

## DEPARTMENT OF ECONOMIC DEVELOPMENT

### Footnotes

Department includes Iowa economic protective and investment authority; § 7E.7  
Department to recognize the value of health insurance benefit packages provided by employers in evaluating grant and loan requests; 89 Acts, ch 304, § 409

### 15.101 Mission.

The mission of the Iowa department of economic development is to enhance the economic development of the state and provide for job creation and increased prosperity and opportunities for the citizens of the state by providing direct financial and technical assistance and training to businesses and individuals and by coordinating other state, local, and federal economic development programs.

86 Acts, ch 1245, § 801

### 15.102 Definitions.

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

1. "*Board*" means the Iowa economic development board.
2. "*Department*" means the Iowa department of economic development.
3. "*Director*" means the director of the department or the director's designee.
4. "*Small business*" means any enterprise which is located in this state, which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than four million dollars computed as the average of the three preceding fiscal years. This definition does not apply to any program or activity for which a definition for small business is provided for the program or activity by federal law or regulation or other state law.

5. *a. "Targeted small business"* means a small business which is fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with a disability provided the business meets all of the following requirements:

- (1) Is located in this state.
- (2) Is operated for profit.
- (3) Has an annual gross income of less than four million dollars computed as an average of the three preceding fiscal years.

*b.* As used in this subsection:

- (1) "*Disability*" means, with respect to an individual, a physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of physical or mental impairment that substantially limits one or more of the major life activities of the individual, or being regarded as an individual with a physical or mental impairment that substantially limits one or more of the major life activities of the individual. "*Disability*" does not include any of the following:

(a) Homosexuality or bisexuality.

(b) Transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments, or other sexual behavior disorders.

(c) Compulsive gambling, kleptomania, or pyromania.

(d) Psychoactive substance abuse disorders resulting from current illegal use of drugs.

(2) "*Major life activity*" includes functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, or working.

(3) "*Minority person*" means an individual who is a Black, Latino, Asian or Pacific Islander, American Indian, or Alaskan native American.

86 Acts, ch 1245, § 802; 90 Acts, ch 1156, §2; 91 Acts, ch 103, §1; 94 Acts, ch 1076, § 2; 2007 Acts, ch 207, §35, 18

### **15.103 Economic development board.**

1. *a.* The Iowa economic development board is created, consisting of fifteen voting members appointed by the governor and seven ex officio nonvoting members. The ex officio nonvoting members are four legislative members; one president, or the president's designee, of the university of northern Iowa, the university of Iowa, or Iowa state university of science and technology designated by the state board of regents on a rotating basis; and one president, or the president's designee, of a private college or university appointed by the Iowa association of independent colleges and universities; and one superintendent, or the superintendent's designee, of a community college, appointed by the Iowa association of community college presidents. The legislative members are two state senators, one appointed by the president of the senate, after consultation with the majority leader of the senate, and one appointed by the minority leader of the senate, after consultation with the president of the senate, from their respective parties; and two state representatives, one appointed by the speaker and one appointed by the minority leader of the house of representatives from their respective parties. Not more than eight of the voting members shall be from the same political party. Beginning with the first appointment to the board made after July 1, 2005, at least one voting member shall have been less than thirty years of age at the time of appointment. The governor shall appoint the voting members of the board for a term of four years beginning and ending as provided by section 69.19, subject to confirmation by the senate, and the governor's appointments shall include persons knowledgeable of the various elements of the department's responsibilities.

*b.* Each of the following areas of expertise shall be represented by at least one member of the board who has professional experience in that area of expertise:

(1) Finance, insurance, or investment banking.

(2) Advanced manufacturing.

(3) Statewide agriculture.

(4) Life sciences.

(5) Small business development.

(6) Information technology.

(7) Economics or alternative and renewable energy including the alternative and renewable energy sectors listed in section 476.42, subsection 1, paragraph "a".

(8) Labor.

(9) Marketing.

(10) Entrepreneurship.

c. At least nine members of the board shall be actively employed in the private, for-profit sector of the economy.

2. A vacancy on the board shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term.

3. The board shall meet in May of each year for the purpose of electing one of its voting members as chairperson and one of its voting members as vice chairperson. However, the chairperson and the vice chairperson shall not be from the same political party. The board shall meet at the call of the chairperson or when any eight members of the board file a written request with the chairperson for a meeting. Written notice of the time and place of each meeting shall be given to each member of the board. A majority of the voting members constitutes a quorum.

4. Members of the board, the director, and other employees of the department shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses shall be paid from appropriations for those purposes and the department is subject to the budget requirements of chapter 8. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

5. If a member of the board has an interest, either direct or indirect, in a contract to which the department is or is to be a party, the interest shall be disclosed to the board in writing and shall be set forth in the minutes of a meeting of the board. The member having the interest shall not participate in action by the board with respect to the contract.

6. As part of the organizational structure of the department, the board shall establish a due diligence committee and a loan and credit guarantee committee composed of members of the board. The committees shall serve in an advisory capacity to the board and shall carry out any duties assigned by the board in relation to programs administered by the department.

86 Acts, ch 1245, § 803; 88 Acts, ch 1081, § 1; 90 Acts, ch 1223, § 9; 90 Acts, ch 1253, § 121; 2004 Acts, ch 1082, §7; 2005 Acts, ch 150, §4; 2006 Acts, ch 1010, § 171, 177; 2006 Acts, ch 1142, § 15

## **Footnotes**

Confirmation, see §2.32

## **15.104 Duties of the board.**

The board shall:

1. Prepare a three-year comprehensive strategic plan of specific goals, objectives, policies, performance measures, and benchmarks for state economic growth. All other state agencies shall include economic growth in their mission statements and shall annually submit to the board for its review and potential inclusion in the strategic plan their specific strategic plans and programs for economic growth. The three-year strategic plan for state economic growth shall be updated annually.

2. Develop a method of evaluation of the attainment of goals and objectives from pursuing the policies of the three-year plan which shall include performance measures and benchmarks. The method of evaluation shall provide for a review of the organizational structure of the state's economic growth efforts.

3. Implement the requirements of chapter 73.

4. Review and approve or disapprove a life science enterprise plan or amendments to that plan as provided in chapter 10C and according to rules adopted by the board. A life science plan shall make a reasonable effort to provide for participation by persons who are individuals or family farm entities actively engaged in farming as defined in section 10.1. The persons may participate in the life science enterprise by holding an equity position in the life science enterprise or providing goods or service to the enterprise under contract. The plan must be filed with the board not later than June 30, 2005. The life science enterprise may file an amendment to a plan at any time. A life science enterprise is not eligible to file a plan, unless the life science enterprise files a notice with the board. The notice shall be a simple statement indicating that the life science enterprise may file a plan as provided in this section. The notice must be filed with the board not later than June 1, 2005. The notice, plan, or amendments shall be submitted by a life science enterprise as provided by the board. The board shall consult with the department of agriculture and land stewardship during its review of a life science plan or amendments to that plan. The plan shall include information regarding the life science enterprise as required by rules adopted by the board, including but not limited to all of the following:

a. A description of life science products to be developed by the enterprise.

b. The time frame required by the enterprise to develop the life science products.

c. The amount of capital investment required by the enterprise to develop the life science products.

d. The number of acres of land required to produce the life science products.

e. The type and extent of participation in the life science enterprise by persons who are individuals or family farm entities. If the plan does not provide for participation or minimal participation, the plan shall include a detailed explanation of the reasonable effort made by the life science enterprise to provide for participation.

5. Approve the budget of the department as prepared by the director.

6. Establish guidelines, procedures, and policies for the awarding of grants or contracts administered by the department.

7. Review grants or contracts awarded by the department, with respect to the department's adherence to the guidelines and procedures and the impact on the three-year strategic plan for economic growth.

8. Adopt all necessary rules recommended by the director or administrators of divisions prior to their adoption pursuant to chapter 17A.

9. By January 15 of each year, submit a report to the general assembly and the governor that delineates expenditures made under each component of the grow Iowa values fund.\* In addition, the department shall provide in the report the following information regarding each business finance project and in the aggregate for projects funded during the previous fiscal year:

a. The number of net new jobs created as of the time of reporting. For purposes of this paragraph, "*net new jobs*" means the number of jobs that have been created pursuant to the new or retained positions identified in the contract.

b. The average wage of the jobs created as of the time of reporting.

c. The amount of capital investment invested as of the time of reporting.

d. The location.

e. The amount, if any, of private and local government moneys expended as of the time of reporting.

f. The amount of moneys expended on research and development activities that were not included in the jobs created and wages paid criteria.

g. The number of jobs retained as of the time of reporting.

86 Acts, ch 1245, § 804; 86 Acts, ch 1238, § 43; 87 Acts, ch 17, § 2; 2000 Acts, ch 1197, §8, 10; 2001 Acts, ch 11, §1; 2003 Acts, ch 72, §1; 2005 Acts, ch 16, §5, 7; 2005 Acts, ch 150, §5; 2005 Acts, ch 179, §108

### **Footnotes**

\*Approval of reports relating to expenditures for renewable fuel infrastructure programs, see § 15G.206

### **15.105 Department of economic development director.**

The Iowa department of economic development is created. The department shall be administered by a director who shall be appointed by the governor subject to confirmation by the senate and shall serve at the pleasure of the governor. If the office of the director becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment.

86 Acts, ch 1245, § 805

### **Footnotes**

Confirmation, see §2.32

### **15.106 Duties of the director.**

The director shall:

1. Manage the internal operations of the department and establish guidelines and procedures to promote the orderly and efficient administration of the department.
2. Employ personnel as necessary to carry out the duties and responsibilities of the department, consistent with the merit system provisions of chapter 8A, subchapter IV, for nonprofessional employees. Professional staff of the department are exempt from the merit system provisions of chapter 8A, subchapter IV.
3. Prepare a budget for the department, subject to the approval of the board, and prepare reports required by law or by the board.
4. Appoint the administrators of the divisions of the department.
5. Review and submit to the board legislative proposals necessary to maintain current state economic development and tourism laws.
6. Recommend rules to the board for the implementation of this chapter.

7. Report to the board, on at least a quarterly basis, on grants and contracts awarded by the department.

8. Seek to implement the comprehensive strategic plan approved by the board under section 15.104, subsection 1.

9. Implement the requirements of chapter 73.

86 Acts, ch 1245, § 806; 88 Acts, ch 1158, § 1; 2001 Acts, ch 11, §2; 2001 Acts, ch 61, §1; 2003 Acts, ch 145, §137

### **15.107 Divisions.**

The director may establish administrative divisions within the department in order to most efficiently and effectively carry out the department's responsibilities, subject to the following:

1. That, initially, there exist a finance division and a job training and entrepreneurship assistance division among the department's divisions.
2. That any creation or modification of departmental divisions be set in place only after consultation with the board.

86 Acts, ch 1245, § 807

### **15.108 Primary responsibilities.**

The department has the following areas of primary responsibility:

1. *Finance.* To provide for financial assistance to businesses, local governments, and educational institutions through loans and grants of state and federal funds to enable them to promote and achieve economic development within the state. To carry out this responsibility, the department shall:

- a. Expend federal funds received as community development block grants as provided in section 8.41.
- b. Provide staff assistance to the corporation formed under authority of sections 15E.11 to 15E.16 to receive and disburse funds to further the overall development and well-being of the state.

2. *Marketing.* To coordinate, develop, and make available technical services on the state and local levels in order to aid businesses in their start-up or expansion in the state. To carry out this responsibility, the department shall:

- a. Establish within the department a federal procurement office staffed with individuals experienced in marketing to federal agencies.
- b. Aid in the marketing and promotion of Iowa products and services. The department may adopt, subject to the approval of the board, a label or trademark identifying Iowa products and services together with any other appropriate design or inscription and this label or trademark shall be registered in the office of the secretary of state. In authorizing the use of a marketing label or trademark to an applicant, the state, and any state agency, official, or employee involved in the authorization, is immune from a civil suit for damages, including but not limited to a suit based on contract, breach of warranty, negligence, strict liability, or tort. Authorization of the use of a marketing label or trademark by the state, or any state agency, official, or employee, is not an express or implied guarantee or warranty concerning the safety, fitness, merchantability, or use of the applicant's product or service. This paragraph does not create a duty of care to the applicant or any other person.

(1) The department may register or file the label or trademark under the laws of the United States or any foreign country which permits registration, making the registration as an association or through an individual for the use and benefit of the department.

(2) The department shall establish guidelines for granting authority to use the label or trademark to persons or firms who make a satisfactory showing to the department that the product or service meets the guidelines as manufactured, processed, or originating in Iowa. The trademark or label use shall be registered with the department.

(3) A person shall not use the label or trademark or advertise it, or attach it on any promotional literature, manufactured article or agricultural product without the approval of the department.

