

ECONOMIC GROWTH AND EXPANSION ACTIVITIES

15G.101 through 15G.107 Reserved.

2003 amendments made in 2003 Acts, 1st Ex, ch 1, and establishing sections 15G.101 through 15G.107 stricken pursuant to *Rants v. Vilsack*, 684 N.W.2d 193

Validation of contracts or approved projects or activities originally funded or intended to be funded through grow Iowa values fund, if entered into or approved after June 30, 2003, but before June 16, 2004; appropriation of funds and affirmation of claims payments; 2004 Acts, 1st Ex, ch 1001, §1, 2; 2004 Acts, 1st Ex, ch 1002, §13, 5

15G.108 Grow Iowa values fund.

1. A grow Iowa values fund is created in the state treasury under the control of the department of economic development consisting of moneys appropriated to the department. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund. The fund shall be administered by the department, which shall make expenditures from the fund consistent with this chapter and pertinent Acts of the general assembly. Any financial assistance provided using moneys from the fund may be provided over a period of time of more than one year. Payments of interest, repayments of moneys loaned pursuant to this chapter, and recaptures of grants or loans shall be deposited in the fund.

2. In awarding financial assistance in a fiscal year from moneys appropriated to the grow Iowa values fund, the department shall commit, obligate, or promise not more than fifty percent of the moneys appropriated from the grow Iowa values fund pursuant to section 15G.111, subsection 1, for use during the first fiscal year following the fiscal year in which the financial assistance is awarded and not more than twenty-five percent of the moneys appropriated from the grow Iowa values fund pursuant to section 15G.111, subsection 1, for use during the second fiscal year following the fiscal year in which the financial assistance is awarded.

2005 Acts, ch 150, §1

15G.109 Marketing strategies.

The department of economic development shall accept proposals for marketing strategies for purposes of selecting a strategy for the department to administer. The marketing strategies shall be designed to market Iowa as a lifestyle, increase the population of the state, increase the wealth of Iowans, and expand and stimulate the state economy. The department shall select and approve a proposal that meets the requirements of this section.

The department shall implement and administer the approved marketing strategy.

2003 Acts, 1st Ex, ch 1, §85, 133

[2003 enactment of this section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §3336

15G.110 Appropriation.

For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated to the department of economic development each fiscal year fifty million dollars from the general fund of the state for deposit in the grow Iowa values fund.

15G.111 Appropriations.

1. *a.* For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, the following amounts for the purposes designated:

(1) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, to the department of economic development thirty-five million dollars for programs administered by the department of economic development.

(2) For each fiscal year of the fiscal period beginning July 1, 2006, and ending June 30, 2009, to the department of economic development thirty-three million dollars for programs administered by the department of economic development.

(3) For each fiscal year of the fiscal period beginning July 1, 2009, and ending June 30, 2015, to the department of economic development thirty-five million dollars for programs administered by the department of economic development.

b. Each year that moneys are appropriated under this subsection, the department shall allocate a percentage of the moneys for each of the following types of activities:

(1) Business start-ups.

(2) Business expansion.

(3) Business modernization.

(4) Business attraction.

(5) Business retention.

(6) Marketing.

(7) Research and development.

c. The department shall require an applicant for moneys appropriated under this subsection to include in the application a statement regarding the intended return on investment. A recipient of moneys appropriated under this subsection shall annually submit a statement to the department regarding the progress achieved on the intended return on investment stated in the application. The department, in cooperation with the department of revenue, shall develop a method of identifying and tracking each new job created and the leveraging of moneys through financial assistance from moneys appropriated under this subsection. The department of economic development shall identify research and development activities funded through financial assistance from not more than ten percent of the moneys appropriated under this subsection, and, instead of determining return on investment and job creation for the identified funding, determine the potential impact on the state's economy.

d. The department may use moneys appropriated under this subsection to procure technical assistance from either the public or private sector, for information technology purposes, for a statewide labor shed study, and

for rail, air, or river port transportation-related purposes. The use of moneys appropriated for rail, air, or river port transportation-related purposes must be directly related to an economic development project and the moneys must be used to leverage other financial assistance moneys.

