RA 26-284

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 70
"Headquarters Expansion and Development for Growth Employment (EDGE) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A and 15.601 through 15.603
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15, subchapter II, part 37, and section 15A.1

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 6, 2026 9:30 to 9:45 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Economic Development Authority (Authority) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

The Authority proposes to adopt a new Chapter 70. The chapter describes the policies and procedures applicable to the Headquarters Expansion and Development for Growth Employment (EDGE) Program. The program provides tax credits to attract corporate headquarters to Iowa and to keep corporate headquarters in Iowa.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Businesses interested in applying for or receiving assistance through the program will bear the costs of this proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Businesses interested in applying for or receiving assistance through the program will benefit from this proposed rulemaking.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Businesses applying for assistance may require staff time to complete an application. Businesses that are awarded tax incentives or financial assistance may similarly incur costs to administer an award. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers. Businesses will be required to pay an application fee of 0.5 percent of the total amount of tax incentives recommended, not to exceed $10,000.

- **Qualitative description of impact:**

The program provides a financial incentive to businesses establishing or retaining a corporate headquarters in the State.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to review and approve applications, draft and execute program contracts, authorize utilization tax incentives, disburse financial assistance, monitor compliance with award terms, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The proposed amendments have no anticipated impact on State revenues beyond that of 2026 Iowa Acts, House File 2799.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Only the entities that will potentially benefit from the program will bear the costs of the proposed rulemaking. The costs to the State to administer the program are proportional to the activities supported by the program.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified any less costly methods or less intrusive methods for administering the program.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any other methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any other methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking impacts only small businesses seeking financial assistance. The rules regarding compliance and reporting requirements are no more stringent than necessary to implement the purposes of the program. The rules do not establish schedules or deadlines. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 261—Chapter 70:

CHAPTER 70
HEADQUARTERS EXPANSION AND DEVELOPMENT FOR
GROWTH EMPLOYMENT (EDGE) PROGRAM

261—70.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Agreement" means an agreement entered into pursuant to Iowa Code section 15.604 as enacted by 2026 Iowa Acts, House File 2799.

"Authority" means the economic development authority created in Iowa Code section 15.105.

"Award date" means the date the board approved an application for tax incentives.

"Base employment level" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Benefits" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Board" means the same as defined in Iowa Code section 15.102.

"Business" means a sole proprietorship, partnership, corporation, or other business entity organized for profit under the laws of the state of Iowa or another state, under federal statutes, or under the laws of another country.

"Community" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Contract end date" means the date on which an agreement ends.

"Corporate headquarters" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Data center business" means the same as defined in Iowa Code section 423.3(95).

"Eligible business" means a business that meets the requirements of Iowa Code section 15.602 as enacted by 2026 Iowa Acts, House File 2799.

"Full-time equivalent position" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Gross annual wages" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Laborshed area" means the geographic area surrounding an employment center from which the employment center draws its commuting workers as defined by the department of workforce development.

"New corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Program" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Project" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Qualifying wage threshold" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Retained corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Retention-only project" means a project that involves only retained corporate jobs.

"Tax incentives" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

261—70.2(15) Eligibility requirements.

70.2(1) *Community approval.* Community approval of the project by ordinance or resolution is required as specified in Iowa Code section 15.602 as enacted by 2026 Iowa Acts, House File 2799.

70.2(2) *Eligible businesses.*

a. For the purposes of determining whether a business has a global presence, significant market share, or national recognition, the authority will evaluate a business's locations, distribution network, customer base, industry reports or rankings, and audited annual reports. A business with a single location will not be considered to have a global presence, significant market share, or national recognition.

b. For the purposes of determining whether a business generates a minimum of 51 percent of gross revenue from business outside the state, the authority will evaluate a business's financial statements, tax returns, and any additional relevant information available from the business or the Iowa department of revenue.

c. For the purposes of determining whether another state is meaningfully competing for the location or retention of a business's corporate headquarters, the business must identify any alternative locations being considered for the project and any information about the qualitative and quantitative advantages of locating its corporate headquarters at those alternative locations compared to the qualitative and quantitative advantages of locating its corporate headquarters in Iowa.