(4) The department may deny permission to use the label or trademark if the department believes that the planned use would adversely affect the use of the label or trademark as a marketing tool for Iowa products or its use would be inconsistent with the marketing objectives of the department. Notwithstanding chapter 17A, the Iowa administrative procedure Act, the department may suspend permission to use the label or trademark prior to an evidentiary hearing which shall be held within a reasonable period of time following the denial.

*c.* Promote an import substitution program to encourage the purchase of domestically produced Iowa goods by identifying and inventorying potential purchasers and the firms that can supply them, contacting the suppliers to determine their interest and ability in meeting the potential demand, and making the buyers aware of the potential suppliers.

*d.* Aid in the promotion and development of the agricultural processing industry in the state.

*3. Local government and service coordination.* To coordinate the development of state and local government economic development-related programs in order to promote efficient and economic use of federal, state, local, and private resources.

*a.* To carry out this responsibility, the department shall:

(1) Provide the mechanisms to promote and facilitate the coordination of management and technical assistance services to Iowa businesses and industries and to communities by the department, by the community colleges, and by the state board of regents institutions, including the small business development centers, the center for industrial research and service, and extension activities. In order to achieve this goal, the department may establish periodic meetings with representatives from the community colleges and the state board of regents institutions to develop this coordination. The community colleges and the state board of regents institutions shall cooperate with the department in seeking to avoid duplication of economic development services through greater coordinating efforts in the utilization of space, personnel, and materials and in the development of referral and outreach networks. The department shall annually report on the degree to which economic development activities have been coordinated and the degree to which there are future coordination needs, and the community colleges and the state board of regents institutions shall be given an opportunity to review and comment on this report prior to its printing or release. The department shall also establish a registry of applications for federal funds related to management and technical assistance programs.

(2) Provide office space and staff assistance to the city development board as provided in section 368.9.

(3) Provide technical and financial assistance to local and regional government organizations in Iowa, analyze intergovernmental relations in Iowa, and recommend policies to state agencies, local governments, the governor, and the general assembly as these pertain to economic development.

(4) Train field experts in local development and through them provide continuing support to small local

organizations.

(5) Encourage cities, counties, local and regional government organizations, and local and regional economic development organizations to develop and implement comprehensive community and economic development plans. In evaluating financial assistance applications, the department shall award supplementary credit to applications submitted by cities, counties, local and regional government organizations, and local and regional economic development organizations that have developed a comprehensive community and economic development plan.

*b.* In addition to the duties specified in paragraph "*a*", the department may:

(1) Perform state and interstate comprehensive planning and related activities.

(2) Perform planning for metropolitan or regional areas or areas of rapid urbanization including interstate areas.

(3) Provide planning assistance to cities, counties, local and regional government organizations, and local and regional economic development organizations. Subject to the availability of funds for this purpose, the department may provide financial assistance to cities, counties, local and regional government organizations, and local and regional economic development organizations for the purpose of developing community and economic development plans.

(4) Assist public or private universities and colleges and urban centers to:

(a) Organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development.

(b) Support state and local research that is needed in connection with community development.

4. *Exporting.* To promote and aid in the marketing and sale of Iowa industrial and agricultural products and services outside of the state. To carry out this responsibility, the department shall:

*a.* Prepare a report for the governor and the general assembly indicating the areas of export development in which this state could be more actively involved and how this involvement could occur. The initial report shall be available to the governor and members of the general assembly by December 1, 1986. Subsequent reports may be submitted as deemed necessary. The report shall include, but is not limited to:

(1) Information on the financial requirements of export trade activity and the potential roles for state involvement in export trade financing.

(2) Information on financing of export trade activity undertaken by other states and the results of this activity.

(3) Recommendations for a long-term export trade policy for the state.

(4) Recommendations regarding state involvement in export trade financing requirements.

(5) Other findings and recommendations deemed relevant to the understanding of export trade development.

*b.* Perform the duties and activities specified for the agricultural marketing program under sections 15.201 and 15.202.

*c.* To the extent deemed feasible and in coordination with the board of regents and the area community colleges, work to establish a conversational foreign language training program.

*d.* To the extent deemed feasible, promote and assist in the creation of one or more international currency and barter exchanges.

*e.* Seek assistance and advice from the export advisory board appointed by the governor and the Iowa district export council which advises the United States department of commerce. The governor is authorized to appoint an export advisory board.

*f.* To the extent deemed feasible, develop a program in which graduates of Iowa institutions of higher education or former residents of the state who are residing in foreign countries and who are familiar with the language and customs of those countries are utilized as cultural advisors for the department and for Iowa businesses participating in trade missions and other foreign trade activities, and in which foreign students studying at Iowa institutions of higher education are provided means to establish contact with Iowa businesses engaged in export activities, and in which foreign students returning to their home countries are used as contacts for trading purposes.

*5. Tourism.* To promote Iowa's public and private recreation and tourism opportunities to Iowans and out-of-state visitors and aid promotional and development efforts by local governments and the private sector. To carry out this responsibility, the department shall:

*a.* Build general public consensus and support for Iowa's public and private recreation, tourism, and leisure opportunities and needs.

*b.* Recommend high quality site management and maintenance standards for all public and private recreation and tourism opportunities.

*c.* Coordinate and develop with the state department of transportation, the state department of natural resources, the state department of cultural affairs, and other state agencies public interpretation and education programs which encourage Iowans and out-of-state visitors to participate in recreation and leisure opportunities available in Iowa.

*d.* Coordinate with other divisions of the department to add Iowa's recreation, tourism, and leisure resources to the agricultural and other images which characterize the state on a national level.

*e.* Consolidate and coordinate the many existing sources of information about local, regional, statewide, and national opportunities into a comprehensive, state-of-the-art information delivery system for Iowans and out-of-state visitors.

*f.* Formulate and direct marketing and promotion programs to specific out-of-state market populations exhibiting the highest potential for consuming Iowa's public and private tourism products.

*g.* Provide ongoing long-range planning on a statewide basis for improvements in Iowa's public and private tourism opportunities.

*h.* Provide the private sector and local communities with advisory services including analysis of existing resources and deficiencies, general development and financial planning, marketing guidance, hospitality training, and others.

*i.* Measure the change in public opinion of Iowans regarding the importance of recreation, tourism, and leisure.

*j.* Provide annual monitoring of tourism visitation by Iowans and out-of-state visitors to Iowa attractions, public and private employment levels, and other economic indicators of the recreation and tourism industry and report predictable trends.

k. Identify new business investment opportunities for private enterprise in the recreation and tourism industry.

l. Cooperate with and seek assistance from the state department of cultural affairs.

m. Seek coordination with and assistance from the state department of natural resources in regard to the Mississippi river parkway under chapter 308 for the purposes of furthering tourism efforts.

n. Collect, assemble, and publish a list of farmers who have agreed to host overnight guests, for purposes of promoting agriculture in the state and farm tourism, to the extent that funds are available.

o. Establish a revolving fund to receive contributions to be used for cooperative advertising efforts. Fees and royalties obtained as a result of licensing the use of logos and other creative materials for sale by private vendors on selected products may be deposited in the fund. The department shall adopt by rule a schedule for fees and royalties to be charged.

p. Establish, if the department deems necessary, a revolving fund to receive contributions and funds from the product sales center to be used for start-up or expansion of tourism special events, fairs, and festivals as established by department rule.

6. *Employee training and retraining.* To develop employee training and retraining strategies in coordination with the department of education and department of workforce development as tools for business development, business expansion, and enhanced competitiveness of Iowa industry, which will promote economic growth and the creation of new job opportunities and to administer related programs. To carry out this responsibility, the department shall:

a. Coordinate and perform the duties specified under the Iowa industrial new jobs training Act in chapter 260E, the Iowa jobs training Act in chapter 260F, and the workforce development fund in section 15.341.

b. In performing the duties set out in paragraph "a", the department shall:

(1) Work closely with representatives of business and industry, labor organizations, the department of education, the department of workforce development, and educational institutions to determine the employee training needs of Iowa employers, and where possible, provide for the development of industry-specific training programs.

(2) Promote Iowa employee training programs to potential and existing Iowa employers and to employer associations.

(3) Develop annual goals and objectives which will identify both short-term and long-term methods to improve program performance, create employment opportunities for residents, and enhance the delivery of services.

(4) Stimulate the creation of innovative employee training and skills development activities, including business consortium and supplier network training programs, and new employee development training models.

(5) Coordinate employee training activities with other economic development finance programs to stimulate job growth.

(6) Review workforce development initiatives as they relate to the state's economic development agenda, recommending action as necessary to meet the needs of Iowa's communities and businesses.

(7) Incorporate workforce development as a component of community-based economic development activities.

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

a. Receive and review complaints from individual small businesses that relate to rules or decisions of state agencies, and refer questions and complaints to a governmental agency where appropriate.

b. Establish and administer the regulatory information service provided for in section 15E.17.

c. Aid for the development and implementation of the Iowa targeted small business procurement Act established in sections 73.15 through 73.21 and the targeted small business financial assistance program established in section 15.247.

(1) (a) By December 1 of each year, the department of administrative services shall file a written report with the department of economic development regarding the Iowa targeted small business procurement Act activities during the previous fiscal year. At a minimum, the report shall include a summary of all activities undertaken by the department of administrative services in an effort to maximize the utilization of the targeted small business procurement Act.

(b) By December 1 of each year, the department of inspections and appeals shall file a written report with the department of economic development regarding certifications of targeted small businesses. At a minimum, the report shall include the number of certified targeted small businesses for the previous year and the increase or decrease in that number during the previous fiscal year compared to the prior fiscal year, the number of targeted small businesses that have been decertified over the previous fiscal year, and a summary of all activities undertaken by the department of inspections and appeals regarding targeted small business certification.

(c) By December 1 of each year, the department of economic development shall compile an internal report regarding the targeted small business financial assistance program. At a minimum, the report shall contain the number of loans, loan guarantees, and grants distributed during the previous fiscal year, the individual amounts provided to targeted small businesses during the previous fiscal year, and how many financial assistance awards to targeted small businesses were the subject of repayment or collection activity during the previous fiscal year.

(d) By December 1 of each year, the targeted small business marketing and compliance manager of the department of economic development shall compile a list of the procurement goals established pursuant to section 73.16, subsection 2, and the performance of each agency in meeting the goals. The compilation of the performance of each agency shall be based upon the reports required to be filed under section 73.16, subsection 2.

(e) By January 15 of each year, the department of economic development shall submit to the governor and the general assembly a compilation of reports required under this subparagraph.

(2) The director, with cooperation from the other state agencies, shall publicize the procurement goal program established in sections 73.15 through 73.21 to targeted small businesses and to agencies of state government, attempt to locate targeted small businesses able to perform contracts, and encourage program participation. The director may request the cooperation of the department of administrative services, the state department of transportation, the state board of regents, or any other agency of state government in publicizing this program.

(3) The director, in conjunction with other state agencies, shall publicize the financial assistance program established in section 15.247 to targeted small businesses.

(4) When the director determines, or is notified by the head of another agency of state government, that a targeted small business is unable to perform a procurement contract, the director shall assist the small business in attempting to remedy the causes of the inability to perform. In assisting the small business, the director may use any management or financial assistance programs available through state or governmental agencies or private sources.

(5) The department of economic development shall establish targeted small business advocate service providers for purposes of providing mentoring, outreach, and professional development services to targeted small businesses certified pursuant to section 10A.104. Targeted small business advocate service providers shall be established through a request for proposals process. Entities eligible to bid under the request for proposals process shall include but not be limited to a business accelerator, a small business development center, or any organization that provides mentoring, outreach, and professional development services to businesses. A person serving on or staffing a governor's task force on targeted small businesses during calendar year 2006 shall not be eligible to be part of a bid under the request for proposals process until after July 1, 2009. A person serving on or staffing a governor's targeted small business advisory council shall not be eligible to be part of a bid under the request for proposals process until three years following the termination of service or staffing the advisory council. The advice and services provided by providers shall extend to all areas of business management in its practical application, including but not limited to accounting, engineering, drafting, grant writing, obtaining financing, locating bond markets, market analysis, and projections of profit and loss.

*d.* If determined necessary by the board, provide training for bank loan officers to increase their level of expertise in regard to business loans.

*e.* To the extent feasible, cooperate with the department of workforce development to establish a program to educate existing employers and new or potential employers on the rates and workings of the state unemployment compensation program and the state workers' compensation program.

*f.* Study the feasibility of reducing the total number of state licenses, permits, and certificates required to conduct small businesses.

*g.* Encourage and assist small businesses to obtain state contracts and subcontracts by cooperating with the directors of purchasing in the department of administrative services, the state board of regents, and the state department of transportation in performing the following functions:

(1) Developing a uniform small business vendor application form which can be adopted by all agencies and departments of state government to identify small businesses and targeted small businesses which desire to sell goods and services to the state. This form shall also contain information which can be used to determine certification as a targeted small business pursuant to section 10A.104, subsection 8.