e. Of the moneys appropriated under this subsection, the department may use up to one and one-half percent for administrative purposes.

f. The Iowa economic development board shall approve or deny applications for financial assistance provided with moneys appropriated under this subsection. In providing such financial assistance, the board shall, whenever possible, coordinate the assistance with other programs administered by the department of economic development, including the community economic betterment program established in section 15.317 and the value-added agricultural products and processes financial assistance program established in section 15E.111.

g. It is the policy of this state to expand and stimulate the state economy by advancing, promoting, and expanding biotechnology industries in this state. To implement this policy, the Iowa economic development board shall consider providing assistance to projects that increase value-added income to individuals or organizations involved in agricultural business or biotechnology projects. Such a project need not create jobs specific to the project site; however, such a project must foster the knowledge and creativity necessary to promote the state's agricultural economy and to increase employment in urban and rural areas as a result.

2. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development five million dollars for financial assistance to institutions of higher learning under the control of the state board of regents for capacity building infrastructure in areas related to technology commercialization, for marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and for infrastructure projects and programs needed to assist in the implementation of activities under chapter 262B. In allocating moneys to institutions under the control of the state board of regents, the board shall require the institutions to provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this subsection. The state board of regents shall annually prepare a report for submission to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys appropriated under this subsection.

The state board of regents may allocate any moneys appropriated under this subsection and received from the department for financial assistance to a single biosciences development organization determined by the department to possess expertise in promoting the area of bioscience entrepreneurship. The organization must be composed of representatives of both the public and the private sector and shall be composed of subunits or subcommittees in the areas of existing identified biosciences platforms, education and workforce development, commercialization, communication, policy and governance, and finance. Such financial assistance shall be used for purposes of activities related to biosciences and bioeconomy development under chapter 262B, and to accredited private universities in this state.

The department may expend additional moneys that may become available for purposes of financial assistance to a single bioscience development organization determined by the department to possess expertise in the promotion and commercialization of biotechnology entrepreneurship as described in and for the purposes set forth in unnumbered paragraph 2.

3. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development one million dollars for purposes of providing financial assistance for projects in targeted state parks, state banner parks, and destination parks. The department of natural resources shall submit a plan to the department of economic development for the expenditure of moneys appropriated under this subsection. The

plan shall focus on improving state parks, state banner parks, and destination parks for economic development purposes. Based on the report submitted, the department of economic development shall provide financial assistance to the department of natural resources for support of state parks, state banner parks, and destination parks. For purposes of this subsection, "*state banner park*" means a park with multiple uses and which focuses on the economic development benefits of a community or area of the state.

4. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the office of the treasurer of state one million dollars for deposit in the Iowa cultural trust fund created in section 303A.4.

5. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development seven million dollars for deposit into the workforce training and economic development funds of the community colleges created pursuant to section 260C.18A.

6. *a.* For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development one million dollars for providing economic development region financial assistance under section 15E.232, subsections 3, 5, 6, 7, and 8, and under section 15E.233.

b. Of the moneys appropriated in this subsection, the department shall transfer three hundred fifty thousand dollars each fiscal year for the fiscal period beginning July 1, 2005, and ending June 30, 2015, to Iowa state university of science and technology, for purposes of providing financial assistance to establish small business development centers in areas of the state previously served by a small business development center, to develop business succession plans, and to maintain existing small business development centers. Of the three hundred fifty thousand dollars transferred each fiscal year pursuant to this paragraph, not more than one hundred thousand dollars shall be used for business succession activities. Financial assistance for a small business development center shall not exceed fifty thousand dollars per fiscal year and shall not be awarded unless the city or county where the center is located or scheduled to be located demonstrates the ability to obtain local matching moneys on a dollar-for-dollar basis for at least twenty-five percent of the cost of the center.

c. Of the moneys appropriated under this subsection, the department may use up to fifty thousand dollars each fiscal year during the fiscal period beginning July 1, 2005, and ending June 30, 2015, for purposes of providing training, materials, and assistance to Iowa business resource centers.