d. For the purposes of determining whether a business is an eligible business type pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799, "retail business" means any business primarily engaged in the business of sale at retail of tangible personal property or taxable services in this state or online. "Sale at retail" means the same as defined in Iowa Code section 423.1(46). A business obligated to collect sales or use tax under Iowa Code chapter 423 may be an ineligible retail business.

e. A business shall provide evidence that the business's primary operations are in a qualifying industry pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799. Such evidence may include but is not limited to whether the business has a North American Industry Classification System (NAICS) number aligned with the relevant industries as determined by the authority. Businesses with other NAICS numbers will be required to document to the authority's satisfaction that the business is primarily engaged in an applicable industry identified in Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799, based on factors including but not limited to sources of revenue and customer base.

f. A business shall demonstrate it is not a data center business or a business where a cover charge or membership requirement restricts certain individuals from entering the business that is ineligible for the program pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799.

g. A foreign business shall demonstrate that it is not associated with a foreign adversary or foreign adversary entity. For the purposes of this paragraph, the following definitions apply:

"Foreign adversary" means a foreign government or foreign non-government person as determined in 15 CFR §7.4 or 15 CFR §791.4 at any time on or before March 4, 2024, and that is listed in 15 CFR §7.4(a) or 15 CFR §791.4(a) at any time from March 4, 2024.

"Foreign adversary entity" means a foreign business subject to the jurisdiction of or organized under the laws of a foreign adversary or a foreign business owned, directed, or controlled by a foreign adversary.

"Foreign business" means the same as defined in Iowa Code section 9I.1.

70.2(3) *Relocations and reductions in operations.* The authority will determine whether a business is ineligible due to a relocation or reduction in operations pursuant to Iowa Code section 15.602(1)*"f"* as enacted by 2026 Iowa Acts, House File 2799. For the purposes of this subrule, "reduction in operations" includes but is not limited to a layoff during the 12 months before an application is submitted to the authority.

70.2(4) *Determination of sufficient benefits.* The business shall offer a sufficient package of benefits to each full-time equivalent position employed at its corporate headquarters and to each full-time equivalent position at its corporate headquarters until the contract end date. The benefits package provided shall meet the criteria established by the board. The board will periodically approve such criteria to reflect the most current benefits package typically offered by employers. The criteria established by the board may include but not be limited to premium percentages to be paid by the business, deductible amounts, and other such criteria as determined necessary to the evaluation of benefits offered by a business.

70.2(5) *Violations of law.* The authority will address violations of law as described in Iowa Code section 15.602(1)*"h"* as enacted by 2026 Iowa Acts, House File 2799.

70.2(6) *Sufficient economic impact.* The business shall demonstrate that the project has a sufficient economic impact as described in Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799.

70.2(7) *Jobs.* The new corporate jobs created or existing corporate jobs retained by a business shall pay the applicable wages as established pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799, and as described in rule 261—70.8(15).

70.2(8) *Applicant's past or current performance.* If an applicant received a prior award or other benefit through any program administered by the authority or any other state agency, the authority and board will consider the applicant's past or current performance under the prior award or benefit.

70.2(9) *Results of due diligence review.* The authority will complete a due diligence review, including but not limited to lien searches, reports of violations, pending or resolved litigation, and other relevant information about the applicant. The authority will determine whether a business is ineligible due to the results of the review.

70.2(10) *Other factors.* The authority shall consider any applicable additional factors pursuant to Iowa Code section 15.602(2) as enacted by 2026 Iowa Acts, House File 2799, to determine whether a business is an eligible business.

