

REPRINTED

FILED FEB 25 1997

SENATE FILE 205
BY COMMITTEE ON SMALL BUSINESS,
ECONOMIC DEVELOPMENT AND
TOURISM

(SUCCESSOR TO SSB 73)

Passed Senate, Date 3-17-97 ^(P.632) Passed House, Date 4-8-97 ^(P.1050)
Vote: Ayes 47 Nays 2 Vote: Ayes 93 Nays 1
Approved April 11, 1997

A BILL FOR

1 An Act relating to continued eligibility under the new jobs and
2 income program concerning the ownership of land by nonresident
3 aliens and certain capital investment and job creation
4 provisions.

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

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S.F. 205

1 Section 1. Section 15.331B, subsection 3, Code 1997, is
2 amended by striking the subsection.

3 Sec. 2. Section 15.337, unnumbered paragraph 3, Code 1997,
4 is amended by striking the unnumbered paragraph.

5 EXPLANATION

6 Code section 15.331B provides an exemption from the land
7 ownership restrictions for nonresident aliens. This bill
8 repeals the provision in section 15.331B which limits
9 eligibility for this exemption to businesses which apply for
10 an exempt business designation by July 1, 1998.

11 Code section 15.337 relates to the waiver of qualification
12 requirements for the new jobs and income program. The
13 qualification requirements included in this waiver are the
14 capital investment requirement and the requirement for number
15 of positions created. This bill repeals the provision in
16 section 15.337 which states that the department of economic
17 development cannot grant such waivers after June 30, 1998.

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SENATE FILE 205

S-3137

- 1 Amend Senate File 205 as follows:
- 2 1. Page 1, by striking lines 1 and 2 and
- 3 inserting the following:
- 4 "Sec. ____ . Section 15.331B, subsection 3, Code
- 5 1997, is amended to read as follows:
- 6 3. An eligible business shall not receive the
- 7 exemption under this section unless it has applied to
- 8 be designated an exempt business by July 1, ~~1998~~
- 9 2002."
- 10 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL
SHELDON RITTMER

S-3137 FILED MARCH 17, 1997

ADOPTED *P.632*
3-17-97

SENATE FILE 205

S-3136

- 1 Amend Senate File 205 as follows:
- 2 1. Page 1, by striking lines 1 through 4 and
- 3 inserting the following:
- 4 "Sec. ____ . Section 15.331B, subsection 3, Code
- 5 1997, is amended to read as follows:
- 6 3. An eligible business shall not receive the
- 7 exemption under this section unless it has applied to
- 8 be designated an exempt business by July 1, ~~1998~~ 2002.
- 9 Sec. ____ . Section 15.337, unnumbered paragraph 3,
- 10 Code 1997, is amended to read as follows:
- 11 The department shall not grant a waiver under this
- 12 section after June 30, ~~1998~~ 2002."
- 13 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3136 FILED MARCH 17, 1997

RULED OUT OF ORDER (*P.632*)
3-17-97

SENATE FILE 205

S-3113

- 1 Amend Senate File 205 as follows:
- 2 1. Page 1, by striking lines 1 through 4 and
- 3 inserting the following:
- 4 "Sec. ____ . Section 15.331B, subsection 3, Code
- 5 1997, is amended to read as follows:
- 6 3. An eligible business shall not receive the
- 7 exemption under this section unless it has applied to
- 8 be designated an exempt business by July 1, ~~1998~~ 1999.
- 9 Sec. ____ . Section 15.337, unnumbered paragraph 3,
- 10 Code 1997, is amended to read as follows:
- 11 The department shall not grant a waiver under this
- 12 section after June 30, ~~1998~~ 1999."
- 13 2. By renumbering as necessary.

By TOM VILSACK

S-3113 FILED MARCH 5, 1997

Lost 3/17/97 (p.627)

1 Section 1. Section 15.331B, subsection 3, Code 1997, is
2 amended to read as follows:

3 3. An eligible business shall not receive the exemption
4 under this section unless it has applied to be designated an
5 exempt business by July 1, ~~1998~~ 2002.

