

### **15.329 Eligible business.**

1. To be eligible to receive incentives under this part, a business shall meet all of the following requirements:

*a.* If the qualifying investment is ten million dollars or more, the community has approved by ordinance or resolution the start-up, location, or expansion of the business for the purpose of receiving the benefits of this part.

*b.* The business has not closed or substantially reduced its operation in one area of the state and relocated substantially the same operation in the community. This subsection does not prohibit a business from expanding its operation in the community if existing operations of a similar nature in the state are not closed or substantially reduced.

*c.* The business is not a retail or service business.

2. In addition to the requirements of subsection 1, a business shall do at least four of the following in order to be eligible for incentives under the program:

*a.* Offer a pension or profit sharing plan to full-time employees.

*b.* Produce or manufacture high value-added goods or services or be engaged in one of the following industries:

(1) Value-added agricultural products.

(2) Insurance and financial services.

(3) Plastics.

(4) Metals.

(5) Printing paper or packaging products.

(6) Drugs and pharmaceuticals.

(7) Software development.

(8) Instruments and measuring devices and medical instruments.

(9) Recycling and waste management.

(10) Telecommunications.

(11) Trucking and warehousing.

Retail and service businesses shall not be eligible for benefits under this part.

*c.* Provide and pay at least eighty percent of the cost of a standard medical and dental insurance plan for all full-time employees working at the facility in which the new investment occurred.

*d.* Make child care services available to its employees.

*e.* Invest annually no less than one percent of pretax profits, from the facility located to Iowa or expanded

under the program, in research and development in Iowa.

*f.* Invest annually no less than one percent of pretax profits, from the facility located to Iowa or expanded under the program, in worker training and skills enhancement.

*g.* Have an active productivity and safety improvement program involving management and worker participation and cooperation with benchmarks for gauging compliance.

*h.* Occupy an existing facility, at least one of the buildings of which shall be vacant and shall contain at least twenty thousand square feet.

3. Any business located in a quality jobs enterprise zone is ineligible to receive the economic development incentives under the program.

4. If the department finds that a business has a record of violations of the law, including but not limited to environmental and worker safety statutes, rules, and regulations, over a period of time that tends to show a consistent pattern, the business shall not qualify for economic development assistance under this part, unless the department finds that the violations did not seriously affect public health or safety, or the environment, or if it did, that there were mitigating circumstances. In making the findings and determinations regarding violations, mitigating circumstances, and whether the business is disqualified for economic development assistance under this part, the department shall be exempt from chapter 17A.

5. The department shall also consider a variety of factors, including but not limited to the following in determining the eligibility of a business to participate in the program:

*a.* The quality of the jobs to be created. In rating the quality of the jobs, the department shall place greater emphasis on those jobs that have a higher wage scale, have a lower turnover rate, are full-time or career-type positions, provide comprehensive health benefits, or have other related factors which could be considered to be higher in quality, than to other jobs. Businesses that have wage scales substantially below that of existing Iowa businesses in that area should be rated as providing the lowest quality of jobs and should therefore be given the lowest ranking for providing such assistance.

*b.* The impact of the proposed project on other businesses in competition with the business being considered for assistance. The department shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The department shall make a good faith effort to determine the probability that the proposed financial assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

*c.* The impact to the state of the proposed project. In measuring the economic impact, the department shall place greater emphasis on projects which have greater consistency with the state strategic plan than other projects. Greater consistency may include any or all of the following:

(1) A business with a greater percentage of sales out-of-state or of import substitution.

(2) A business with a higher proportion of in-state suppliers.

(3) A project which would provide greater diversification of the state economy.

(4) A business with fewer in-state competitors.

(5) A potential for future job growth.

(6) A project which is not a retail operation.

*d.* If a business has, within three years of application for assistance, acquired or merged with an Iowa corporation or company and the business has made a good faith effort to hire the workers of the acquired or merged company.

*e.* Whether a business provides for a preference for hiring residents of the state, except for out-of-state employees offered a transfer to Iowa.

*f.* Whether all known required environmental permits have been issued and regulations met before moneys are released.

6. The department may waive any of the requirements of this section for good cause shown.

7. An application to receive incentives under this part may be submitted to the department at any time within one year from the time the job for which benefits are sought commences.

94 Acts, ch 1008, §6; 99 Acts, ch 192, §33; 2005 Acts, ch 150, §44, 68, 69

2005 amendments to this section apply to tax years ending on or after July 1, 2005; continuation of contracts under new jobs and income program; 2005 Acts, ch 150, §68, 69