70.2(11) *Ineligible projects.*

a. The following activities are presumed by the authority to lack sufficient economic impact to accomplish the goals of the program and are not eligible for the program pursuant to Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799:

(1) Facility maintenance, and

(2) Replacement or upgrades of equipment occurring in the normal course of business.

b. A project representing solely acquisition of a business as a going concern that does not include creation or retention of jobs and investment at the acquired business facility is not eligible for the program. A qualified project that occurs following acquisition of a business as a going concern may be eligible for the program, but the purchase of a business as a going concern and its existing assets will not be included as an eligible business's investment in the location or retention of a corporate headquarters.

c. If the investment for a project includes long-term lease costs, the project is not eligible for the program unless the proposed lease is for a term of at least ten years.

70.2(12) *Project initiation.* An eligible business shall not initiate its project prior to board approval of the business's application for the program unless the business establishes that a delay in initiating the project would result in undue hardship or that extenuating circumstances necessitate initiating the project prior to approval of the business's application. Whether an undue hardship or extenuating circumstance exists will be determined by the authority.

a. Any one of the following may indicate that a project has been initiated:

(1) The start of construction of new or expanded buildings;

(2) The start of rehabilitation of existing buildings;

(3) The purchase or leasing of existing buildings; or

(4) The installation of new machinery and equipment or new computers to be used in the operation of the business's project.

b. The following shall not indicate a project has been initiated:

(1) The purchase of land or signing of an option to purchase land;

(2) Earthmoving or other site development activities not involving actual building construction, expansion or rehabilitation; or

(3) Acquisition of a business as a going concern.

c. Any costs incurred prior to the award date are not eligible investment if investment requirements are established pursuant to subrule 70.3(5).

261—70.3(15) Application process and review.

70.3(1) *Application.* The authority will invite applicants with projects that may be eligible for the program to apply. Businesses applying for the program shall utilize a standardized application developed by the authority and submit the application to the authority electronically.

70.3(2) *Community participation.* The application shall include an ordinance or resolution of the community's governing body approving the project. If applicable, the application shall also include documentation of any incentives or assistance to be provided by the community for the project.

70.3(3) *Applicability of wage requirements.* The qualifying wage threshold applicable to a project is the threshold in effect on the date the fully completed project application is received by the authority. If such an application is received but not acted upon by the board before the qualifying wage thresholds are updated, the thresholds in effect on the date the application was received will remain in effect for a period of three months after the month the thresholds were updated. Qualifying wage thresholds will be calculated and applied as described in rule 261—70.8(15).

70.3(4) *Job requirements.* The job requirements applicable to a project, identified as described in rule 261—70.7(15), will be established at the time of application. Job requirements will be based on the base employment level on the date the fully completed project application is received by the authority and the eligible business's job projections and will be utilized to determine the amount of tax incentives. The business shall provide documentation to verify the number of corporate jobs associated with the project as described in subrule 70.7(7).

70.3(5) *Investment requirements.* If the authority determines that proposed investment is a significant factor in negotiating the award pursuant to rule 261—70.4(15), investment requirements for a specific project may be established at the time of application. Investment requirements will be based on an eligible business's estimates of total project costs.

70.3(6) *Board approval and notice.*

a. Authority staff will review applications to ensure program eligibility requirements are satisfied and applications are complete. Authority staff may request additional information from the business or may use other resources to obtain the needed information. The authority or board may engage outside reviewers to complete technical, financial, or other reviews of applications beyond the expertise of the board and authority staff. Negotiation of the terms of, and the aggregate value of, tax incentives will occur following review of an application by authority staff and will be based on the factors identified in rule 261—70.4(15).

b. Complete and eligible applications and supporting documentation will be submitted to the board for its consideration. The authority shall have sole discretion to determine whether an application is fully completed and the date on which it was fully completed. Authority staff will submit a report to the board that summarizes the project. The report will include recommendations from authority staff on the terms of, and the aggregate value of, tax incentives based on the factors identified in rule 261—70.4(15) or any other elements of the proposed award. Staff may provide the board additional information or documentation as determined by staff. The board may offer an award that differs from that requested by a business or recommended by authority staff. Meeting eligibility requirements does not guarantee that tax incentives will be offered or provided in the manner sought by the applicant.

c. The due diligence committee of the board established pursuant to 261—Chapter 1 will review applications and make recommendations regarding the size and conditions of awards. The board may accept or reject recommendations from the due diligence committee.

d. If the board approves an award, an applicant will be notified in writing, including any conditions and terms of the approval.