(2) Compiling and maintaining a comprehensive source list of small businesses.

(3) Assuring that responsible small businesses are solicited on each suitable purchase.

(4) Assisting small businesses in complying with the procedures for bidding and negotiating for contracts.

(5) Simplifying procurement specifications and terms in order to increase the opportunities for small business participation.

(6) When economically feasible, dividing total purchases into tasks or quantities to permit maximum small

business participation.

(7) Preparing timely forecasts of repetitive contracting requirements by dollar volume and types of contracts to enhance the participation of responsible small businesses in the public purchasing process.

(8) Developing a mechanism to measure and monitor the amount of participation by small businesses in state procurement.

*h.* In addition, the department shall provide assistance to a small business advisory council which shall consist of nine members appointed as follows:

(1) Not more than five of the members shall be from the same political party. The governor shall appoint the members of the advisory council to four-year terms beginning and ending as provided by section 69.19, subject to confirmation by the senate. Two-thirds of the membership of the advisory council shall consist of individuals who own and operate a small business or individuals employed in the management of a small business.

(2) A vacancy on the advisory council shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term.

(3) The advisory council shall meet in May of each year for the purpose of electing one of its members as chairperson and one of its members as vice chairperson. However, the chairperson and vice chairperson shall not be from the same political party. The advisory council shall meet at least quarterly.

(4) Members of the advisory council shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses shall be paid from appropriations to the department for those purposes.

(5) The duties of the advisory council may include but shall not be limited to the following:

(a) Advise and consult with the board with respect to matters which are of concern to small business.

(b) Submit recommendations to the board relating to actual or proposed activities concerning small business.

(c) Submit recommendations for legislative or administrative action.

(d) Review and monitor small business programs and agencies in order to determine their effectiveness and whether they complement or compete with each other, and to coordinate the delivery of programs and services aimed at small businesses.

(e) Initiate small business studies as deemed necessary.

(f) Provide other information or perform other duties which would be of assistance to small business.

8. *Case management.* To provide case management assistance to low-income persons for the purpose of establishing or expanding small business ventures as provided in section 15.246.

9. *Miscellaneous.* To provide other necessary services, the department shall:

*a.* Collect and assemble, or cause to have collected and assembled, all pertinent information available regarding the industrial, agricultural, and public and private recreation and tourism opportunities and possibilities of the state of Iowa, including raw materials and products that may be produced from them; power and water resources; transportation facilities; available markets; the banking and financing facilities;

the availability of industrial sites; the advantages of the state as a whole, and the particular sections of the state, as industrial locations; the development of a grain alcohol motor fuel industry and its related products; and other fields of research and study as the board deems necessary. This information, as far as possible, shall consider both the encouragement of new industrial enterprises in the state and the expansion of industries now existing within the state, and allied fields to those industries. The information shall also consider the changing composition of the Iowa family and the level of poverty among different age groups and different family structures in Iowa society and their impact on Iowa families.

*b.* Apply for, receive, contract for, and expend federal funds and grants and funds and grants from other sources.

*c.* Except as otherwise provided in sections 8A.110, 260C.14, and 262.9, provide that an inventor whose research is funded in whole or in part by the state shall assign to the state a proportionate part of the inventor's rights to a letter patent resulting from that research. Royalties or earnings derived from a letter patent shall be paid to the treasurer of state and credited by the treasurer to the general fund of the state. However, the department in conjunction with other state agencies, including the board of regents, shall provide incentives to inventors whose research is funded in whole or in part by the state for having their products produced in the state. These incentives may include taking a smaller portion of the inventor's royalties or earnings than would otherwise occur under this paragraph or other provisions of the law.

*d.* Administer or oversee federal rural economic development programs in the state.

*e.* At the director's discretion, accept payment by credit card of any fees, interest, penalties, subscriptions, registrations, purchases, or other payments, or any portion of such payments, which are due or collected by the department. The department may adjust the amount of the payment to reflect the costs of processing the payment as determined by the treasurer of state and the payment by credit card shall include, in addition to all other charges, any discount charged by the credit card issuer.

*f.* Provide technical assistance to individuals who are pursuing the purchase and operation of employee-owned businesses.

*10. Economic development planning and research activities.* To provide leadership and support for economic and community development activities statewide. To carry out this responsibility, the department may establish a research center for economic development programs and services whose duties may include but are not limited to the following:

*a.* Implementation of a comprehensive statewide economic development planning process and provision of leadership, coordination, and support to regional and local economic and community planning efforts.

*b.* Coordination of the delivery of economic and community development programs with other local, regional, state, federal, and private sector programs and activities.

*c.* Collection and analysis of data and information, development of databases and performing research to keep abreast of Iowa's present economic base, changing market demands, and emerging trends, including identification of targeted markets and development of marketing strategies.

*d.* Provision of access to databases to facilitate sales and exports by Iowa businesses.

*e.* Establishment of a database of community and economic information to aid local, regional, and statewide economic development and service delivery efforts.

*11. Housing development.*

a. To provide assistance to local governments, housing organizations, economic development groups, and other local entities to increase the development of housing in the state and to improve the quality of existing housing in order to maximize the effects of other economic development efforts.

b. To carry out this responsibility, the department shall:

(1) Provide housing needs assessments.

(2) Provide a one-stop source, in coordination with other agencies of the state, for housing development assistance.

(3) Establish programs which assist communities or local entities in developing housing to meet a range of community needs, including programs to assist homeless shelter operations and programs to assist in the development of housing to enhance economic development opportunities in the community.

86 Acts, ch 1142, §1; 86 Acts, ch 1238, §44; 86 Acts, ch 1245, §808; 87 Acts, ch 101, §2; 87 Acts, ch 106, §1; 88 Acts, ch 1098, §1; 88 Acts, ch 1273, §68; 89 Acts, ch 196, §1; 89 Acts, ch 209, §1; 89 Acts, ch 258, §12; 90 Acts, ch 1047, §1; 90 Acts, ch 1140, §1; 90 Acts, ch 1156, §3; 90 Acts, ch 1255, §2; 91 Acts, ch 28, §1; 91 Acts, ch 109, §1; 92 Acts, ch 1089, § 1; 92 Acts, ch 1244, § 11; 93 Acts, ch 167, §9; 93 Acts, ch 180, §34, 35; 94 Acts, ch 1023, §4; 94 Acts, ch 1199, §16; 96 Acts, ch 1186, §14, 23; 97 Acts, ch 15, §1, 2; 97 Acts, ch 214, §1; 98 Acts, ch 1175, §1, 2; 99 Acts, ch 197, §20, 23; 2001 Acts, ch 61, §25; 2003 Acts, ch 44, §9; 2003 Acts, ch 71, §1; 2003 Acts, ch 145, §138, 286; 2003 Acts, 1st Ex, ch 1, §76, 133

[2003 Acts, 1st Ex, ch 1, § 76, 133, amendment adding new paragraph g to subsection 9, stricken pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2006 Acts, ch 1100, §1; 2007 Acts, ch 126, §5; 2007 Acts, ch 207, §6, 18

## Footnotes

Confirmation, see §2.32

## 15.109 Additional duties.

The department of economic development shall coordinate the development of state and local government programs in order to promote efficient and economic use of federal, state, local, and private resources. The department shall:

1. Provide technical and financial assistance to local and regional government organizations in Iowa, analyze intergovernmental relations in Iowa, and recommend policies to state agencies, local governments, the governor, and the general assembly.

2. Apply for, receive, administer, and use federal or other funds available for achieving the purposes of this chapter. For purposes of this subsection, the term "*federal funds*" includes federal tax credits, grants, or other economic benefits allocated or provided by the United States government to encourage investment in low-income or other specified areas or to otherwise promote economic development. The department may enter into an agreement pursuant to chapter 28E, or any other agreement, with a person, including for-profit and nonprofit legal entities, in order to directly or indirectly apply for, receive, administer, and use federal funds. As part of such agreements and in furtherance of this public purpose and in addition to powers and duties conferred under other provisions of law, the department may, including for or on behalf of for-profit or nonprofit legal entities, appoint, remove, and replace board members and advisors; provide oversight; make its personnel and resources available to perform administrative, management, and compliance functions; coordinate investments; and engage in other acts as reasonable and necessary to encourage investment in

low-income or other areas or to promote economic development. The department, including department officials and employees in their official and personal capacities, are immune from liability for all acts or omissions under this subsection.

3. At the time the department approves assistance for an applicant, provide the person with information regarding the nature and source of other technical assistance available in the state to assist the applicant on design and management matters concerning energy efficiency and waste reduction. The department shall review the extent to which recommendations made to grantees are in fact implemented by the grantees.

[C71, 73, 75, 77, 79, 81, § 7A.3, 7A.7; 82 Acts, ch 1210, § 5]

C83, § 7A.3

86 Acts, ch 1245, § 101, 102

C87, § 15.109

90 Acts, ch 1252, § 2; 2004 Acts, ch 1175, §318

#### **15.110 Restrictions relating to councils of governments.**

The department shall not require a city or county to be a dues paying member of a council of governments.

90 Acts, ch 1262, §23

#### **Footnotes**

Councils of governments; see chapter 28H

**15.111 Rural development coordination.** Repealed by 2001 Acts, ch 61, §19.

#### **15.112 Farmworks matching funds.**

If the federal government funds the "farmworks" national demonstration project for distressed family farmers, the department shall allocate to the project from the rural enterprise fund or another fund, an amount equal to four percent of the federal funding each year for a three-year period on a dollar-for-dollar matching basis with local or private contributions.

93 Acts, ch 180, §38

#### **15.113 Economic development assistance report.**

In order for the general assembly and the governor to have accurate and complete information regarding expenditures for economic development and job training incentives and to respond to the job training needs of Iowa workers, the department shall provide to the legislative services agency and the governor by January 15 of each year data on all assistance or benefits provided under the community economic betterment program, the high quality job creation program, and the Iowa industrial new jobs training Act during the previous calendar year. The department shall meet with the legislative services agency and the governor prior to submitting the data to assure that its form and specificity are sufficient to provide accurate and complete information to the general assembly and the governor. The department shall also contact other state agencies providing financial assistance to Iowa businesses and, to the extent practical, coordinate the submission of the data to the legislative services agency and the governor.

96 Acts, ch 1219, §93; 2003 Acts, ch 35, §45, 49; 2005 Acts, ch 150, §41, 68, 69; 2006 Acts, ch 1100, §2

## **Footnotes**

Community economic betterment program, § 15.31515.325

High quality job creation program, § 15.32615.337

Iowa industrial new jobs training Act, chapter 260E

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

**15.114 Microbusiness enterprise assistance.** Repealed by 2006 Acts, ch 1100, § 6.

### **15.115 Technology commercialization specialist.**

The department shall ensure that businesses in the state are well informed about the technology patents, licenses, and options available to them from colleges and universities in the state and to ensure the department's business development and marketing efforts are conducted in a way that maximizes the advantage to the state of research and technology commercialization efforts at colleges and universities in the state. The department shall establish a technology commercialization specialist position which shall be responsible for the obligations imposed by this section and for performance of all of the following activities:

1. Establishing and maintaining communication with personnel in charge of intellectual property management and technology at colleges and universities in the state.
2. Meeting at least quarterly with personnel in charge of intellectual property management and technology commercialization regarding new technology disclosures and technology patents, licenses, or options available to Iowa businesses at colleges and universities in the state.
3. Being knowledgeable regarding intellectual property, patent, license, and option policies of colleges and universities in the state as well as applicable federal law.
4. Establishing and maintaining an internet website to link other internet websites which provide electronic access to information regarding available patents, licenses, or options for technology at colleges and universities in the state.
5. Establishing and maintaining communications with business and development organizations in the state regarding available technology patents, licenses, and options.
6. Cooperating with colleges and universities in the state in establishing technology fairs or other public events designed to make businesses in the state aware of available technology patents, licenses, or options available to businesses in the state.

2005 Acts, ch 150, §27

### **15.116 Technology commercialization committee.**

To evaluate and approve funding for projects and programs under section 15G.111, subsection 2, the economic development board shall create a technology commercialization committee composed of members

with expertise in the areas of biosciences, engineering, manufacturing, pharmaceuticals, materials, information solutions, software, and energy. At least one member of the technology commercialization committee shall be a member of the economic development board. An organization designated by the department, composed of members from both the public and private sectors and composed of subunits or subcommittees in the areas of already identified bioscience platforms, education and workforce development, commercialization, communication, policy and governance, and finance, shall provide funding recommendations to the technology commercialization committee.

2005 Acts, ch 150, §28

#### **15.117 Chief technology officer.**

The governor shall appoint a chief technology officer for the state. The chief technology officer shall serve a four-year term and shall have national or international stature. The chief technology officer shall coordinate the activities of the technology commercialization specialist employed pursuant to section 15.115. The chief technology officer shall serve as a spokesperson for the department for purposes of promoting to private sector businesses the technology commercialization efforts of the department and the research and technology capabilities of institutions of higher learning in the state.

