1993, is amended
34 by adding the following new subsection:

35 NEW SUBSECTION. 7. Establishment of a seed capital fund

1 which shall be administered by the board to provide seed
2 capital for the commercialization of product, or the
3 development of processes or materials through research at Iowa
4 colleges and universities or by private industry.

5 Sec. 24. Section 427.1, Code Supplement 1993, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 44. A business which has, since January
8 1, 1990, invested at least two hundred fifty million dollars
9 in a manufacturing facility in Iowa is entitled to a twenty-
10 year exemption from taxation for all property, as defined in
11 section 427A.1, subsection 1, paragraphs "e" and "j", Code
12 1993, used at the facility under the following circumstances:

13 a. The city in which the facility is located or county, if
14 the facility is not within a city, enacts an ordinance or
15 resolution exempting the property from taxation.

16 b. The property is functionally identical or similar to
17 the property used by a primary business which is exempt from
18 taxation under section 15A.9, subsection 5. The exemption
19 shall also apply to property in the facility which is an
20 integral part of the operation of the facility, or supports,
21 supplies, or further processes the products manufactured at
22 the facility.

23 Sec. 25. LEASE-PURCHASE -- BUDGET SUBMISSION. This
24 section applies to each state agency receiving an
25 appropriation in this Act. The departmental estimate required
26 under section 8.23 for the fiscal period beginning July 1,
27 1995, which includes the state agency, shall provide an
28 itemized list indicating the nature and amount of each lease-
29 purchase contract payment included in the estimate for
30 proposed contracts which have not been reported by the state
31 agency to the legislative fiscal committee of the legislative
32 council pursuant to section 8.46 prior to the submission of
33 the estimate. The governor shall include in the governor's
34 budget for the fiscal year beginning July 1, 1995, a listing
35 indicating the nature and amount of each lease-purchase

1 contract which was itemized in a departmental estimate in
2 accordance with this section and is included in the governor's
3 budget. A state agency receiving an appropriation in this Act
4 shall not enter into a lease-purchase contract during the
5 fiscal year beginning July 1, 1995, unless the contract was
6 itemized in a departmental estimate and included in the
7 governor's budget in accordance with this section.

8

EXPLANATION

9 This bill makes appropriations and transfers from the
10 general fund and other funds to the department of economic
11 development, the Wallace technology transfer foundation, the
12 Iowa seed capital corporation, the Iowa finance authority, and
13 the general fund.

14 The bill also changes the name of the Iowa product
15 development corporation to the Iowa seed capital corporation
16 and transfers administration of the seed capital fund back to
17 the Wallace technology transfer foundation. In addition, the
18 bill provides that the Iowa seed capital corporation shall be
19 incorporated as a nonprofit corporation under chapter 504A.
20 The bill provides that the corporation is not a state agency
21 and its employees are not to be considered state employees
22 except in certain circumstances.

23 In addition, the bill provides a property tax exemption for
24 certain machinery and equipment put in place since January 1,
25 1990, which is functionally similar to machinery and equipment
26 exempt under section 15A.9. The exemption requires an
27 ordinance or resolution to be passed by the city or county in
28 which the machinery and equipment are located.

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