70.3(7) *Application fee.* An applicant for the program shall pay an application fee of 0.5 percent of the total amount of tax incentives recommended pursuant to paragraph 70.3(6)*"b,"* not to exceed $10,000, at the time an application is submitted to the board for its consideration. If the application fee has not been paid at the time of the board's approval of an application, the board may condition its approval on payment of the fee, including specifying the date by which the fee must be paid. If the board approves a total amount of tax incentives that is more or less than the amount recommended by authority staff, the fee will be adjusted accordingly. The authority may refund the fee if the award is declined or rescinded within 180 days of approval. If the award is declined or rescinded more than 180 days after approval, the fee will not be refunded.

261—70.4(15) Award amounts and terms.

70.4(1) In negotiating the terms of, and the aggregate value of, tax incentives, the authority will consider a variety of factors, including but not limited to the following.

a. *Economic impact.* The extent to which an eligible business's proposed project demonstrates economic impact on the state based on the factors identified in Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799.

b. *Level of need.* The following factors will determine the authority's assessment of need:

(1) Whether the business can raise only a portion of the debt and equity necessary to complete the project. The existence of a gap between the financing required and the committed financing indicates that tax incentives may be needed to fill the gap.

(2) Whether the likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project.

(3) Whether the cost of completing the project at the out-of-state site is demonstrably lower. Such a condition indicates that tax incentives may be needed to equalize the cost differential between the two sites. The authority will attempt to quantify the cost differential between the sites.

c. *Quality of the jobs.* The extent to which the jobs involved in the project are considered higher quality jobs is based on factors, including but not limited to wages; quality of benefits; requirements for specialized skills, education, or both; whether the jobs or applicable industry are expected to have low turnover of employees; and whether the jobs expose employees to minimal occupational hazards.

d. *New corporate jobs.* In addition to the number of new corporate jobs, the authority may consider:

(1) The number of new corporate jobs that meet or exceed the qualifying wage threshold relative to the total number of new corporate jobs.

(2) The number of new corporate jobs relative to an eligible business's base employment level.

(3) The number of new corporate jobs relative to the population and employment levels of the community in which the project is located.

e. *Community contributions.* Whether and to what extent the community in which the project is located is contributing to the success of the project through incentives or assistance.

70.4(2) Eligible businesses that do not propose to create any new corporate jobs, including eligible businesses that propose retention-only projects, will receive lower award amounts compared to amounts awarded to eligible businesses that propose to create new corporate jobs. The authority may establish award terms specific to projects that do not propose to create new corporate jobs.

70.4(3) Eligible businesses that propose a project that includes long-term lease costs must demonstrate sufficient economic impact by proposing to create new corporate jobs.

70.4(4) Only projects that demonstrate extensive economic impact will be awarded the maximum amounts of tax incentives allowed pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799. Whether the project demonstrates extensive economic impact is within the sole discretion of the board.

261—70.5(15) Tax incentives. The authority may approve a business to receive any combination of applicable tax incentives allowed through the program pursuant to Iowa Code section 15.605 as enacted by 2026 Iowa Acts, House File 2799. An approved business shall not claim a tax incentive in excess of the amount specified in an agreement.

261—70.6(15) Agreements and compliance.

70.6(1) *Execution.* Successful applicants will be required to execute an agreement within 180 days of the award date. The time limit for execution may be extended by the authority director for an additional 180 days for good cause shown. Upon expiration of the time limit, including any extensions approved pursuant to this subrule, the board may approve additional extensions or rescind the award.

70.6(2) *Requirements.* An agreement shall meet all requirements of and be administered pursuant to Iowa Code section 15.604 as enacted by 2026 Iowa Acts, House File 2799.

