

CHAPTER 1178**ECONOMIC ASSISTANCE FOR MICROENTERPRISES,
RIVER AND LAKE ENHANCEMENTS,
AND INDIVIDUAL DEVELOPMENT***S.F. 2430*

AN ACT relating to economic development by creating a community microenterprise development organization grant program, a microenterprise development advisory committee, and a river enhancement community attraction and tourism fund, and by making changes to the requirements for individual development accounts and making appropriations, and including effective and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
MICROENTERPRISE DEVELOPMENT**

Section 1. Section 15.102, Code Supplement 2007, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. “Community microenterprise development organization” means a community development, economic development, social service, or nonprofit organization that provides training, access to financing, and technical assistance to microenterprises.

NEW SUBSECTION. 3A. “Microenterprise” means any business with five or fewer employees which generally lacks collateral and has difficulty securing financing from conventional business lending sources. “Microenterprise” includes start-up, home-based, and self-employed businesses.

Sec. 2. Section 15.108, subsection 7, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

To provide assistance to small business, targeted small business, microenterprises, and entrepreneurs creating small businesses to ensure continued viability and growth. To carry out this responsibility, the department shall:

Sec. 3. **NEW SECTION. 15.114 COMMUNITY MICROENTERPRISE DEVELOPMENT ORGANIZATION GRANTS.**

1. The department shall award grants to community microenterprise development organizations. A grant shall not be awarded to a community microenterprise development organization unless the community microenterprise development organization can match at least twenty percent of the funds to be awarded. The matching funds may be from private foundations, federal or local government funds, financial institutions, or individuals.

2. In awarding grants to community microenterprise development organizations, the department shall consider all of the following:

a. The overall geographic diversity of the applicants for grants, including both urban and rural communities.

b. The ability of a community microenterprise development organization to provide services to low-income and moderate-income individuals and underserved communities. In determining the ability to provide services, all of the following shall be considered:

(1) The ability to identify potential microentrepreneurs within a community.

(2) The capacity to perform client assessment and screening.

(3) The ability to provide business training and technical assistance, including information about access to markets, business management, and financial literacy.

(4) The capacity to provide assistance in securing financing.

- c. The scope of services offered and the efficient delivery of such services, especially to low-income, moderate-income, and minority individuals.
- d. The ability to monitor the progress of clients and to identify those clients in need of additional technical and financial assistance.
- e. The ability to build relationships and coordinate resources with other entities supporting microentrepreneurs. These entities may include but are not limited to community colleges, cooperative extension services, small business development centers, chambers of commerce, community economic development organizations, workforce centers, and community non-profit service providers that serve low-income and moderate-income individuals.
- f. The ability to coordinate activities with any targeted small business advocate services operating in the community.
- g. The amount and sufficiency of operating funds available.
- h. Any other criteria the department deems reasonable.

Sec. 4. NEW SECTION. 15.240 MICROENTERPRISE DEVELOPMENT ADVISORY COMMITTEE.

1. The department shall establish, administer, and regularly convene a microenterprise development advisory committee.
2. The committee shall include at least ten but not more than fifteen members representing government agencies, nonprofit organizations, and private sector entities that have expertise and a demonstrated interest in the development of microenterprises.
3. The committee shall study and make recommendations to the department and the general assembly on the design and implementation of a competitive grant program in support of community efforts to develop microenterprises within communities with low-income and moderate-income residents.
 - a. The committee shall make recommendations for improving the mechanisms for connecting community grantees with available microenterprise and entrepreneurship resources. The recommendations shall include standardized applications for participation in the community microenterprise development organization grant program and standardized applications for obtaining funding from various state and federal microenterprise and entrepreneurship development programs.
 - b. The committee shall make recommendations to grantees regarding the development of an entrepreneurship and business education program. The program shall be designed to enhance entrepreneurial skills, develop business acumen, increase marketing skills, and improve financial literacy.
 - c. In making its recommendations, the committee shall focus on creating a strong network of programs and shall ensure that the needs of both rural and urban communities are being met.
4. The committee shall by January 31 of each year report to the department and the general assembly on the progress of microenterprise development in Iowa and on its recommendations for the community microenterprise development organizations grants program.