2005 Acts, ch 150, §29

#### **15.118 through 15.200 Reserved.**

#### **15.201 Agricultural marketing program.**

The department shall operate an agricultural marketing program designed to lead to more advantageous marketing of Iowa agricultural products. The department may develop and carry out activities to implement this program, and shall:

1. Investigate the subject of marketing agricultural products and recommend efficient and economical methods of marketing.
2. Promote the sales, distribution, and merchandising of agricultural products.
3. Furnish information and assistance to the public concerning the marketing of agricultural products.
4. Cooperate with the division of agriculture of the Iowa state university of science and technology in farm marketing education and research and avoid unnecessary duplications.
5. Gather and diffuse useful information concerning all phases of the marketing of Iowa farm products in cooperation with other public or private agencies.
6. Ascertain sources of supply of Iowa agricultural products, and prepare and publish from time to time lists of names and addresses of producers and consignors and furnish the lists to persons applying for them.
7. Aid in the promotion and development of the agricultural processing industry in the state.

86 Acts, ch 1245, § 809

#### **15.202 Grants and gifts.**

The department may, with the approval of the director, accept grants and allotments of funds from the federal government and enter into cooperative agreements with the secretary of agriculture of the United States for

projects to effectuate any of the purposes of the agricultural marketing program; and may accept grants, gifts, or allotments of funds from any person for the purpose of carrying out the agricultural marketing program. The department shall make an itemized accounting of such funds to the director at the end of each fiscal year.

86 Acts, ch 1245, § 810

### **15.203 Agricultural products advisory council duties.**

1. The department shall establish, in consultation with the department of agriculture and land stewardship, an agricultural products advisory council for the purpose of advising the two departments in relation to the promotion, marketing and export of agricultural commodities and value-added agricultural products processed in Iowa and for the purpose of assisting in the coordination of the respective agricultural marketing programs of the two departments. The council shall seek to promote the agricultural commodities and products of the state by providing advice in the development of and by monitoring the implementation of a program and plan which provide for the participation and cooperation of the two departments. The council shall consist of five members appointed by the secretary of agriculture, and five members appointed by the director, who are experienced in marketing or exporting agricultural commodities or products, financing the export of agricultural commodities or products, or adding value to and processing of agricultural products.
2. The agricultural products advisory council shall seek to maximize the resources of the programs of the two departments, eliminate the unnecessary duplication of efforts, and successfully promote the state's agricultural commodities and products.
3. The agricultural products advisory council shall evaluate the current role of the private sector in promoting and marketing agricultural commodities and products and make recommendations for the utilization of the private sector programs in the state agricultural products promotion plan.
4. The agricultural products advisory council may employ or contract with a consultant or specialist to assist in developing and implementing the program and plan of the departments and the council.

86 Acts, ch 1245, § 811; 89 Acts, ch 219, § 1; 2006 Acts, ch 1100, §3, 4

### **Footnotes**

Value-added agricultural products and processes financial assistance program; § 15E.111

**15.204 Value-added agricultural linked investment loan program eligibility requirements.** Repealed by 2006 Acts, ch 1165, § 8.

**15.205 through 15.220** Reserved.

### **15.221 Iowa Lewis and Clark bicentennial commission.**

1. The Iowa Lewis and Clark bicentennial commission is established in the department of economic development for purposes of coordinating and promoting the observance of this state's bicentennial commemoration of the Lewis and Clark expedition. The commission shall be organized and shall operate as a nonprofit corporation within this state in accordance with chapter 504.
2. The commission shall be composed of seven members consisting of all of the following:
  - a. The director of the department of cultural affairs, or the director's designee.

- b.* The administrator of the division of tourism within the department of economic development, or the administrator's designee.
  - c.* The director of the department of natural resources or the director's designee.
  - d.* The administrator of the historical division within the department of cultural affairs, or the administrator's designee.
  - e.* The remaining three members shall be appointed by the governor, subject to confirmation by the senate. The members appointed by the governor shall have an interest or expertise in the history of the Lewis and Clark expedition. At least one of the members appointed by the governor shall be a member of an Indian tribe encountered by the Lewis and Clark expedition.
3. The members appointed by the governor shall be appointed in compliance with sections 69.16 and 69.16A and shall serve three-year terms beginning and ending as provided by section 69.19. Members appointed by the governor may be reappointed.
  4. The commission shall annually elect a chairperson and vice chairperson from the members of the commission.
  5. Commission members shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

2000 Acts, ch 1127, §1, 6; 2002 Acts, ch 1162, §26; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

## **Footnotes**

Confirmation, see §2.32

### **15.222 Powers.**

The commission may do all of the following:

1. Cooperate with other entities conducting national, regional, state, or local events promoting the bicentennial.
2. Plan, assist, coordinate, or conduct bicentennial events.
3. Engage in fund-raising activities, including revenue-earning enterprises and the solicitation of grants, gifts, and donations.
4. Promote public education concerning the Lewis and Clark expedition.
5. Coordinate interagency participation in the observance and work with appropriate federal entities such as the national park service, the United States forest service, and the United States army.
6. Appoint various local and regional advisory committees.
7. Perform any other related duties.

2000 Acts, ch 1127, §2, 6

### **15.223 Iowa Lewis and Clark bicentennial fund.**

An Iowa Lewis and Clark bicentennial fund is created as a separate fund in the state treasury under the control of the commission. The assets of the fund shall be used by the commission only for carrying out the purposes of this part. The fund shall consist of any moneys appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the commission for placement in the fund. Notwithstanding section 8.33, moneys in the Iowa Lewis and Clark bicentennial fund at the end of each fiscal year shall not revert to any other fund but shall remain in the Lewis and Clark bicentennial fund for expenditure for subsequent fiscal years.

2000 Acts, ch 1127, §3, 6

#### **15.224 Rules.**

The department, in cooperation with the commission, may adopt administrative rules pursuant to chapter 17A necessary to accomplish the purpose of the commission.

2000 Acts, ch 1127, §4, 6

#### **15.225 Termination.**

The Iowa Lewis and Clark bicentennial commission shall dissolve by December 31, 2007.

2000 Acts, ch 1127, §5, 6

**15.226 through 15.230** Repealed by 96 Acts, ch 1186, § 26. See § 84A.7.

**15.231 Industrial and business export trade plan.** Repealed by 2006 Acts, ch 1100, § 7.

**15.232 Ambassador's program established.** Repealed by 91 Acts, ch 267, § 319.

**15.233 through 15.239** Reserved.

**15.240 Microenterprise development program microenterprise development revolving fund.** Repealed by 2001 Acts, ch 61, §19.

**15.241 Iowa "self-employment loan program".** Repealed by 2003 Acts, ch 71, § 6.

**15.242 through 15.245** Reserved.

#### **15.246 Case management program.**

The department shall establish and administer a case management program, contingent upon the availability of funds authorized for the program, and conducted in coordination with other state or federal programs providing financial or technical assistance administered by the department. The case management program shall assist in furnishing information about available assistance to clients seeking to establish or expand small business ventures, furnishing information about available financial or technical assistance, evaluating small business venture proposals, completing viable business start-up or expansion plans, and completing applications for financial or technical assistance under the programs administered by the department.

In administering the program, the department may contract with service providers to deliver case management assistance under this section. A service provider may be any entity which the department determines is qualified to deliver case management assistance, including a state agency, a private for-profit or

not-for-profit corporation, or other association or organization. The department shall establish rules necessary to carry out this section, including schedules for providing contract payments to service providers, based on the number of hours of case management assistance provided to a client.

88 Acts, ch 1098, §2; 2001 Acts, ch 61, §6; 2003 Acts, ch 71, §2

### **15.247 Targeted small business financial assistance program.**

1. As used in this section, "*small business*" and "*targeted small business*" mean the same as defined in section 15.102, subsections 4 and 5.
2. A "targeted small business financial assistance program account" is established within the strategic investment fund created in section 15.313, to provide for loans, loan guarantees, or grants to targeted small businesses. A targeted small business in any year shall receive under this program not more than fifty thousand dollars in a loan, grant, or guarantee, or a combination of loans, grants, or guarantees. A grant shall only be awarded when additional financing is secured by the applicant. In order to receive a grant, the applicant must demonstrate a minimum of ten percent cash investment in the project. A targeted small business shall not receive a grant, loan, or guarantee, or a combination of grants, loans, or guarantees under the program that provide more than ninety percent funding of a project. The program shall provide guarantees not to exceed eighty percent for loans of up to seven years made by qualified lenders. The department shall establish a financial assistance reserve account from funds allocated to the program account, from which any default on a guaranteed loan under this section shall be paid. In administering the program the department shall not guarantee loan values in excess of the amount credited to the reserve account and only moneys set aside in the loan reserve account may be used for the payment of a default. The department shall maintain records of all financial assistance approved pursuant to this section and information regarding the effectiveness of the financial assistance in establishing or expanding small business ventures.
3. All moneys designated for the targeted small business financial assistance program shall be credited to the program account. The department shall determine the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.
4. The department shall adopt rules as necessary for the administration of the financial assistance program under this section.
5. The general assembly is not obligated to appropriate moneys to pay for any defaults or to appropriate moneys to be credited to the loan reserve account. The loan guarantee program does not obligate the state except to the extent provided in this section, and the department in administering the program shall not give or lend the credit of the state of Iowa.
6. Payments of interest, recaptures of awards, and repayments of moneys loaned under this program shall be deposited into the strategic investment fund.
7. In order to receive financial assistance under this section a targeted small business shall participate in mentoring services from a targeted small business advocate service provider.
8. *a.* In order to receive financial assistance under this section, an application for financial assistance submitted on or after July 1, 2007, must be approved by the targeted small business financial assistance board created in this subsection.  
*b.* The targeted small business financial assistance board shall consist of seven members appointed by the director representing backgrounds in the areas of finance, insurance, or banking. The members shall be

successful business owners in the private, for-profit sector. At least one member shall be a member of the economic development board appointed by the economic development board. All of the following populations shall be represented separately by at least one member:

- (1) Latino.
- (2) Black.
- (3) Asian or Pacific Islander.
- (4) Caucasian woman.
- (5) Native American.
- (6) A person with a disability as defined in section 15.102.

*c.* A person within the third degree of consanguinity of an employee of the department, a person within the third degree of consanguinity of a member of the targeted small business financial assistance board or member's relative, or a business with any financial ties to a member shall not be eligible for financial assistance under the program during the employee's employment or the member's tenure on the board, as applicable. Members shall serve two year terms and may be reappointed. A member shall not serve more than two terms.

*d.* The targeted small business financial assistance board shall consider all applications for financial assistance under the program submitted on or after July 1, 2007.

88 Acts, ch 1273, § 9; 89 Acts, ch 83, § 6; 90 Acts, ch 1156, §4; 92 Acts, ch 1244, § 14, 15; 2003 Acts, ch 71, §3; 2007 Acts, ch 207, §7, 8, 18

Application and review process for applications for financial assistance received on or before June 30, 2007; 2007 Acts, ch 207, §12, 18

**15.248 through 15.250** Reserved.

**15.251 Industrial new job training program certificates fee.**

The department may charge, within thirty days following the sale of certificates under chapter 260E, the board of directors of the merged area a fee of up to one percent of the gross sale amount of the certificates issued. The amount of this fee shall be deposited and allowed to accumulate in a job training fund created in the department. At the end of each fiscal year, all funds deposited under this subsection into the job training fund during the fiscal year shall be transferred to the workforce development fund account established in section 15.342A.

86 Acts, ch 1245, § 816; 89 Acts, ch 270, § 1; 90 Acts, ch 1255, § 3; 93 Acts, ch 180, §40; 94 Acts, ch 1199, §17; 99 Acts, ch 183, §1; 2001 Acts, ch 61, §7

**Footnotes**

See annual Iowa Acts for temporary exceptions, changes, or other noncodified enactments modifying the funding provided for in this section

**15.252 Rules.**

The department shall adopt rules pursuant to chapter 17A to implement this part.

86 Acts, ch 1238, § 45; 86 Acts, ch 1245, § 817; 89 Acts, ch 270, § 2

**15.253 through 15.256** Repealed by 89 Acts, ch 270, § 3. See § 15.251.

**15.257** Repealed by 89 Acts, ch 83, § 87; 89 Acts, ch 270, § 3.

**15.258 through 15.260** Reserved.

**15.261 through 15.268** Repealed by 2001 Acts, ch 61, §19.

**15.269 Cogeneration pilot program.** Repealed by its own terms; 2003 Acts, ch 159, § 1.

**15.270** Reserved.

**15.271 Statement of purpose intent.**

1. The general assembly finds that:

*a.* Highway travelers have special needs for information and travel services.