70.6(3) *Jobs.* An agreement will specify the number of new corporate jobs the business has pledged to create in addition to the base employment level and the number of retained corporate jobs. An agreement may specify that a business has pledged additional jobs or pledged wage requirements greater than the applicable qualifying wage threshold requirements as a condition to receipt of an award or receipt of a specific amount of tax incentives. Job obligations will be established and monitored pursuant to rule 261—70.7(15).

70.6(4) *Project and investment requirements.* An agreement will describe the project and any investment requirements established pursuant to subrule 70.3(5).

70.6(5) *Contract end date.*

a. The authority will establish a contract end date at least two years from the date the business is expected to have claimed all tax incentives awarded through the program. The contract end date may be later than two years from the date the business is expected to have claimed all tax incentives awarded through the program if another contract between the business and the authority has a later end date. The agreement will specify the applicable requirements that must be met by the contract end date.

b. An agreement may be terminated prior to the contract end date by mutual agreement of the parties. The amount of tax incentives available may be reduced as described in the agreement if the agreement is terminated prior to the contract end date.

70.6(6) *Issuance of tax incentives.* Tax incentives may be issued no more frequently than annually during the period specified in the agreement. An agreement will specify the conditions to issuance of tax incentives, including but not limited to the following:

a. Compliance with the requirements of Iowa Code section 15A.1(3)*"b"* regarding solid and hazardous waste.

b. Verification that the business employs the new corporate jobs and retained corporate jobs specified in the agreement and the amount of gross annual wages paid to those jobs.

c. Receipt by the authority of the annual report described in paragraph 70.6(7)*"a."*

70.6(7) *Monitoring and reports.* The authority shall ensure that program recipients comply with agreements. An agreement will specify the reports a program recipient must submit to the authority and due dates for such reports. Reports shall be provided in the form and content acceptable to the authority.

a. Recipients shall report annually to the authority about the status of the project, including but not limited to employment, wages, benefits, project costs, investment, and compliance with the agreement. The authority will use the data it collects in the authority's annual report to the general assembly pursuant to Iowa Code section 15.107B.

b. Recipients shall submit a report to the authority to document that the project investment and job obligations have been completed as proposed and prior to the contract end date to verify compliance with the agreement.

c. On-site or remote monitoring may be conducted during the agreement term as deemed appropriate by the authority.

70.6(8) *Default.* An agreement will specify events of default and the remedies available to the authority. The authority may determine that a recipient is in default of an agreement if the recipient has not complied with an agreement associated with another program administered by the authority. If the authority determines that a recipient is in default, the eligible business may be required to repay tax incentives pursuant to Iowa Code section 15.604(1)*"b"* as enacted by 2026 Iowa Acts, House File 2799. The repayment amount is subject to applicable interest and penalties as determined by the department of revenue. If the business is an entity that has elected pass-through taxation status for income tax purposes, the department of revenue may undertake collection efforts against members, individuals or shareholders to whom the tax incentives were passed through.

a. *Calculation of repayment due or reduction.*

(1) Job shortfall. If a business does not meet its job requirements, the repayment amount or reduction of tax incentives shall be the same proportion as the amount of the job shortfall. For example, if the business creates 50 percent of the jobs required, the business shall repay 50 percent of the tax incentives received or tax incentives will be reduced by 50 percent.

(2) Investment shortfall. If a business does not meet investment requirements established pursuant to subrule 70.3(5), the repayment amount or reduction of tax incentives shall be the same proportion as the amount of the shortfall in applicable required investment. For example, if the business meets 75 percent of the amount of required investment, the business shall repay 25 percent of the amount of the tax incentives received or tax incentives will be reduced by 25 percent.

(3) Job and investment shortfalls. If a business has a shortfall in both investment and job requirements, the repayment amount or reduction shall be the same proportion as the greater of the two shortfalls. For example, if a business creates 50 percent of the required jobs and meets 75 percent of the required investment, the business shall be required to repay 50 percent of the amount of the tax incentives received or tax incentives will be reduced by 50 percent.

(4) Benefits. Notwithstanding any other provision in this subrule, if a business fails to comply with the benefit requirements of the agreement, the business shall be required to repay all of the tax incentives received, or tax incentives will be fully revoked.