DIVISION II
RIVER ENHANCEMENT COMMUNITY
ATTRACTION AND TOURISM

Sec. 5. Section 15F.202, subsection 1, Code 2007, is amended to read as follows:

1. The board shall establish and the department, subject to direction and approval by the board, shall administer a community attraction and tourism program to assist communities in the development, creation, and regional marketing of multiple-purpose attraction or tourism facilities. Any moneys appropriated to the river enhancement community attraction and tourism fund created pursuant to section 15F.205 shall be used exclusively for the creation and enhancement of community attractions and tourism opportunities along lakes, rivers, and river corridors in cities across the state, but a recipient of moneys from the river enhancement

community attraction and tourism fund shall not be precluded from receiving funds from the community attraction and tourism fund created pursuant to section 15F.204.

Sec. 6. Section 15F.204, subsection 8, Code 2007, is amended to read as follows:

8. a. There is appropriated from the rebuild Iowa infrastructure fund to the community attraction and tourism fund, the following amounts:

(1) For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the sum of twelve million dollars.

(2) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of five million dollars.

(3) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of five million dollars.

(4) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of five million dollars.

(5) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of five million dollars.

(6) For the fiscal year beginning July 1, 2009, and ending June 30, 2010, the sum of five million dollars.

(7) For the fiscal year beginning July 1, 2010, and ending June 30, 2011, the sum of five million dollars.

(8) For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the sum of five million dollars.

(9) For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the sum of five million dollars.

b. There is appropriated from the franchise tax revenues deposited in the general fund of the state to the community attraction and tourism fund, the following amounts:

(1) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of seven million dollars.

(2) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of seven million dollars.

(3) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of seven million dollars.

(4) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of seven million dollars.

(5) For the fiscal year beginning July 1, 2009, and ending June 30, 2010, the sum of seven million dollars.

(6) For the fiscal year beginning July 1, 2010, and ending June 30, 2011, the sum of seven million dollars.

(7) For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the sum of seven million dollars.

(8) For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the sum of seven million dollars.

Sec. 7. NEW SECTION. 15F.205 RIVER ENHANCEMENT COMMUNITY ATTRACTION AND TOURISM FUND.

1. For purposes of this section, "lake" means a lake of which the state or a political subdivision owns the lake bed up to the ordinary high water line and which is open to the use of the general public.

2. A river enhancement community attraction and tourism fund is created as a separate fund in the state treasury under the control of the board, consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the board for placement in the fund.

3. Payments of interest, repayments of moneys loaned pursuant to this subchapter, and recaptures of grants or loans shall be deposited in the fund.

4. The fund shall be used to provide assistance only from funds, rights, and assets legally available to the board, and the assistance shall be in the form of grants, loans, forgivable loans, and credit enhancements and financing instruments as described in the community attraction and tourism program established in section 15F.202.

5. An applicant for financial assistance from moneys in the river enhancement community attraction and tourism fund for a river or lake enhancement project under the community attraction and tourism program shall receive financial assistance from the fund in an amount not to exceed one third of the total cost of the project.

6. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

7. At the beginning of each fiscal year, the board shall allocate moneys in the fund for financial assistance to projects that promote and enhance recreational opportunities and community attractions on and near rivers or lakes within cities across the state. Such recreational opportunities and community attractions shall be closely connected to a river or lake and may include but is not limited to pedestrian trails and walkways, amphitheaters, bike trails, water trails or whitewater courses for watercraft, and any modifications necessary for the safe mitigation of dams.