*b.* Highway travelers have a significant positive influence on the state's economy.

*c.* A principal goal of economic development in this state is to increase the influence which travel and hospitality services, tourism, and recreation opportunities have on the state's economic expansion.

*d.* Facilities and programs are needed where travelers can obtain information about travel and hospitality services, tourism attractions, parks and recreation opportunities, cultural and natural resources, and the state in general.

*e.* A program shall be established to plan, acquire, develop, promote, operate, and maintain a variety of welcome centers at strategic locations to meet the needs of travelers in the state. The program is intended to be accomplished by 1992.

2. The primary goals of a statewide program for welcome centers are to provide to travelers the following:

*a.* High quality, accurate, and interesting information about travel in the state; national, statewide, and local attractions of all types; lodging, medical service, food service, vehicle service, and other kinds of necessities; and general information about the state.

*b.* Needed and convenient services, including but not limited to, restrooms; lodging information and event reservation services; vehicle services; and others. Services shall also include the distribution and sale of souvenirs, crafts, arts, and food products originating in the state; food and beverages; fishing, hunting, and other permits and licenses needed for recreation activities; and other products normally desired by travelers.

*c.* Settings that will convey a sense of being welcomed to the state through hospitable attitudes of personnel; high quality of site landscape architecture, architectural theme, and interior design of the buildings; special events that occur at the centers; and high levels of maintenance.

87 Acts, ch 178, § 1

**15.272 Statewide welcome center program objectives and agency responsibilities pilot projects.**

The state agencies, as indicated in this section, shall undertake certain specific functions to implement the goals of a statewide program, including the pilot projects, for welcome centers.

1. The department and the state department of transportation shall jointly establish a statewide long-range plan for developing and operating welcome centers throughout the state. The plan shall be submitted to the general assembly by January 15, 1988. The plan shall address, but not be limited to, the following:

- a.* Integrating state, regional, and local tourism and recreation marketing and promotion plans.
- b.* Recommending a wide range of centers, including state- developed and state-operated to privately managed facilities.
- c.* Establishing design, service, and maintenance quality standards which all welcome centers will maintain. Included in the standards shall be a provision requiring that space or facilities be available for purposes of displaying and offering for sale Iowa-made products, crafts, and arts. The space or facilities may be operated by the department or leased to and operated by other persons.
- d.* Making projections of increased tourist spending, indirect economic benefits, and direct revenue production which are estimated to occur as a result of implementing a statewide welcome center program.
- e.* Projecting estimated acquisition, construction, exhibit, staffing, and maintenance costs.
- f.* Integrating electronic data telecommunications systems.
- g.* Identifying sites for maintaining existing centers as well as locations for new centers.

The departments may enter into contracts for the preparation of the long-range plan. The departments shall involve the department of natural resources and the department of cultural affairs in the preparation of the plan. The recommendations and comments of organizations representing hospitality and tourism services, including but not limited to, the regional tourism councils, convention and visitors bureaus, and the Iowa travel council, and others with interests in this program will be considered for incorporation in the plan. Prior to submission of the plan to the general assembly, the plan shall be submitted to the regional tourism councils, the convention and visitors bureaus, and the Iowa travel council for their comments and criticisms which shall be submitted by the department along with the plan to the general assembly.

2. The responsibilities of the department include the following:

*a.* Seeing to the acquisition of property and the construction of all new welcome centers including the pilot projects selected by the department pursuant to paragraph "*e*". In carrying out this responsibility the department may, but is not limited to, the following:

(1) Arrange for the state department of transportation to acquire title to land and buildings for use as and undertake construction of state-owned welcome centers. In acquiring property and constructing the welcome centers, including any pilot projects, the state department of transportation may use any funds available to it, including but not limited to, the RISE fund,\* matching funds from local units of government or organizations, the primary road fund, federal grants, and moneys specifically appropriated for these purposes.

(2) Contract with other state agencies, local units of government, or private groups, organizations, or entities for the use of land, buildings, or facilities as state welcome centers or in connection with state welcome centers, whether or not the property is actually owned by the state. If the local match required for pilot projects or which may be required for other welcome centers is met by providing land, buildings, or facilities, the entity providing the local match shall enter into an agreement with the department to either transfer title

of the property to the state or to dedicate the use of the property under the conditions and period of time set by the department.

*b.* Providing for the operations, management, and maintenance of the state-owned and state-operated welcome centers, including the collection and distribution of tourism literature, telecommunication services, and other travel-related services, and the display and offering for sale of Iowa-made products, crafts, and arts.

*c.* Providing, at the discretion of the department, financial assistance in the form of loans and grants to privately operated information centers to the extent the centers are consistent with the long-range plan.

*d.* Developing a common theme or graphic logo which will be identified with all welcome centers which meet the standards of operations established for those centers.

*e.* Selecting the sites for the pilot projects. In selecting the pilot project sites, the following apply:

(1) Up to three sites may be located in proximity to the interstates and up to three sites may be located in proximity to the other primary roads. The department shall select at least one site which is in proximity to a primary road which is not an interstate.

(2) Proposals for the sites must be submitted prior to September 1, 1987 and shall contain a commitment of at least a one-dollar-per-dollar match of state financial assistance. The local match may be in terms of land, buildings, or other noncash items which are acceptable by the department.

(3) Priority shall be given to proposals that have the best local match, that are to be located where there is a very high number of travelers passing, and for which the department, after consultation with the departments of transportation, natural resources, and cultural affairs, considers the chances of success to be nearly perfect.

(4) The department shall select the sites by September 15, 1987.

87 Acts, ch 178, § 2

## **Footnotes**

\*RISE fund, see chapter 315

### **15.273 Cooperative tourism program.**

The department shall assist the department of natural resources in promoting the state parks, state recreation areas, lakes, rivers, and streams under the jurisdiction of the natural resource commission for tourism purposes. The department of natural resources shall provide the department with brochures and other printed information concerning hunting and fishing opportunities, recreational opportunities in state parks and recreation areas, and other natural and historic information of interest to tourists.

The department shall disseminate the brochures and other information provided by the department of natural resources through the welcome centers, sports and vacation shows, direct information requests, and other programs implemented by the department to promote tourism and related forms of economic development in this state.

89 Acts, ch 236, §9

### **15.274 Promotional program for national historic landmarks and cultural and entertainment districts.**

The department of economic development, in cooperation with the state department of transportation and the department of cultural affairs, shall establish and administer a program designed to promote knowledge of and access to buildings, sites, districts, structures, and objects located in this state that have been designated by the secretary of the interior of the United States as a national historic landmark, unless the national historic landmark is protected under section 22.7, subsection 20, and certified cultural and entertainment districts, as established pursuant to section 303.3B. The program shall be designed to maximize the visibility and visitation of national historic landmarks in this state and buildings, sites, structures, and objects located in certified cultural and entertainment districts, as established pursuant to section 303.3B. Methods used to maximize the visibility and visitation of such locations may include the use of tourism literature, signage on highways, maps of the state and cities, and internet websites. For purposes of this section, "highway" means the same as defined in section 325A.1.

2005 Acts, ch 109, §1; 2006 Acts, ch 1010, §7

**15.275 through 15.280** Reserved.

**15.281 through 15.288** Repealed by 2001 Acts, ch 61, § 19.

**15.289 and 15.290** Reserved.

**15.291 Definitions.**

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

1. "*Brownfield site*" means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the property on which the individual or commercial facility is located. A brownfield site shall not include property which has been placed or is proposed to be included on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.
2. "*Sponsorship*" means an agreement between a city or county and an applicant for assistance under the brownfield redevelopment program where the city or county agrees to offer assistance or guidance to the applicant.

2000 Acts, ch 1101, §1

**15.292 Brownfield redevelopment program.**

1. The department shall establish and administer a brownfield redevelopment program for purposes of providing financial and technical assistance for the acquisition, remediation, or redevelopment of brownfield sites. Financial assistance under the program shall be provided from the brownfield redevelopment fund created in section 15.293. Technical assistance under the program shall be in the form of providing an applicant with assistance in identifying other alternative forms of assistance for which the applicant may be eligible.
2. A person owning a site may apply for assistance under the program if the site for which assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.
3. *a.* A person who is not an owner of a site may apply for financial assistance under the program if the site for which financial assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.

*b.* Prior to applying for financial assistance under this subsection, an applicant shall enter into an agreement with the owner of the brownfield site for which financial assistance is sought. The agreement shall be submitted with an application for financial assistance and shall include, at a minimum, the following:

- (1) An agreement regarding the estimated total cost for remediating the brownfield site.
- (2) An agreement that the owner shall transfer title of the property to the applicant upon completion of the remediation of the property.
- (3) An agreement that, upon the subsequent sale of the property by the applicant to a person other than the original owner, the original owner shall receive not more than seventy-five percent of the estimated total cost of remediation.

*c.* An applicant shall not receive financial assistance of more than twenty-five percent of the agreed-upon estimated total cost of remediation.

*d.* Upon the subsequent sale of the property by the applicant to a person other than the original owner, the applicant shall repay the department for financial assistance received by the applicant. The repayment shall be in an amount equal to the sales price less the amount paid to the original owner pursuant to the agreement between the applicant and the original owner. The repayment amount shall not exceed the amount of financial assistance received by the applicant.

4. An application for assistance under the program shall include any information required by the department including, but not limited to, all of the following:

- a.* A business plan which includes a remediation plan.
- b.* A budget for remediating or redeveloping the site.
- c.* A statement of purpose describing the intended use of and proposed repayment schedule for any financial assistance received by the applicant.
- d.* Evidence of sponsorship.

5. In reviewing an application for financial assistance, the department and the brownfield redevelopment advisory council established in section 15.294 shall consider all of the following:

- a.* Whether the brownfield site meets the definition of a brownfield site.
- b.* Whether other alternative forms of assistance exist for which the applicant may be eligible.

6. The board may approve, deny, or defer each application for financial assistance from the brownfield redevelopment fund created in section 15.293.

2000 Acts, ch 1101, §2

### **15.293 Brownfield redevelopment fund.**

1. A brownfield redevelopment fund is created in the state treasury under the control of the department and consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department for placement in the fund.

2. Payments of interest, repayments of moneys loaned pursuant to this part, and recaptures of loans shall be

deposited in the fund.

3. The fund shall be used to provide grants, loans, forgivable loans, loan guarantees, and other forms of assistance under the brownfield redevelopment program established in section 15.292.

4. 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.

2000 Acts, ch 1101, §3

#### **15.294 Brownfield redevelopment advisory council.**

1. The department shall establish a brownfield redevelopment advisory council consisting of five members. The advisory council shall be composed of all of the following:

*a.* The director of the department of economic development, or the director's designee.

*b.* The director of the department of natural resources, or the director's designee.

*c.* The director of transportation, or the director's designee.

*d.* One person selected by the board of directors of the Iowa league of cities.

*e.* One member of the Iowa economic development board selected by the board.

2. The director of the department of economic development, or the director's designee, shall serve as the chairperson of the advisory council.

3. The advisory council shall review each application received by the department of economic development for assistance under the brownfield redevelopment program and make recommendations to the department regarding all of the following:

*a.* The completeness of the application.

*b.* Suggestions for alternative forms of assistance for which the applicant may be eligible. The alternative forms of assistance may include assistance programs available through other departments.

*c.* Whether the applicant should receive financial assistance from the brownfield redevelopment fund created in section 15.293.

2000 Acts, ch 1101, §4

#### **15.295 Rules.**

The department, in consultation with the department of natural resources, shall adopt rules pursuant to chapter 17A as necessary to administer this part.

2000 Acts, ch 1101, §5

**15.296 through 15.298** Repealed by 92 Acts, ch 1042, § 11. See chapter 260F.

**15.299 and 15.300** Reserved.

**15.301 through 15.307** Repealed by 92 Acts, ch 1244, § 51.

**15.308 Community builder program.** Repealed by 98 Acts, ch 1175, §14.

**15.309 and 15.310** Reserved.

**15.311 Title.**

This part shall be known as the "*Iowa Strategic Investment Fund*" program.

92 Acts, ch 1244, §16

**15.312 Purpose.**

The purpose of this part shall be to provide a mechanism for the funding of programs which meet the descriptions provided in section 15.313, subsection 2.

92 Acts, ch 1244, §17; 2002 Acts, ch 1041, §1

**15.313 Strategic investment fund.**

1. An Iowa strategic investment fund is created as a revolving fund consisting of any money appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The fund shall also include all of the following:

*a.* All unencumbered and unobligated funds from the special community economic betterment program fund created under 1990 Iowa Acts, chapter 1262, section 1, subsection 18, remaining on June 30, 1992, all repayments of loans or other awards made under the community economic betterment account or under the community economic betterment program during any fiscal year beginning on or after July 1, 1985, and recaptures of awards.