(5) Minimum eligibility. Notwithstanding any other provision in this subrule, if a business fails to maintain eligibility for the program, the business shall repay all of the tax incentives received or tax incentives will be fully revoked.

b. *Notice of default.* The authority will notify a business of an event of default as described in the agreement.

70.6(9) *Amendments.* Agreement amendments must comply with Iowa Code chapter 15, subchapter II, part 37, as enacted by 2026 Iowa Acts, House File 2799, and this chapter. Recipients may submit requests for amendments to authority staff.

a. Except as provided in paragraph 70.6(9)*"b,"* no request to amend an agreement may be approved unless it has been reviewed by the due diligence committee established pursuant to 261—Chapter 1, the due diligence committee has recommended approving the request to amend the agreement and the board has approved the request to amend the agreement.

b. The board may delegate authority to authority staff to approve nonsubstantive changes to the agreement, including but not limited to the following:

(1) Recipient name, address and similar changes.

(2) Collateral changes that do not materially and substantially impact the authority's security.

(3) Line-item budget changes that do not reduce overall investment.

(4) Loan repayment amounts or due dates that do not extend the final due date of a loan.

(5) Changes to tax credit amortization schedules.

(6) Extension of a project completion date or contract end date of up to 12 months.

(7) Termination of an agreement following declination of all awarded program benefits by an eligible business.

261—70.7(15) Job counting.

70.7(1) *Overview.* The authority will count new corporate jobs and retained corporate jobs using a base employment analysis comparing the base employment level to employment on another date. The business's base employment level will be established at the time of application for the program. The number of new corporate jobs the business has pledged to create shall be in addition to the base employment level. Retained corporate jobs may be included in the base employment level as established at the time of approval.

70.7(2) *Base employment level.*

a. Base employment level will include the number of full-time equivalent positions employed at the project location. If the project occurs at more than one physical location, the business's base employment level will include the total number of full-time equivalent positions working at the identified locations. Base employment level may include the business's full-time equivalent positions as identified by the authority that are based in this state but are not based at the project location.

b. If a business receives multiple awards for projects at the same location, including through the program; the high quality jobs program administered pursuant to Iowa Code chapter 15, subchapter II, part 13; or the business incentives for growth program administered pursuant to Iowa Code chapter 15, subchapter II, part 33, the base employment level will be calculated by using the payroll document from the oldest award that is open. Job obligations from each new award will be added to this base employment level.

c. The authority will collect payroll documents to calculate and verify the base employment level used in each award. Payroll documents must include a name or employee identification number and the hourly rate of pay for all full-time equivalent positions.

d. If the base employment level includes retained corporate jobs, the authority will require a business to verify that a job is at risk. Such verification may include the signed statement of an officer of the business, documentation that the business is actively exploring other sites for the project, or any other information the authority may reasonably require during the application review process to establish that a job is at risk.

70.7(3) *Verification.* Payroll documents will be used to calculate and verify compliance with job obligations. The person who submits the documents must, under penalty of perjury, verify that the information contained in the documents is true and correct.

70.7(4) *Full-time equivalent positions.*

a. Only an individual filling a full-time equivalent position will be considered an employee of the business for the purpose of establishing the base employment level, retained corporate jobs, or new corporate jobs. The authority will not consider "job sharing" or any other means of aggregation or combination of hours worked by more than one natural person in counting jobs. The authority will verify that full-time equivalent positions constitute the employment of one person for:

(1) Eight hours per day for a five-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or

(2) The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time

work for the kind of service an individual performs for an employing unit, provided that the number of hours is at least 32 hours per week for 52 weeks per year, including paid holidays, vacations and other paid leave.

b. If employees at the facility do not typically work 40 hours per week, the business will be required to provide documentation outlining what the business considers a full-time workweek and how the business's interpretation fits within the norms of its industry standards. Whether to accept this interpretation is within the sole discretion of the authority.