8. The board may make a multiyear commitment to an applicant or may award assistance for multiple projects to the same applicant provided the fund contains sufficient moneys. Any moneys remaining in the fund at the end of a fiscal year may be carried over to a subsequent fiscal year, or may be obligated in advance for a subsequent fiscal year.

9. The board is not required to award financial assistance pursuant to this section unless moneys are appropriated to and available from the fund.

DIVISION III INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 8. Section 422.7, subsection 28, paragraph b, Code Supplement 2007, is amended to read as follows:

b. The amount of any savings refund or state match payments authorized under section 541A.3, subsection 1.

Sec. 9. Section 541A.1, subsection 2, Code 2007, is amended to read as follows:

2. "Administrator" means the division of community action agencies of the department of human services rights.

Sec. 10. Section 541A.1, Code 2007, is amended by adding the following new subsection:
NEW SUBSECTION. 5A. "Household income" means the annual household income of an account holder or prospective account holder, as determined in accordance with rules adopted by the administrator.

Sec. 11. Section 541A.2, subsection 4, paragraph a, Code 2007, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (7) A purpose approved in accordance with rule for¹ a refugee individual development account.

NEW SUBPARAGRAPH. (8) Purchase of an automobile.

NEW SUBPARAGRAPH. (9) Purchase of assistive technology, home or vehicle modification, or other device or physical improvement to assist an account holder or family member with a disability.

NEW SUBPARAGRAPH. (10) Other purpose approved in accordance with rule that is intended² to move the account holder or a family member toward a higher degree of self-sufficiency.

Sec. 12. Section 541A.2, subsection 10, Code 2007, is amended to read as follows:

10. The total amount of sources of principal which may be in an individual development account shall be limited to fifty thirty thousand dollars.

¹ According to enrolled Act; the phrase "in accordance with rules providing for" probably intended

² According to enrolled Act; the phrase "in accordance with rules that are intended" probably intended

Sec. 13. Section 541A.3, Code 2007, is amended to read as follows:

541A.3 INDIVIDUAL DEVELOPMENT ACCOUNTS — ~~REFUND STATE MATCH AND TAX PROVISIONS.~~

All of the following state match and tax provisions shall apply to an individual development account:

1. ~~a.~~ Payment by the state of a state savings refund match on amounts of up to two thousand dollars ~~per calendar year~~ that an account holder deposits in the account holder's account. To be eligible to receive a state match an account holder must have a household income that is equal to or less than two hundred percent of the federal poverty level.

~~b.~~ Moneys transferred to an individual development account from another individual development account and a savings refund state match received by the account holder in accordance with this section shall not be considered an account holder deposit for purposes of determining a savings refund state match.

~~c.~~ Payment of a savings refund state match either shall be made directly to the account holder or to an operating organization's central reserve account for later distribution to the account holder in the most appropriate manner as determined by the administrator.

~~d.~~ The Subject to the limitation in paragraph "a", the state savings refund match shall be the indicated percentage of equal to one hundred percent of the amount deposited: by the account holder. However, the administrator may limit, reduce, delay, or otherwise revise state match payment provisions as necessary to restrict the payments to the funding available.

~~a.~~ For an account holder with a household income, as defined in section 425.17, subsection 6, which is one hundred fifty percent or less of the federal poverty level, twenty-five percent.

~~b.~~ For an account holder with a household income which is more than one hundred fifty percent but less than one hundred seventy-five percent of the federal poverty level, twenty percent.

~~c.~~ For an account holder with a household income which is one hundred seventy-five percent or more but not more than two hundred percent of the federal poverty level, fifteen percent.

~~d.~~ For an account holder with a household income which is more than two hundred percent of the federal poverty level, zero percent.

2. Income earned by an individual development account is not subject to state tax, in accordance with the provisions of section 422.7, subsection 28.

3. Amounts transferred between individual development accounts are not subject to state tax.

~~4.~~ The administrator shall work with the United States secretary of the treasury and the state's congressional delegation as necessary to secure an exemption from federal taxation for individual development accounts and the earnings on those accounts. The administrator shall report annually to the governor and the general assembly concerning the status of federal approval.