*b.* All unencumbered and unobligated funds from the targeted small business financial assistance program, the financing rural economic development or successor loan program, and the value-added agricultural products and processes financial assistance fund remaining on June 30, 1992, and all repayments of loans or other awards or recaptures of awards made under these programs.

Notwithstanding section 8.33, moneys in the strategic investment fund at the end of each fiscal year shall not revert to any other fund but shall remain in the strategic investment fund for expenditure for subsequent fiscal years.

2. The assets of the fund shall be used by the department to assist in relocation or expansion projects for existing businesses as well as entrepreneurial start-up and expansion projects. Moneys in the fund shall be used for projects designed to meet any of the following purposes:

*a.* To assist communities in the state by providing financial assistance for small business gap financing, new business opportunities, and new product and entrepreneurial development.

*b.* To provide financial and technical assistance to early-stage industry companies and entrepreneurs.

*c.* To provide financial and technical assistance to targeted small businesses as defined in section 15.102.

*d.* To provide comprehensive management assistance for applicants or recipients of assistance from the fund.

e. To access federal funds available under any federal microloan demonstration program.

f. To provide technical and financial assistance to help persons with disabilities become self-sufficient by establishing or expanding business ventures.

g. To assist businesses in retooling or upgrading production equipment to meet contemporary technology standards.

3. At the beginning of each fiscal year, the board shall establish goals for the strategic investment fund relating to the intended strategic focus for the fiscal year. The director shall report on a monthly basis to the board on the status of the fund. Unobligated and unencumbered moneys remaining in the strategic investment fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

92 Acts, ch 1244, § 18; 94 Acts, ch 1119, § 2, 3; 96 Acts, ch 1219, §95; 99 Acts, ch 197, §21; 2000 Acts, ch 1230, §14; 2002 Acts, ch 1041, §2; 2003 Acts, ch 71, §4; 2004 Acts, ch 1101, §12

**15.314** Reserved.

**15.315 Community economic betterment program.**

This part shall be known as the "*Community Economic Betterment Program*".

92 Acts, ch 1244, § 19

**15.316 Purpose.**

The purpose of this program is to assist communities and rural areas of the state with their economic development efforts and to increase employment opportunities for Iowans by increasing the level of economic activity and development within the state.

92 Acts, ch 1244, § 20

**15.317 Program.**

1. The department shall establish a program to effectuate the purposes of this part by providing financial assistance for small business gap financing, new business opportunities, and new product and entrepreneurial development. These purposes may be accomplished by providing the following types of assistance:

a. A principal buy-down program to reduce the principal of a business loan.

b. An interest buy-down program to reduce the interest of a business loan.

c. Loans or forgivable loans to aid in economic development.

d. Loan guarantees for business loans made by commercial lenders.

e. Equity-like investments.

2. Only a political subdivision of this state may apply to receive funds for any of the purposes specified in subsection 1. The political subdivision shall make application to the department specifying the purpose for which the funds will be used.

3. The department shall not provide more than one million dollars for any project, unless approved by at least two-thirds of the members of the economic development board.

4. Assistance approved by the board shall be utilized by the business within two years of the date of the approval of the assistance. Funds not utilized in accordance with this subsection shall revert to the control of the board. The business may reapply for assistance in that case.

92 Acts, ch 1244, § 21; 95 Acts, ch 204, § 15

### **15.318 Rating factors and criteria.**

In ranking applications for funds, the department shall consider a variety of factors including, but not limited to, the following:

1. The proportion of local match to be provided.
2. The proportion of private contributions to be provided, including the involvement of financial institutions.
3. The total number of jobs to be created or retained.
4. The size of the business receiving assistance. The department shall award more points to small businesses as defined by the United States small business administration than to other businesses.
5. The potential for future growth in the industry represented by the business being considered for assistance.
6. The need of the business for financial assistance from governmental sources. The department shall award more points to a business for which the department determines that governmental assistance is most necessary to the success of a project, than to other businesses.
7. The quality of the jobs to be created. In rating the quality of the jobs the department shall award more points to 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.
8. The level of need of the political subdivision.
9. The impact of the proposed project on the economy of the political subdivision.
10. 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.
11. The impact to the state of the proposed project. In measuring the economic impact the department shall award more points for projects which have greater consistency with the state strategic plan than other projects. Greater consistency may include any or all of the following:
  - a. A business with a greater percentage of sales out-of-state or of import substitution.

- b. A business with a higher proportion of in-state suppliers.
- c. A project which would provide greater diversification of the state economy.
- d. A business with fewer in-state competitors.
- e. A potential for future job growth.
- f. A project which is not a retail operation.

12. If a business has a record of violations of the law over a period of time that tends to show a consistent pattern, the business shall be given the lowest ranking for providing assistance. The department shall make a good faith effort to compile this information.

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

14. Whether a business provides for a preference for hiring residents of the state or of the economic development area, except for out-of-state employees offered a transfer to Iowa or to the economic development area.

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

16. In cases where projects being reviewed at the same time are given equivalent ratings under subsections 1 through 15, preference in funding shall be given to the project which is located in the county which has the highest percentage of low-income and moderate-income individuals. If the projects are located in the same county, preference in funding shall be given to the project which is located in the city which has the highest percentage of low-income and moderate-income individuals.

17. The capacity of the proposed project to create products by adding value to agricultural commodities.

18. The degree to which the proposed project relies upon agricultural or value-added research conducted at a college or university, including a regents institution, community college, or a private university or college.

92 Acts, ch 1244, § 22; 94 Acts, ch 1119, §4; 94 Acts, ch 1201, §14; 2007 Acts, ch 22, §8

### **15.319 Monitoring of job creation and retention.**

1. The department shall develop definitions for the terms "*job creation*" and "*job retention*" to measure and identify the actual number of permanent, full-time positions which businesses actually create or retain and which can be documented by comparison of the payroll reports during the twenty-four-month period after awards to the businesses are made.
2. The department shall document the actual job creation and retention effects of all businesses receiving financial assistance from the program in the context of the employer contribution and payroll reports filed by the businesses.
3. The department shall require businesses which receive assistance from the program to submit historical copies of the employer contributions and payroll reports with the application for funds, require businesses to

submit the reports after an award is made on a timely basis, and require businesses to estimate the expected job creation and retention effects for the twelve-month and twenty-four-month periods after an award is made in terms of the number of employees and total wages as documented in the payroll reports.

92 Acts, ch 1244, § 23

### **15.320 Community economic betterment program account.**

1. A community economic betterment program account is established within the strategic investment fund to be used by the department for the community economic betterment program. The account shall consist of all appropriations, grants, or gifts received by the department specifically for use under this part and any moneys allocated to the community economic betterment program account from the strategic investment fund.

2. Payments of interest, repayments of moneys loaned under the community economic betterment program, or recaptures of awards shall be deposited into the strategic investment fund.

92 Acts, ch 1244, § 24

### **Footnotes**

Strategic investment fund, §15.313

**15.321 through 15.324** Reserved.

### **15.325 Negotiations state and local officials restrictions.**

A state or local government official acting in an official capacity shall not offer to a business economic development benefits unless those benefits are authorized under the law of this state in effect at the time of the negotiations or those benefits have been enacted, but not yet taken effect.

94 Acts, ch 1008, §3

### **15.326 Short title.**

This part shall be known and may be cited as the "*High Quality Job Creation Act*".

94 Acts, ch 1008, §4; 2005 Acts, ch 150, §42, 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

### **15.327 Definitions.**

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

1. "*Community*" means a city, county, or entity established pursuant to chapter 28E.
2. "*Contractor or subcontractor*" means a person who contracts with the eligible business or subcontracts with a contractor for the provision of property, materials, or services for the construction or equipping of a facility of the eligible business.
3. "*Department*" means the Iowa department of economic development.

4. "*Eligible business*" means a business meeting the conditions of section 15.329.

5. "*Program*" means the high quality job creation program.

6. "*Project completion*" means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the eligible business is at least fifty percent of the initial design capacity of the facility. The eligible business shall inform the department of revenue in writing within two weeks of project completion.

7. "*Qualifying investment*" means a capital investment in real property including the purchase price of land and existing buildings and structures, site preparation, improvements to the real property, building construction, and long-term lease costs. "*Qualifying investment*" also means a capital investment in depreciable assets.

94 Acts, ch 1008, §5; 96 Acts, ch 1185, § 1; 96 Acts, ch 1199, §1; 98 Acts, ch 1175, §5; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §43, 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

**15.328** Reserved.

**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

### **15.330 Agreement.**

A business shall enter into an agreement with the department specifying the requirements that must be met to confirm eligibility pursuant to this part. The department shall consult with the community during negotiations relating to the agreement. The agreement shall contain, at a minimum, the following provisions:

1. A business that is approved to receive incentives shall, for the length of the agreement, certify annually to the department the compliance of the business with the requirements of the agreement. If the business receives a local property tax exemption, the business shall also certify annually to the community the

compliance of the business with the requirements of the agreement.

2. The repayment of incentives by the business if the business does not meet any of the requirements of this part or the resulting agreement.

3. If a business that is approved to receive incentives under this part experiences a layoff within the state or closes any of its facilities within the state, the department shall have the discretion to reduce or eliminate some or all of the incentives. If a business has received incentives under this part and experiences a layoff within the state or closes any of its facilities within the state, the business may be subject to repayment of all or a portion of the incentives that it has received.

4. A business creating fifteen or fewer new high quality jobs shall have up to three years to complete a project and shall be required to maintain the jobs for an additional two years. A business creating sixteen or more new high quality jobs shall have up to five years to complete a project and shall be required to maintain the jobs for an additional two years.

94 Acts, ch 1008, §7; 2004 Acts, ch 1003, §1, 12; 2005 Acts, ch 150, §45, 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

**15.331 New jobs credit from withholding.** Repealed by 2005 Acts, ch 150, § 6769. See § 15E.197.

#### **15.331A Sales and use tax refund.**

The eligible business shall be entitled to a refund of the sales and use taxes paid under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded. However, an eligible business shall be entitled to a refund for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center subject to section 15.331C.

To receive the refund a claim shall be filed by the eligible business with the department of revenue as follows:

1. The contractor or subcontractor shall state under oath, on forms provided by the department, the amount of the sales of goods, wares, or merchandise or services rendered, furnished, or performed including water, sewer, gas, and electric utility services upon which sales or use tax has been paid prior to the project completion, and shall file the forms with the eligible business before final settlement is made.

2. The eligible business shall, not more than one year after project completion, make application to the department for any refund of the amount of the sales and use taxes paid pursuant to chapter 423 upon any goods, wares, or merchandise, or services rendered, furnished, or performed, including water, sewer, gas, and electric utility services. The application shall be made in the manner and upon forms to be provided by the department, and the department shall audit the claim and, if approved, issue a warrant to the eligible business in the amount of the sales or use tax which has been paid to the state of Iowa under a contract. A claim filed by the eligible business in accordance with this section shall not be denied by reason of a limitation provision set forth in chapter 421 or 423.

3. A contractor or subcontractor who willfully makes a false report of tax paid under the provisions of this section is guilty of a simple misdemeanor and in addition is liable for the payment of the tax and any applicable penalty and interest.

96 Acts, ch 1199, §2; 2001 Acts, ch 116, §1; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §152, 205; 2004 Acts, ch 1003, §2, 12; 2005 Acts, ch 150, §46, 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

**15.331B Exemption from land ownership restrictions for nonresident aliens.** Repealed by 2005 Acts, ch 150, § 6769.

**15.331C Corporate tax credit for certain sales taxes paid by third-party developer.**

1. An eligible business may claim a corporate tax credit in an amount equal to the sales and use taxes paid by a third-party developer under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be included, but taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall be included. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. An eligible business may elect to receive a refund of all or a portion of an unused tax credit.

2. A third-party developer shall state under oath, on forms provided by the department of economic development, the amount of taxes paid as described in subsection 1 and shall submit such forms to the department. The taxes paid shall be itemized to allow identification of the taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. After receiving the form from the third-party developer, the department shall issue a tax credit certificate to the eligible business equal to the sales and use taxes paid by a third-party developer under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility. The department shall also issue a tax credit certificate to the eligible business equal to the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. The aggregate combined total amount of tax refunds under section 15.331A for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center and of tax credit certificates issued by the department for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall not exceed five hundred thousand dollars in a fiscal year. If an applicant for a tax credit certificate does not receive a certificate for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center, the application shall be considered in succeeding fiscal years. The eligible business shall not claim a tax credit under this section unless a tax credit certificate issued by the department of economic development is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. A tax credit certificate shall contain the eligible business's name, address, tax identification number, the amount of the tax credit, and other information required by the department of revenue.