7. *a.* For the fiscal period beginning July 1, 2006, and ending June 30, 2009, there is appropriated for each fiscal year from the grow Iowa values fund created in section 15G.108 two million dollars for deposit in the renewable fuel infrastructure fund as provided in section 15G.205.

b. This subsection is repealed on July 1, 2009.

8. Notwithstanding section 8.33, moneys that remain unexpended at the end of a fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

2005 Acts, ch 150, §2; 2005 Acts, ch 170, §19; 2006 Acts, ch 1010, §9, 10; 2006 Acts, ch 1175, §1, 2, 23; 2006 Acts, ch 1176, §20, 29

2006 amendment to subsection 6, paragraph b, takes effect May 31, 2006, and applies retroactively to June 9, 2005; 2006 Acts, ch 1176, §29

15G.112 Financial assistance.

1. In order to receive financial assistance from the department from moneys appropriated from the grow Iowa values fund, the average annual wage, including benefits, of new jobs created must be equal to or greater than one hundred thirty percent of the average county wage. For purposes of this section, "*average county wage*" and "*benefits*" mean the same as defined in section 15I.1.

2. An applicant may apply to the Iowa economic development board for a waiver of the wage requirements in subsection 1.

3. In awarding moneys appropriated from the grow Iowa values fund, the department shall give special consideration to projects that include significant physical infrastructure components designed to increase property tax revenues to local governments.

2005 Acts, ch 150, §3

15G.201 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. "*Biodiesel*", "*biodiesel blended fuel*", "*E-85 gasoline*", "*gasoline*", "*motor fuel*", "*motor fuel pump*", "*retail dealer*", and "*retail motor fuel site*" mean the same as defined in section 214A.1.

2. "*Department*" means the Iowa department of economic development created in section 15.105.

3. "*Infrastructure board*" means the renewable fuel infrastructure board as created in section 15G.202.

4. "*Infrastructure fund*" means the renewable fuel infrastructure fund created in section 15G.205.

5. "*Motor fuel storage and dispensing infrastructure*" or "*infrastructure*" means a tank and motor fuel pumps necessary to keep and dispense motor fuel at a retail motor fuel site, including but not limited to all associated equipment, dispensers, pumps, pipes, hoses, tubes, lines, fittings, valves, filters, seals, and covers.

6. "*Terminal*" means a storage and distribution facility for motor fuel or a blend stock such as ethanol or biodiesel that is stored on-site or off-site in bulk and that is supplied to a motor vehicle, pipeline, or a marine vessel and from which storage and distribution facility the motor fuel or blend stock may be removed at a rack. "*Terminal*" does not include any of the following:

a. A retail motor fuel site.

b. A facility at which motor fuel, special fuel, or blend stocks are used in the manufacture of products other than motor fuel and from which no motor fuel or special fuel is removed.

7. "*Terminal operator*" means a person who has responsibility for, or physical control over, the operation of a terminal, including by ownership, contractual agreement, or appointment.

8. "*Underground storage tank fund board*" means the Iowa comprehensive petroleum underground storage tank fund board established pursuant to section 455G.4.

2006 Acts, ch 1142, §28; 2006 Acts, ch 1175, §3, 23

15G.202 Renewable fuel infrastructure board.

A renewable fuel infrastructure board is established within the department.