~~5.~~ 4. The administrator shall coordinate the filing of claims for a state savings refunds match authorized under subsection 1, between account holders, and operating organizations, and the department of administrative services. Claims approved by the administrator may be paid by the department of administrative services to each account holder, for an aggregate amount for distribution to the holders of the accounts in a particular financial institution, or to an operating organization's central reserve account for later distribution to the account holders depending on the efficiency for issuing the refunds state match payments. Claims shall be initially filed with the administrator on or before a date established by the administrator. Claims approved by the administrator shall be paid from the general fund of the state in the manner specified in section 422.74 individual development account state match fund.

Sec. 14. Section 541A.5, Code 2007, is amended to read as follows:

541A.5 RULES.

1. The administrator commission on community action agencies created in section 216A.92A, in consultation with the department of administrative services, shall adopt administrative rules to administer this chapter.

2. a. The rules adopted by the ~~administrator~~ commission shall include but are not limited to provision for transfer of an individual development account to a different financial institution than originally approved by the administrator, if the different financial institution has an agreement with the account's operating organization.

b. The rules for determining household income may provide categorical eligibility for prospective account holders who are enrolled in programs with income eligibility restrictions that are equal to or less than the maximum household income allowed for payment of a state match under section 541A.3.

c. Subject to the availability of funding, the commission may adopt rules implementing an individual development account program for refugees. Rules shall identify purposes approved for withdrawals to meet the special needs of refugee families.

3. The administrator shall utilize a request for proposals process for selection of operating organizations and approval of financial institutions.

Sec. 15. Section 541A.6, Code 2007, is amended to read as follows:

541A.6 COMPLIANCE WITH FEDERAL REQUIREMENTS.

The ~~administrator~~ commission on community action agencies shall adopt rules for compliance with federal individual development account requirements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, § 103, as codified in 42 U.S.C. § 604(h), under the federal Assets for Independence Act, Pub. L. No. 105-285, Title IV, or with any other federal individual development account program requirements, ~~as necessary for the state to qualify to use federal temporary assistance for needy families block grant funding or other available for drawing federal funding for allocation to operating organizations.~~ Any rules adopted under this section shall not apply the federal individual development account program requirements to an operating organization which does not utilize federal funding for the accounts with which it is connected or to an account holder who does not receive temporary assistance for needy families block grant or other federal funding.

Sec. 16. NEW SECTION. 541A.7 INDIVIDUAL DEVELOPMENT ACCOUNT STATE MATCH FUND.

1. An individual development account state match fund is created in the state treasury under the authority of the administrator. Notwithstanding section 8.33, moneys appropriated to the fund shall not revert to any other fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. Moneys available in the fund for a fiscal year are appropriated to the administrator to be used to provide the state match for account holder deposits in accordance with section 541A.3. At least eighty-five percent of the amount appropriated shall be used for state match payments and the remainder may be used for the administrative costs of the operating organization. Administrative costs include but are not limited to accounting services, curriculum costs for financial education or asset-specific training, and costs for technical assistance contractors.

Sec. 17. INDIVIDUAL DEVELOPMENT ACCOUNT RULES — TRANSITION, EFFECTIVE DATE, AND APPLICABILITY.

1. The division of community action agencies of the department of human rights shall administer individual development accounts in accordance with the administrative rules pertaining to the accounts in 441 IAC ch. 10, in place of the department of human services until replacement administrative rules are adopted. The commission on community action agencies may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this subsection shall also be published as a notice of intended action as provided in section 17A.4.

2. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

3. The change from "savings refund" to "state match" as authorized in section 422.7, subsection 28, and section 541A.3, as amended by this Act, is retroactively applicable to January 1, 2008, for the tax year commencing on January 1, 2008.