70.7(5) *Contract employees.* A business's leased or contract employee may be included in the base employment level or included as a new corporate job or a retained corporate job only if the following requirements are met:

a. The business receiving the tax incentives has a legally binding contract with a third-party provider to provide the leased or contract employee.

b. The contract between the third-party provider and the business specifically requires the third-party provider to pay the wages and benefits at the levels required and for the time period required by the authority as conditions of the award to the business.

c. The contract between the third-party provider and the business specifically requires the third-party provider to submit payroll records to the authority, in the form and content and as frequently as required by the authority, for purposes of verifying that the business's job and benefit requirements are being met.

d. The contract between the third-party provider and the business specifically authorizes the authority, or its authorized representatives, to access the third-party provider's records related to the funded project.

e. The business receiving the tax incentives agrees to be contractually liable to the authority for the performance or nonperformance of the third-party provider.

70.7(6) *Remote employees.* Employees in a position with a reasonable connection to a project location who work remotely may be included in the base employment level or as a new corporate job or a retained corporate job as established by the authority at the time of application. To determine whether employees who work remotely should be included, the authority will consider a business's policies on establishing remote work locations for employees, reporting structures, the percentage of time worked at the project location, and the distance of employees' remote work locations from the project location. Only employees who work remotely within a defined geographic area established by the authority will be included. Whether an employee who works remotely is included in the base employment level or as a new corporate job or a retained corporate job pursuant to this subrule shall be solely within the discretion of the authority.

70.7(7) *Corporate jobs.* At the time of application for the program and throughout the term of the agreement, an eligible business shall document that a position involves strategic planning, executive decision making, or core administrative functions by providing job titles, job descriptions, and any other documentation deemed necessary by the authority to demonstrate the nature of the position.

261—70.8(15) Wage requirements. New corporate jobs or retained corporate jobs shall meet the qualifying wage threshold requirements as established pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799, and as indicated in an agreement. Jobs that do not meet the qualifying wage threshold requirements will not be counted toward a business's job obligations.

70.8(1) If the business is creating new corporate jobs, the business shall demonstrate that the jobs will pay at least 200 percent of the qualifying wage threshold as of the start date for authorization of a tax credit specified in the agreement and through the contract end date. If the business is retaining corporate jobs, the business shall demonstrate that the jobs will pay at least 200 percent of the qualifying wage threshold from the award date until the contract end date. The authority may establish a higher qualifying wage threshold requirement for a specific project if the quality of jobs is a significant factor in negotiating the award pursuant to rule 261—70.4(15).

70.8(2) The authority will update the qualifying wage thresholds annually each fiscal year. The thresholds will take effect on September 1 of each fiscal year and remain in effect until August 31 of the following fiscal year.

70.8(3) The authority will calculate the qualifying wage threshold as follows:

a. The most current covered wage and employment data available from the department of workforce development will be used.

b. The wage will be computed as a mean wage figure and represented in terms of an hourly wage rate.

c. Only the wages paid by employers for jobs performed within the first two zones of a laborshed area will be included.

d. The wages paid by employers in the following categories will be excluded from the calculation: government, retail trade, health care and social assistance, and accommodations and food service. The wages paid by employers in all other categories will be included in the calculation.

e. To the extent that a laborshed area includes zip codes from states other than Iowa, the wages paid by employers in those zip codes may be included if the department of workforce development has finalized a data-sharing agreement with the state in question and has received the necessary data.

f. Only those wages within two standard deviations of the mean wage will be included.

70.8(4) To determine the wages paid to the employees of an eligible business, the authority will include only monetary compensation, represented in terms of an hourly rate, paid by an employer to an employee for work or services provided, typically on a weekly or biweekly basis. The wage will not include nonregular forms of compensation, such as bonuses, unusual overtime pay, commissions, stock options, pensions, retirement or death benefits, unemployment benefits, life or other insurance, or other fringe benefits.

These rules are intended to implement Iowa Code chapter 15, subchapter II, part 37, as enacted by 2026 Iowa Acts, House File 2799, and section 15A.1.