1. The department shall provide the infrastructure board with necessary facilities, items, and clerical support. The department shall perform administrative functions necessary for the management of the infrastructure board and the renewable fuel infrastructure programs as provided in sections 15G.203 and 15G.204, all under the direction of the infrastructure board.
2. The infrastructure board shall be composed of eleven members who shall be appointed by the governor as follows:
 - a. One person representing insurers who is knowledgeable about issues relating to underground storage tanks.
 - b. One person representing the petroleum industry who is knowledgeable about issues relating to petroleum refining, terminal operations, and petroleum or motor fuel distribution.
 - c. Nine persons based on nominations made by the titular heads of all of the following:
 - (1) The agribusiness association of Iowa.
 - (2) The Iowa corn growers association.
 - (3) The Iowa farm bureau federation.
 - (4) The Iowa motor truck association.
 - (5) The Iowa soybean association.
 - (6) The petroleum marketers and convenience stores of Iowa.
 - (7) The Iowa petroleum equipment contractors association.
 - (8) The Iowa renewable fuels association.
 - (9) The Iowa grocery industry association.
3. Appointments of voting members to the infrastructure board are subject to the requirements of sections 69.16 and 69.16A. In addition, the appointments shall be geographically balanced. The governor's appointees shall be confirmed by the senate, pursuant to section 2.32.
4. The members of the infrastructure board shall serve five-year terms beginning and ending as provided in section 69.19. However, the governor shall appoint initial members to serve for less than five years to ensure members serve staggered terms. A member is eligible for reappointment. A vacancy on the board shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.
5. The infrastructure board shall elect a chairperson from among its members each year on a rotating basis as provided by the infrastructure board. The infrastructure board shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of six or more members.
6. The infrastructure board shall meet with three or more members of the underground storage tank fund board who shall represent the underground storage tank fund board. The representatives shall be available to advise the infrastructure board when the infrastructure board makes decisions regarding the awarding of financial incentives to a person under a renewable fuel infrastructure program provided in section 15G.203 or 15G.204.
7. Members of the infrastructure board are not entitled to receive compensation but shall receive

reimbursement of expenses from the department as provided in section 7E.6.

8. Six members of the infrastructure board constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the infrastructure board. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the infrastructure board.

2006 Acts, ch 1142, §29

15G.203 Renewable fuel infrastructure program for retail motor fuel sites.

A renewable fuel infrastructure program is established in the department under the direction of the renewable fuel infrastructure board created pursuant to section 15G.202.

1. The purpose of the program is to improve a retail motor fuel site by installing, replacing, or converting motor fuel storage and dispensing infrastructure. The infrastructure must be designed and shall be used exclusively to store and dispense renewable fuel which is E-85 gasoline, biodiesel, or biodiesel blended fuel on the premises of retail motor fuel sites operated by retail dealers.
2. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.
3. To all extent practical, the program shall be administered in conjunction with the programs provided in section 15.401.
4. The infrastructure board shall approve cost-share agreements executed by the department and persons that the infrastructure board determines are eligible as provided in this section, according to terms and conditions required by the infrastructure board. The infrastructure board shall determine the amount of the financial incentives to be awarded to a person participating in the program. In order to be eligible to participate in the program all of the following must apply:
 - a. The person must be an owner or operator of the retail motor fuel site.
 - b. The person must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain all information required by the infrastructure board and shall at least include all of the following:
 - (1) The name of the person and the address of the retail motor fuel site to be improved.
 - (2) A detailed description of the infrastructure to be installed, replaced, or converted, including but not limited to the model number of each installed, replaced, or converted motor fuel storage tank if available.
 - (3) A statement describing how the retail motor fuel site is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used to store and dispense the renewable fuel.
 - (4) A statement certifying that the infrastructure shall not be used to store or dispense motor fuel other than E-85 gasoline, biodiesel, or biodiesel blended fuel, unless granted a waiver by the infrastructure board

pursuant to this section.

5. A retail motor fuel site which is improved using financial incentives must comply with federal and state standards governing new or upgraded motor fuel storage tanks used to store and dispense the renewable fuel. A site classified as a no further action site pursuant to a certificate issued by the department of natural resources under section 455B.474 shall retain its classification following modifications necessary to store and dispense the renewable fuel and the owner or operator shall not be required to perform a new site assessment unless a new release occurs or if a previously unknown or unforeseen risk condition should arise.

6. The infrastructure board shall not approve a cost-share agreement which awards financial incentives to install, replace, or convert infrastructure associated with more than one motor fuel storage tank located at the same retail motor fuel site.

7. An award of financial incentives to a participating person shall be in the form of a grant.

In order to participate in the program an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the retail motor fuel site. The financial incentives awarded to the participating person shall not exceed fifty percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less. The infrastructure board may approve multiple awards to make improvements to a retail motor fuel site so long as the total amount of the awards does not exceed the limitations provided in this paragraph.

