

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

**Proposing rule making related to the bioscience development corporation
and providing an opportunity for public comment**

The Economic Development Authority (IEDA) hereby proposes to amend Chapter 1, “Organization,” Chapter 101, “Mission and Responsibilities,” Chapter 106, “Small Business Innovation Research and Technology Transfer Outreach Program,” and Chapter 108, “Acceleration and Development of Innovative Ideas and Businesses,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 15.106A.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.107.

Purpose and Summary

As initially codified, Iowa Code section 15.107 directed the IEDA to establish the Iowa Innovation Corporation. The section was stricken in 2019 Iowa Acts, Senate File 228, section 7, and replaced with a new Iowa Code section 15.107 that directs the IEDA to establish a bioscience development corporation.

In addition to other corrective and clarifying changes, the proposed rule making replaces references in Chapters 1, 101, and 106 to the “Iowa innovation corporation” with references to the “bioscience development corporation established pursuant to Iowa Code section 15.107.” In Chapter 108, references to “the corporation” are being replaced with references to a service provider retained by the IEDA pursuant to Iowa Code section 15.411.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the IEDA for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the IEDA no later than 4:30 p.m. on April 12, 2022. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 261—1.2(15) as follows:

261—1.2(15) Definitions. As used in these rules, unless the context otherwise requires:

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Authority’s ~~Web site~~ website*” means the information and related content found at <http://www.iowaeconomicdevelopment.com/> www.iowaeda.com and may include content at affiliated sites whose content is integrated with that site, including <http://www.traveliowa.com/> www.traveliowa.com.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Committee*” means a committee established by the board and includes any standing committees established by rule or ad hoc committees created as necessary.

“*Corporation*” ~~or “HC”~~ means the ~~Iowa innovation bioscience development~~ Iowa innovation bioscience development corporation ~~created established~~ pursuant to Iowa Code section 15.107.

“*Director*” means the director of the authority or the director’s designee.

ITEM 2. Amend paragraph **1.3(5)“a”** as follows:

a. Meetings of the authority are held at the call of the chairperson or when two members of the board request a meeting. The board generally meets monthly at the authority’s offices ~~located at 200 East Grand Avenue in Des Moines, Iowa.~~ By notice of the regularly published meeting agendas, the board and its committees may hold regular or special meetings at other locations within the state. Meeting agendas are available on the authority’s ~~Web site~~ website.

ITEM 3. Amend subrule 1.4(4) as follows:

1.4(4) Divisions. The director may from time to time reorganize the authority into administrative divisions in order to most efficiently and effectively carry out the authority’s responsibilities. This reorganization may include creating new divisions, eliminating existing divisions, or combining divisions as the director deems necessary. ~~Such divisions may include, but are not limited to, the following:~~

- ~~a. Administration division;~~
- ~~b. Business development division;~~
- ~~c. Energy division;~~
- ~~d. Community development division; and~~
- ~~e. Small business division.~~

ITEM 4. Amend rule 261—1.5(15) as follows:

261—1.5(15) Information. The general public may obtain information about the Iowa economic development authority by contacting the authority at its offices located at ~~200 East Grand~~ 1963 Bell

Avenue, Des Moines, Iowa ~~50309~~ 50315; telephone ~~(515)242-4700~~ (515)348-6200; or through the authority's ~~Web site~~ website.

ITEM 5. Amend subrule 101.2(1) as follows:

101.2(1) Commercialization. Commercialization activities include, but are not limited to, administration of the programs described in this part. Additionally, the authority's commercialization activities include the facilitation of technology transfer at Iowa's state universities to the greatest extent possible. Finally, such activities also include coordinating with the Iowa innovation bioscience development corporation established pursuant to Iowa Code section 15.107 to ensure that the goal of public and private sector collaboration is furthered to the greatest extent possible.

ITEM 6. Amend rule 261—106.1(15) as follows:

261—106.1(15) Authority. The authority for adopting rules establishing the small business innovation research and technology transfer outreach program under this chapter is provided in ~~2012 Iowa Acts, House File 2473, division II~~ Iowa Code section 15.411.

ITEM 7. Amend rule ~~261—106.3(15)~~, definition of "Corporation," as follows:

"*Corporation*" means the Iowa innovation bioscience development corporation created established pursuant to Iowa Code section 15.107.

ITEM 8. Amend rule 261—108.1(15) as follows:

261—108.1(15) Authority. The authority for adopting rules establishing a program to accelerate the development of innovative ideas and businesses by providing assistance for the expansion of the proof of commercial relevance concept, the expansion of applied research, and support for a manufacturing extension partnership program under this chapter is provided in ~~2012 Iowa Acts, House File 2473, division II~~ Iowa Code section 15.411.