DIVISION IV
APPROPRIATIONS

Sec. 18. COMMUNITY MICROENTERPRISE DEVELOPMENT ORGANIZATION GRANTS — APPROPRIATION.

1. There is appropriated from any interest or earnings on moneys in the federal economic stimulus and jobs holding fund to the department of economic development for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For competitive grants to community microenterprise development organizations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

Table with 2 columns: Description, Amount. Row 1: \$ 475,000. Row 2: FTEs 1.00

2. Of the moneys appropriated in subsection 1, not more than \$80,000 shall be expended on any one community microenterprise development organization.

3. From the moneys appropriated in subsection 1, the department shall award grants to at least three community microenterprise development organizations in rural areas of the state that show an economic growth rate lower than the average economic growth rate of the state.

4. From the moneys appropriated in subsection 1, the department shall award grants to at least two community microenterprise development organizations in neighborhoods in urban areas of the state that show high rates of poverty and signs of economic distress.

5. Of the moneys appropriated in subsection 1, not more than \$80,000 may be used for a full-time equivalent staff person to administer the community microenterprise development organization grants.

6. Of the moneys appropriated in subsection 1, not more than \$20,000 may be used to contract with an expert in microenterprise development for consultation, technical assistance, and recommendations regarding best practices and industry standards for the development of community microenterprises.

Sec. 19. WATER TRAILS AND LOW HEAD DAM PUBLIC HAZARD STATEWIDE PLAN — APPROPRIATION. There is appropriated from any interest or earnings on moneys in the federal economic stimulus and jobs holding fund to the department of natural resources for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the establishment and administration of a water trails and low head dam public hazard statewide plan, including salaries, support, maintenance, and miscellaneous purposes:

Table with 2 columns: Description, Amount. Row 1: \$ 250,000

Sec. 20. RIVER ENHANCEMENT COMMUNITY ATTRACTION AND TOURISM FUND — APPROPRIATION. There is appropriated from any interest or earnings on moneys in the federal economic stimulus and jobs holding fund for deposit in the river enhancement community attraction and tourism fund created in section 15F.205 for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For financial assistance to applicants under section 15F.205:

Table with 2 columns: Description, Amount. Row 1: \$ 2,000,000

Sec. 21. INDIVIDUAL DEVELOPMENT ACCOUNTS — STATE MATCH FUND APPROPRIATION. There is appropriated from the federal economic stimulus and jobs holding fund

to the department of human rights for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To be credited to the individual development account state match fund created in this Act:	\$	150,000
.....		
.....	FTEs	.50

Of the funds appropriated in this section, \$50,000 may be used by the department to administer an individual development account program and to contract with the Iowa community action association for the implementation, outreach, and technical assistance to local community organizations engaged in efforts to encourage savings by, and increase the financial literacy of, Iowa families. Any remaining funds shall be utilized to implement the individual development account program as described in section 541A.7.

Approved April 29, 2008

CHAPTER 1179
 APPROPRIATIONS —
 INFRASTRUCTURE AND CAPITAL PROJECTS
S.F. 2432

AN ACT relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, the endowment for Iowa’s health restricted capitals fund, the tax-exempt bond proceeds restricted capital funds account, the technology re-investment fund, the FY 2009 tax-exempt bond proceeds restricted capital funds account, the environment first fund, and the FY 2009 prison bonding fund, and related matters, and providing effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I
 REBUILD IOWA INFRASTRUCTURE FUND

Section 1. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES
 - a. For routine maintenance of state buildings and facilities, notwithstanding section 8.57, subsection 6, paragraph “c”:
 \$ 3,000,000
 - b. For updating the capitol complex master plan, notwithstanding section 8.57, subsection 6, paragraph “c”:
 \$ 250,000
 - c. To provide funding and related services for capitol complex property acquisition, notwithstanding section 8.57, subsection 6, paragraph “c”:
 \$ 1,000,000
 - d. For costs associated with developing the request for proposals necessary for the procure-