2004 Acts, ch 1003, §3, 12; 2005 Acts, ch 19, §14; 2005 Acts, ch 150, §47, 68, 69

2005 amendments to this section relating to types and eligibility of businesses for tax credits 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

**15.332 Value-added property tax exemption.**

1. The community may exempt from taxation all or a portion of the actual value added by improvements to real property directly related to new jobs created by the location or expansion of an eligible business under

the program and used in the operations of the eligible business. The exemption may be allowed for a period not to exceed twenty years beginning the year the improvements are first assessed for taxation.

2. For purposes of this section, *"improvements"* includes new construction and rehabilitation of and additions to existing structures. The exemption shall apply to all taxing districts in which the real property is located.

94 Acts, ch 1008, §9; 94 Acts, ch 1165, §43

### **15.333 Investment tax credit.**

1. An eligible business may claim a tax credit equal to a percentage of the new investment directly related to new jobs created by the location or expansion of an eligible business under the program. The tax credit shall be amortized equally over five calendar years. The tax credit shall be allowed against taxes imposed under chapter 422, division II, III, or V, and against the moneys and credits tax imposed in section 533.329. If the business is a partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust. The percentage shall be determined as provided in section 15.335A. Any tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

Subject to prior approval by the department of economic development, in consultation with the department of revenue, an eligible business whose project primarily involves the production of value-added agricultural products or uses biotechnology-related processes may elect to receive a refund of all or a portion of an unused tax credit. For purposes of this subsection, such an eligible business includes a cooperative described in section 521 of the Internal Revenue Code which is not required to file an Iowa corporate income tax return, and whose project primarily involves the production of ethanol. The refund may be applied against a tax liability imposed under chapter 422, division II, III, or V, and against the moneys and credits tax imposed in section 533.329. If the business is a partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust.

2. For purposes of this subsection, *"new investment directly related to new jobs created by the location or expansion of an eligible business under the program"* means the cost of machinery and equipment, as defined in section 427A.1, subsection 1, paragraphs "e" and "j", purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, the purchase price of real property and any buildings and structures located on the real property, and the cost of improvements made to real property which is used in the operation of the eligible business. *"New investment directly related to new jobs created by the location or expansion of an eligible business under the program"* also means the annual base rent paid to a third-party developer by an eligible business for a period not to exceed ten years, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer's costs to build or renovate the building for the eligible business. The eligible business shall enter into a lease agreement with the third-party developer for a minimum of five years. If, however, within five years of purchase, the eligible business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, buildings, or other existing structures for which tax credit was claimed under this section, the tax liability of the eligible business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

*a.* One hundred percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within one full year after being placed in service.

*b.* Eighty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within two full years after being placed in service.

*c.* Sixty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within three full years after being placed in service.

*d.* Forty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within four full years after being placed in service.

*e.* Twenty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within five full years after being placed in service.

*3. a.* An eligible business whose project primarily involves the production of value-added agricultural products or uses biotechnology-related processes, which elects to receive a refund of all or a portion of an unused tax credit, shall apply to the department of economic development for tax credit certificates. Such an eligible business shall not claim a tax credit refund under this subsection unless a tax credit certificate issued by the department of economic development is attached to the taxpayer's tax return for the tax year for which the tax credit refund is claimed. For purposes of this subsection, an eligible business includes a cooperative described in section 521 of the Internal Revenue Code which is not required to file an Iowa corporate income tax return, and whose project primarily involves the production of ethanol. For purposes of this subsection, an eligible business also includes a cooperative described in section 521 of the Internal Revenue Code which is required to file an Iowa corporate income tax return and whose project primarily involves the production of ethanol. Such cooperative may elect to transfer all or a portion of its tax credit to its members. The amount of tax credit transferred and claimed by a member shall be based upon the pro rata share of the member's earnings of the cooperative.

*b.* A tax credit certificate issued under this subsection shall not be valid until the tax year following the date of the capital investment project completion. A tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of the tax credit, and other information required by the department of revenue. The department of economic development shall not issue tax credit certificates under this subsection which total more than four million dollars during a fiscal year. If the department receives and approves applications for tax credit certificates under this subsection in excess of four million dollars, the applicants shall receive certificates for a prorated amount. The tax credit certificates shall not be transferred except as provided in this subsection for a cooperative described in section 521 of the Internal Revenue Code which is required to file an Iowa corporate income tax return and whose project primarily involves the production of ethanol. For a cooperative described in section 521 of the Internal Revenue Code, the department of economic development shall require that the cooperative submit a list of its members and the share of each member's interest in the cooperative. The department shall issue a tax credit certificate to each member contained on the submitted list.

94 Acts, ch 1008, §10; 99 Acts, ch 172, §1; 2000 Acts, ch 1213, §1, 10; 2001 Acts, ch 123, §1; 2001 Acts, ch 141, §1, 8; 2002 Acts, ch 1119, §5; 2002 Acts, 2nd Ex, ch 1001, §47, 49, 52; 2003 Acts, ch 125, §8; 2003 Acts, ch 145, §286; 2003 Acts, ch 150, §13; 2004 Acts, ch 1003, § 4, 12; 2005 Acts, ch 135, §103; 2005 Acts, ch 150, §48, 68, 69; 2007 Acts, ch 174, §82

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

### **15.333A Insurance premium tax credits.**

1. An eligible business may claim an insurance premium tax credit equal to a percentage of the new investment directly related to new jobs created by the location or expansion of an eligible business under the program. The tax credit shall be amortized equally over a five-year period. The tax credit shall be allowed against taxes imposed in chapter 432. A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first. The percentage shall be determined as provided in section 15.335A.

2. For purposes of this section, "*new investment directly related to new jobs created by the location or expansion of an eligible business under the program*" means the cost of machinery and equipment, as defined in section 427A.1, subsection 1, paragraphs "e" and "j", purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, the purchase price of real property and any buildings and structures located on the real property, and the cost of improvements made to real property which is used in the operation of the eligible business. "*New investment directly related to new jobs created by the location or expansion of an eligible business under the program*" also means the annual base rent paid to a third-party developer by an eligible business for a period not to exceed ten years, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer's costs to build or renovate the building for the eligible business. The eligible business shall enter into a lease agreement with the third-party developer for a minimum of five years. If, however, within five years of purchase, the eligible business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, buildings, or other existing structures for which tax credit was claimed under this section, the tax liability of the eligible business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

a. One hundred percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within one full year after being placed in service.

b. Eighty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within two full years after being placed in service.

c. Sixty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within three full years after being placed in service.

d. Forty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within four full years after being placed in service.

e. Twenty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within five full years after being placed in service.

98 Acts, ch 1084, §1; 2000 Acts, ch 1213, §2, 10; 2004 Acts, ch 1003, §5, 12; 2005 Acts, ch 150, §49, 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

**15.334 Exemption from taxation for machinery, equipment, and computers.** Repealed by 2005 Acts, ch 150, § 6769.

**15.334A Sales and use tax exemption.** Repealed by 2005 Acts, ch 150, § 6769.

### **15.335 Research activities credit.**

1. An eligible business may claim a corporate tax credit for increasing research activities in this state during the period the eligible business is participating in the program. For purposes of this section, "*research*

*activities*" includes the development and deployment of innovative renewable energy generation components manufactured or assembled in this state. For purposes of this section, *"innovative renewable energy generation components"* does not include a component with more than two hundred megawatts of installed effective nameplate capacity. The tax credits for innovative renewable energy generation components shall not exceed one million dollars.

a. The credit equals the sum of the following:

(1) Six and one-half percent of the excess of qualified research expenses during the tax year over the base amount for the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(2) Six and one-half percent of the basic research payments determined under section 41(e)(1)(A) of the Internal Revenue Code during the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures.

b. In lieu of the credit amount computed in paragraph "a", subparagraph (1), an eligible business may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative incremental credit described in section 41(c)(4) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

c. For purposes of the alternate credit computation method in paragraph "b", the credit percentages applicable to qualified research expenses described in clauses (i), (ii), and (iii) of section 41(c)(4)(A) of the Internal Revenue Code are one and sixty-five hundredths percent, two and twenty hundredths percent, and two and seventy-five hundredths percent, respectively.

2. The credit allowed in this section is in addition to the credit authorized in section 422.10 and section 422.33, subsection 5. However, if the alternative credit computation method is used in section 422.10 or section 422.33, subsection 5, the credit allowed in this section shall also be computed using that method.

3. If the eligible business is a partnership, S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust.

4. For purposes of this section, *"base amount"*, *"basic research payment"*, and *"qualified research expense"* mean the same as defined for the federal credit for increasing research activities under section 41 of the Internal Revenue Code, except that for the alternative incremental credit such amounts are for research conducted within this state.

For purposes of this section, *"Internal Revenue Code"* means the Internal Revenue Code in effect on January 1, 2007.

5. Any credit in excess of the tax liability for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on its final, completed return credited to the tax liability for the following year.

94 Acts, ch 1008, §12; 94 Acts, ch 1165, §44; 96 Acts, ch 1199, §4; 97 Acts, ch 135, §1, 9; 98 Acts, ch 1078,

§1, 10, 14; 99 Acts, ch 95, §1, 12, 13; 2000 Acts, ch 1146, §1, 9, 11; 2000 Acts, ch 1194, §1, 21; 2001 Acts, ch 127, §1, 9, 10; 2002 Acts, ch 1069, §1, 10, 14; 2003 Acts, ch 139, §1, 11, 12; 2004 Acts, ch 1073, §1; 2005 Acts, ch 24, §1, 10, 11; 2005 Acts, ch 150, §70; 2006 Acts, ch 1140, §1, 10, 11; 2007 Acts, ch 12, §1, 7, 8

## **Footnotes**

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

### **15.335A Tax incentives.**

1. Tax incentives are available to eligible businesses as provided in this section. The incentives are based upon the number of new high quality jobs created and the amount of the qualifying investment made according to the following schedule:

*a.* The number of new high quality jobs created with an annual wage, including benefits, equal to or greater than one hundred thirty percent of the average county wage is one of the following:

(1) The number of jobs is zero and economic activity is furthered by the qualifying investment and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to one percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent, the sales tax refund, and the additional research and development tax credit.

(2) The number of jobs is one but not more than five and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to two percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent, the sales tax refund, and the additional research and development tax credit.

(3) The number of jobs is six but not more than ten and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to three percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent, the sales tax refund, and the additional research and development tax credit.

(4) The number of jobs is eleven but not more than fifteen and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to four percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent, the sales tax refund, and the additional research and development tax credit.

(5) The number of jobs is sixteen or more and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to five percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent, the sales tax refund, and the additional research and development tax credit.

*b.* In lieu of paragraph "a", the number of new high quality jobs created with an annual wage, including benefits, equal to or greater than one hundred sixty percent of the average county wage is one of the following:

(1) The number of jobs is twenty-one but not more than thirty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to six percent, the sales tax refund, and the additional research and development tax credit.

(2) The number of jobs is thirty-one but not more than forty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to seven percent, the sales tax refund, and the additional research and development tax credit.

(3) The number of jobs is forty-one but not more than fifty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to eight percent, the sales tax refund, and the additional research and development tax credit.

(4) The number of jobs is fifty-one but not more than sixty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to nine percent, the sales tax refund, and the additional research and development tax credit.

(5) The number of jobs is at least sixty-one and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to ten percent, the sales tax refund, and the additional research and development tax credit.

2. For purposes of this section:

a. *"Additional research and development tax credit"* means the research activities credit as provided under section 15.335.

b. *"Average county wage"* means the same as defined in section 15I.1.

c. *"Benefits"* means the same as defined in section 15I.1.

d. *"Investment tax credit"* means the investment tax credit or the insurance premium tax credit as provided under section 15.333 or 15.333A, respectively.

e. *"Local property tax exemption"* means the property tax exemption as provided under section 15.332.

f. *"Sales tax refund"* means the sales and use tax refund as provided under section 15.331A or the corporate tax credit for certain sales taxes paid by third-party developers as provided under section 15.331C.

3. A community may apply to the Iowa economic development board for a project-specific waiver from the average county wage calculations provided in subsection 1 in order for an eligible business to receive tax incentives. The board may grant a project-specific waiver from the average county wage calculations in subsection 1 for the remainder of the calendar year, based on average county or regional wage calculations brought forth by the applicant county including, but not limited to, any of the following:

a. The average county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.

b. The average regional wage calculated without wage data from up to two adjacent counties.

c. The average county wage calculated without wage data from the largest city in the county.

d. A qualifying wage guideline for a specific project based upon unusual economic circumstances present in the city or county.

e. The annualized, average hourly wage paid by all businesses in the county located outside the largest city of the county.

f. The annualized, average hourly wage paid by all businesses other than the largest employer in the entire county.

4. Average wage calculations made under this section shall be calculated quarterly using wage data submitted to the department of workforce development during the previous four quarters.

5. Each calendar year, the department shall not approve more than three million six hundred thousand dollars worth of investment tax credits for projects with qualifying investments of less than one million dollars.