8. A participating person shall not use the infrastructure to store and dispense motor fuel other than the type of renewable fuel approved by the board in the cost-share agreement, unless one of the following applies:

a. The participating person is granted a waiver by the infrastructure board. The participating person shall store or dispense the motor fuel according to the terms and conditions of the waiver.

b. The renewable fuel infrastructure fund created in section 15G.205 is immediately repaid the total amount of moneys awarded to the participating person together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 15G.205.

9. A participating person who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §30

15G.204 Renewable fuel infrastructure program for biodiesel terminal facilities.

The department, under the direction of the renewable fuel infrastructure board created in section 15G.202, shall establish and administer a renewable fuel infrastructure program for terminal facilities that store and dispense biodiesel or biodiesel blended fuel. The infrastructure must be designed and shall be used exclusively to store and distribute biodiesel or biodiesel blended fuel. The department as directed by the infrastructure board shall provide a cost-share program for financial incentives.

1. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with

comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

2. To all extent practical, the program shall be administered in conjunction with the programs provided in section 15.401.

3. The department shall award financial incentives to a terminal operator participating in the program as directed by the infrastructure board. In order to be eligible to participate in the program, the terminal operator must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain information required by the infrastructure board and shall at least include all of the following:

a. The name of the terminal operator and the address of the terminal to be improved.

b. A detailed description of the infrastructure to be installed, replaced, or converted.

c. A statement describing how the terminal is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used to store and distribute biodiesel or biodiesel blended fuel.

d. A statement certifying that the infrastructure shall not be used to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless granted a waiver by the infrastructure board pursuant to this section.

4. An award of financial incentives to a participating person shall be in the form of a grant. In order to participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the terminal. The financial incentives awarded to the participating person shall not exceed fifty percent of the actual cost of making the improvements or fifty thousand dollars, whichever is less. The infrastructure board may approve multiple awards to make improvements to a terminal so long as the total amount of the awards does not exceed the limitations provided in this subsection.

5. A participating terminal operator shall not use the infrastructure to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless one of the following applies:

a. The participating terminal operator is granted a waiver by the infrastructure board. The participating terminal operator shall store or dispense the motor fuel according to the terms and conditions of the waiver.

b. The renewable fuel infrastructure fund created in section 15G.205 is immediately repaid the total amount of moneys awarded to the participating terminal operator together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 15G.205.

c. A participating terminal operator who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §31

15G.205 Renewable fuel infrastructure fund.

1. A renewable fuel infrastructure fund is created in the state treasury under the control of the department.

The infrastructure fund is separate from the general fund of the state.

2. The renewable fuel infrastructure fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States government or private sources for placement in the infrastructure fund.

3. Moneys in the renewable fuel infrastructure fund are appropriated to the department exclusively to support the renewable fuel infrastructure programs as provided in sections 15G.203 and 15G.204, as allocated in financial incentives by the renewable fuel infrastructure board as created in section 15G.202. Up to fifty thousand dollars shall be allocated each fiscal year to the department to support the administration of the programs. Otherwise the moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except to allocate as financial incentives under the programs.

4. *a.* The recapture of awards or penalties, or other repayments of moneys originating from the renewable fuel infrastructure fund shall be deposited into the infrastructure fund.

b. Notwithstanding section 12C.7, interest or earnings on moneys in the infrastructure fund shall be credited to the infrastructure fund.

c. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the infrastructure fund at the close of each fiscal year shall not revert but shall remain available in the infrastructure fund for expenditure for the same purposes until the end of the fiscal year that begins July 1, 2011, at which time the unencumbered and unobligated moneys remaining shall revert to the funds from which appropriated.

2006 Acts, ch 1175, §6, 23; 2006 Acts, ch 1185, §56

15G.206 Report.

1. By January 15 of each year, the renewable fuel infrastructure board shall approve that part of the department's report required to be submitted to the governor and general assembly by the department regarding projects supported from the grow Iowa values fund as provided in section 15.104 which provides information regarding expenditures to support renewable fuel infrastructure programs as provided in sections 15G.203 and 15G.204. That part of the report approved by the board shall include the same information as required for business finance projects funded during the previous fiscal year.

2. This section is repealed on July 1, 2012.

2006 Acts, ch 1142, §32