6 Sec. 2. Section 15.337, unnumbered paragraph 3, Code 1997,
7 is amended by striking the unnumbered paragraph.

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Schwarer, Chair
Hymn
Boutger

SSB - 73

Small Bus., Econ
Develop Tourism

SENATE/HOUSE FILE Succeeded By
BY (PROPOSED DEPARTMENT OF ~~SE~~ ~~HE~~ 205
ECONOMIC DEVELOPMENT
BILL)

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

A BILL FOR

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MEMORANDUM ON PROPOSED LEGISLATION
LSB # 1323DP

TO: Members of the Iowa General Assembly
FROM: Iowa Department of Economic Development
DATE: January 8, 1997
RE: New Jobs and Income Program
* foreign ownership of land sunset
* job creation and capital investment waiver sunset

Foreign Ownership of Land Sunset

In 1996 the Iowa Legislature passed House File 2234, a bill which allows a community filing an application for a New Jobs and Income Program (NJIP) candidate business to request the waiver of language in the Code restricting the amount of land a foreign corporation may own for purposes of building manufacturing or processing facilities. As a result of this legislation, an eligible business may now acquire and own up to one thousand (1000) acres of land, with an option to lease an additional two-hundred eighty acres (280), within a designated economic development area. After five years, the eligible business may receive one or more one-year extensions of the time limit allowed for using the land it has acquired. These extensions must be approved by the community prior to approval by the Iowa Department of Economic Development (IDED).

The language enacted into law by House File 2234 denies the ability of communities to request such a waiver for foreign corporations under NJIP after June 30, 1998. The ability to waive land ownership restrictions has proven to be a very effective tool used by communities across the state to attract high-quality, foreign-owned manufacturers and processors. NJIP projects are, by their very nature, complicated and time consuming. It is not unusual for several years to pass from the point at which discussions between the community and company commence to when negotiations are finally completed. The continued existence of sunsets such as this will inhibit the ability of Iowa communities to aggressively pursue those NJIP projects which would entail the need to request a waiver of this kind. As a result, IDED seeks the repeal of this sunset provision.

Job Creation and Capital Investment Waiver Sunset

In 1996 the General Assembly passed House File 2481, a bill which allows a community filing an application for an NJIP candidate business to request the waiver of specific qualifying requirements of the program, namely the number of jobs to be created and the level of capital investment. This legislation also authorizes IDED to grant the request if the applying community has shown good cause for such a waiver. However, the legislation terminates the ability of IDED to grant such waiver requests after June 30, 1998.

This waiver component of the program has proven to be quite popular and successful, particularly with rural communities which have a smaller pool of available labor from which to draw. NJIP projects are, by their very nature, complicated and time consuming. It is not unusual for several years to pass from the point at which discussions between the community and company commence to when negotiations are finally completed. The continued existence of sunsets such as this will inhibit the ability of Iowa communities to aggressively pursue those NJIP projects which would entail the need to request a waiver of this kind. As a result, IDED seeks the repeal of the sunset provision.

Comments or questions regarding either of these issues? Contact IDED's Legislative Liaison, Elliott Smith (ph: 242-4777).

Sec. 2. Section 15.337, unnumbered paragraph 3, Code 1997, is amended by striking the unnumbered paragraph.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

SENATE FILE 205

AN ACT

RELATING TO CONTINUED ELIGIBILITY UNDER THE NEW JOBS AND INCOME PROGRAM CONCERNING THE OWNERSHIP OF LAND BY NON-RESIDENT ALIENS AND CERTAIN CAPITAL INVESTMENT AND JOB CREATION PROVISIONS.

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

Section 1. Section 15.331B, subsection 3, Code 1997, is amended to read as follows:

3. An eligible business shall not receive the exemption under this section unless it has applied to be designated an exempt business by July 1, 1998 2002.

I hereby certify that this bill originated in the Senate and is known as Senate File 205, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved *April 11*, 1997

TERRY E. BRANSTAD
Governor