ITEM 9. Rescind the definition of "Corporation" in rule ~~261—108.3(15)~~.

ITEM 10. Amend subrule 108.4(2) as follows:

108.4(2) Program component descriptions and activities. The program has three primary components: a POOCR component, an applied research component, and an MEP component. ~~The corporation shall be the entity responsible for ensuring that technical and other applicable assistance is provided to applicants and shall also work with the authority on the provision of financial assistance. In working with the authority to provide financial assistance, the corporation shall perform the functions delegated pursuant to subrule 108.4(4).~~

a. The POOCR component makes financial assistance available to applicants who undertake projects that commercialize new technologies. The authority, ~~in conjunction with the corporation,~~ will award financial assistance to ~~not more than six applicants each year under the component.~~ The financial assistance will be awarded to innovative businesses that are pursuing the validation of the marketability of a technology. Applicants may submit applications to the authority for assistance under this component. Such applications should describe in detail what technologies the applicant is researching, how the applicant is pursuing commercialization of those technologies, and how the financial assistance will be used to bring the new technologies to market in Iowa.

b. The applied research component makes financial assistance available to innovative businesses in order to allow them to better connect university research to their needs and to accelerate the transfer of new technologies to the marketplace. The authority, ~~in conjunction with the corporation,~~ may award financial assistance to university researchers who are attempting to bring their research more in line with market and industrial needs by forming partnerships with innovative businesses. Financial assistance under this component may take the form of grant funds. If grant funds are awarded, the applicant shall be required to match the amount of grant funds with other moneys at a ratio of one to one. Applicants may submit applications to the authority for assistance under this component. Such applications should describe in detail what activities the applicant will engage in to accelerate the validation of technology for the marketplace.

c. The MEP component makes financial assistance available to service providers that form partnerships with innovative businesses to conduct workshops for the purpose of providing assistance in determining and prioritizing applied research needs based on gaps in productivity or product needs and that offer to broker connections between innovative businesses and the researchers who can perform the necessary applied research. Financial assistance is also available to innovative businesses under this component for product development, design verification, custom equipment development, manufacturing process development, and technology development and commercialization. The authority, ~~in conjunction with the corporation,~~ will award financial assistance to eligible innovative businesses. Applicants may submit applications to the authority for assistance under this component. Such applications should describe in detail the nature of the partnerships being formed, what activities the partnership will undertake, and how such activities will further the goals of this component. Applicants must submit applications for assistance under this component and must describe in detail how the proposed services will expand the applicant's market penetration, create a new product with market relevance, or enhance an existing product by further innovation.

ITEM 11. Amend subrule 108.4(4) as follows:

108.4(4) *Delegation of certain administrative functions to the corporation.* The authority ~~will~~ may delegate certain administrative functions of the program to ~~the corporation~~ a service provider engaged pursuant to Iowa Code section 15.411. The functions that ~~will~~ may be delegated are:

a. The initial application review process, including an analysis of the application and a determination as to whether the applicant meets all requirements of eligibility under the program and a recommendation on the amount of financial assistance to be provided and under what terms and conditions.

b. The tracking and monitoring of the applicant's progress as well as the eventual outcomes achieved as a result of an award. ~~The corporation~~ service provider shall report annually to the authority on the results of the program.

c. The tracking and monitoring of contract terms and conditions for applicants receiving financial assistance under the program.

d. The provision of technical assistance ~~as described in subrule 108.4(2)~~ to applicants.

ITEM 12. Amend subrule 108.4(5) as follows:

108.4(5) *Administrative functions not delegated.* The authority will retain, and not delegate, the performance of the following functions: (1) the final determination as to whether to approve, deny, or defer an award of financial assistance; (2) the disbursement of moneys provided for in an award of financial assistance; (3) the final determination as to whether there is a default in the terms of a contract entered into under the program, including all decisions regarding appropriate remedies for such a default; and (4) any other function not clearly delegated to ~~the corporation~~ a service provider pursuant to subrule 108.4(4).

ITEM 13. Amend subrule 108.6(1) as follows:

108.6(1) *Contract required.* An applicant awarded financial assistance under the program shall enter into a contract with the authority for the receipt of such funds. The authority will include in the contract all terms and conditions for receipt of the funds, ~~including any terms recommended by the corporation.~~ The tracking and monitoring of the contract terms ~~will~~ may be delegated to ~~the corporation.~~ The corporation a service provider. A service provider to which the authority delegates tracking and monitoring of contract terms shall provide regular reports to the authority on the progress of the applicant and on the results of the tracking and monitoring. The authority will make the final determination as to compliance with the terms of the contract and as to whether and when to disburse funds to the applicant.