6. The department shall negotiate the amount of tax incentives provided to an applicant under the program in accordance with this section.

2005 Acts, ch 150, §50, 69

Section applies to tax years ending on or after July 1, 2005; 2005 Acts, ch 150, §69

### **15.336 Other incentives.**

An eligible business may receive other applicable federal, state, and local incentives and credits in addition to

those provided in this part. However, a business which participates in the program under this part shall not receive any wage-benefits tax credits under chapter 15I.

94 Acts, ch 1008, §13; 2005 Acts, ch 150, §51, 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

**15.337 Waiver of program qualification requirements.** Repealed by 2005 Acts, ch 150, § 6769.

**15.338 Short title.**

This part shall be known and may be cited as the "*Entrepreneurial Ventures Assistance Program*".

97 Acts, ch 47, §1

**15.339 Entrepreneurial ventures assistance program.**

1. As used in this section, unless the context otherwise requires, "*early-stage industry company*" means a company with three years or less of experience in a particular industry.
2. The department shall establish a program to provide financial and technical assistance to early-stage industry companies and entrepreneurs. The purpose of the program is to encourage the development of entrepreneurial venture planning and managerial skills in conjunction with the delivery of a financial assistance program for business start-ups and expansions. An applicant eligible for the program includes an individual who is participating in or has successfully completed a recognized entrepreneurial venture development curriculum, or a business whose principal participants have successfully completed a recognized entrepreneurial venture development curriculum.
3. Each application for financial assistance submitted to the department must include a business plan, a marketing plan, a budget, and a statement of purpose stating how the financial assistance will be used.
4. Unless otherwise authorized by the director, the department shall not provide more than five thousand dollars of technical assistance per project, and shall not provide more than a total of twenty thousand dollars in financial assistance per project.
5. In addition to funds appropriated for the program, the department may allocate resources from the Iowa strategic investment fund under section 15.313 for the administration and operation of the program.
6. The department shall adopt administrative rules pursuant to chapter 17A to administer this section.

97 Acts, ch 47, §2

**15.340 Reserved.**

**15.341 Workforce development fund program.**

This part shall be known as the "*Workforce Development Fund*" program.

95 Acts, ch 184, §1

**15.342 Purpose.**

The purpose of this part shall be to provide a mechanism for funding workforce development programs listed in section 15.343, subsection 2, in order to more efficiently meet the needs identified within those individual programs.

95 Acts, ch 184, §2

### **15.342A Workforce development fund account.**

A workforce development fund account is established in the office of the treasurer of state under the control of the department. The account shall receive funds pursuant to section 422.16A up to a maximum of four million dollars per year. The account shall also receive funds pursuant to section 15.251 with no dollar limitation.

96 Acts, ch 1180, §1; 99 Acts, ch 183, §2; 2000 Acts, ch 1196, §1, 10; 2000 Acts, ch 1230, §15, 35; 2001 Acts, ch 188, §21

### **15.343 Workforce development fund.**

1. A workforce development fund is created as a revolving fund in the state treasury under the control of the department consisting of any moneys appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The fund shall also include all of the following:

*a.* Notwithstanding section 8.33, all unencumbered and unobligated funds from 1994 Iowa Acts, chapter 1201, section 1, subsection 6, except paragraph "d"; section 3, subsections 1 and 3; and section 10, remaining on July 1, 1995, and all unencumbered and unobligated funds in the Iowa conservation corps escrow account established in section 84A.7 and the job training fund established in section 260F.6.

*b.* Moneys appropriated to the fund from the workforce development fund account established in section 15.342A.

Notwithstanding section 8.33, moneys in the workforce development fund at the end of each fiscal year shall not revert to any other fund but shall remain in the workforce development fund for expenditure for subsequent fiscal years.

2. The assets of the fund shall be used by the department for the following programs and purposes:

*a.* Training and retraining programs for targeted industries.

*b.* Projects under chapter 260F. The department shall require a match from all businesses participating in a training project under chapter 260F.

*c.* Apprenticeship programs under section 260C.44, including new or statewide building trades apprenticeship programs.

*d.* Innovative skill development activities.

*e.* To cover the costs of the administration of workforce development programs and services available through the department. A portion of these funds may be used to support efforts by the community colleges to provide workforce services to Iowa employers.

3. *a.* The director shall submit not later than January 1 of each year at a regular or special meeting, for approval by the economic development board, the proposed allocation of funds from the workforce

development fund to be made for the next fiscal year for the programs and purposes contained in subsection 2. The director shall also submit a copy of the proposed allocation to the chairpersons of the joint economic development appropriations subcommittee of the general assembly. Notwithstanding section 8.39, the plan may provide for increased or decreased allocations if the demand for a program indicates that the need is greater or lesser than the allocation for that program. The director shall report on a quarterly basis to the board on the status of the funds and may present proposed revisions for approval by the board in January and April of each year. The director shall also provide quarterly reports to the legislative services agency on the status of the funds. Unobligated and unencumbered moneys remaining in the workforce development fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

*b.* Moneys in the workforce development fund shall be allocated as follows:

(1) Three million dollars shall be used for purposes provided in section 260F.6.

(2) One million dollars shall be used for purposes provided in section 260F.6B.

95 Acts, ch 184, §3; 96 Acts, ch 1180, §2, 46; 96 Acts, ch 1186, §57; 99 Acts, ch 183, §3; 2000 Acts, ch 1230, §16; 2001 Acts, ch 188, §22; 2003 Acts, ch 35, §45, 49

#### **15.344 Common system assessment and tracking.**

The department shall use information from the customer tracking system administered by the department of workforce development under section 84A.5 to determine the economic impact of the programs. To the extent possible, the department shall track individuals and businesses who have received assistance or services through the fund to determine whether the assistance or services have resulted in increased wages paid to the individuals or paid by the businesses.

96 Acts, ch 1180, §7

**15.345 Loan loss reserve account established.** Repealed by 96 Acts, ch 1180, §20.

**15.346 Purpose authorized loans.** Repealed by 96 Acts, ch 1180, § 20.

**15.347 Workforce investment program established.** Repealed by 96 Acts, ch 1186, § 26. See § 84A.8.

**15.348 Purpose.** Repealed by 96 Acts, ch 1186, §26. See § 84A.8.

#### **15.349 Shelter assistance fund.**

A shelter assistance fund is created as a revolving fund in the state treasury under the control of the department consisting of any moneys appropriated by the general assembly and received under section 428A.8 for purposes of the rehabilitation, expansion, or costs of operations of group home shelters for the homeless and domestic violence shelters. Of the moneys in the fund, not less than five hundred forty-six thousand dollars shall be spent annually on homeless shelter projects. Notwithstanding section 8.33, all moneys in the shelter assistance fund which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for subsequent fiscal years.

97 Acts, ch 201, §16; 2003 Acts, ch 73, §1

**15.350 Reserved.**

### **15.351 Short title.**

This part shall be known and may be cited as the "*Local Housing Assistance Program*".

97 Acts, ch 214, §2

### **15.352 Purpose rules.**

The purpose of this part is to assist communities on a cooperative basis to address the housing development needs in the communities in order to better position the communities for economic development or to meet housing needs arising as a result of other economic development efforts in the area. Assistance may be either technical or financial and shall be provided pursuant to rules established by the department in accordance with the provisions of this part and be coordinated with existing housing assessment and assistance programs when feasible.

97 Acts, ch 214, §3

### **15.353 Program.**

The department shall establish the local housing assistance program in coordination with the Iowa finance authority to effectuate the purposes of this part, subject to the following provisions:

1. The department shall provide financial assistance on a competitive basis for housing projects. Requests for assistance for housing projects may be made by a city, county, housing trust fund, local housing organization, recognized neighborhood organization, economic development organization, or other entity or by a local housing group on behalf of a local entity. To be eligible to receive assistance, a housing needs assessment must have been completed for the community in which the project will be undertaken within the five years prior to the date of the application.
2. The department shall also provide technical assistance to local housing groups or entities. Technical assistance provided under the program shall be coordinated with existing departmental programs or resources and existing programs or resources of the Iowa finance authority, to the extent feasible.
3. A local housing group which applies to the department on behalf of a local entity shall not directly administer a project receiving financial assistance under the program. The project shall be administered by the entity for which the local housing group made the application.
4. In reviewing applications for financial assistance, the department shall consider a variety of factors including, but not limited to, the following:
  - a. Whether the project is consistent with the recommendations of the housing needs assessment.
  - b. Whether the need for the project arose as a result of economic development efforts or opportunities not reflected in the housing needs assessment. When considering projects not consistent with the housing needs assessment, the department shall consider whether failure to fund the project will cause the economic development activity necessitating the project to fail.
  - c. Whether the local housing group or entity has adopted a comprehensive housing plan for the community in which the project will be undertaken.
  - d. The extent to which financial assistance under the program will leverage local or private matching funds or financial assistance or other state or federal financial assistance.

5. As used in this part:

a. "*Community*" means a city or county, or an entity established pursuant to chapter 28E.

b. "*Local housing group*" means an entity organized to represent community housing development interests.

97 Acts, ch 214, §4; 98 Acts, ch 1100, §1

#### **15.354 Local housing assistance program fund.**

1. The local housing assistance program fund is created consisting of one million dollars appropriated from the rebuild Iowa infrastructure fund each fiscal year starting with the fiscal year beginning July 1, 1997, and ending June 30, 1998, and ending with the fiscal year beginning July 1, 2001, and ending June 30, 2002, notwithstanding section 8.57, subsection 6, paragraph "c", and any other moneys appropriated to or received by the department for deposit in the fund.

2. Payments of interest, recaptures of awards, or other repayments to the fund shall be deposited in the fund. Moneys in the local housing assistance program fund are not subject to section 8.33.

3. The fund is subject to an annual audit by the auditor of state. Moneys in the fund, which may be subject to warrants written by the director of the department of administrative services, shall be drawn upon the written requisition of the director of the department of economic development or an authorized representative of the director.

97 Acts, ch 214, §5; 2003 Acts, ch 145, §286

**15.355 through 15.360** Reserved.

**15.361 through 15.367** Repealed by 98 Acts, ch 1225, § 21, 40.

Repeal of §15.36115.367, Code 2003, establishing the "Certified School-to-Career Program" takes effect July 1, 2004; repeal of part does not affect validity or obligations under contracts in existence on June 30, 2004; employers are not entitled to payroll expenditure refunds for expenditures incurred after December 31, 2002; see 98 Acts, ch 1225, §21, 40

**15.368 through 15.370** Reserved.

**15.371 through 15.373** Repealed by 2000 Acts, ch 1174, § 30. See chapter 15F.

**15.374 through 15.380** Reserved.

**15.381 through 15.387** Repealed by 2005 Acts, ch 150, § 6769. See § 15.326 through 15.336.

Repeal of new capital investment program applies to tax years ending on or after July 1, 2005; continuation of contracts entered into under new capital investment program notwithstanding repeal; 2005 Acts, ch 150, §68, 69

**15.388 through 15.390** Reserved.

**15.391** Short title.

This part shall be known as the "*Film, Television, and Video Project Promotion Program*".

2007 Acts, ch 162, §1, 13

Section takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13

**15.392 Purpose.**

The purpose of the film, television, and video project promotion program is to assist legitimate film, television, and video producers in the production of film, television, and video projects in the state and to increase the fiscal impact on the state's economy of film, television, and video projects produced in the state. The program includes assistance in the production of advertising projects in a film, television, or video medium.

2007 Acts, ch 162, §2, 13

Section takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13

**15.393 Film, television, and video project promotion program tax credits and income exclusion.**

1. The department shall establish and administer a film, television, and video project promotion program that provides for the registration of projects to be shot on location in the state. A project that is registered under the program is entitled to the assistance provided in subsection 2. A fee shall not be charged for registering. The department shall not register a project unless the department determines that all of the following are met:

- a. The project is a legitimate effort to produce an entire film, television, or video episode or a film, television, or video segment in the state.
- b. The project will include expenditures of at least one hundred thousand dollars in the state and have an economic impact on the economy of the state or locality sufficient to justify assistance under the program.
- c. The project will further tourism, economic development, and population retention or growth in the state or locality.
- d. Other criteria established by rule relating to the economic impact and promotional aspects of the project on the state or locality.

2. A project registered with the department under the program is eligible for the following assistance:

a. (1) For tax years beginning on or after January 1, 2007, a qualified expenditure tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's qualified expenditures in a project registered under the program. The tax credit shall equal twenty-five percent of the qualified expenditures on a project. An individual may claim a tax credit under this paragraph "a" of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

(2) A qualified expenditure by a taxpayer is a payment to an Iowa resident or an Iowa-based business for the sale, rental, or furnishing of tangible personal property or for services directly related to the registered project

including but not limited to aircraft, vehicles, equipment, materials, supplies, accounting, animals and animal care, artistic and design services, graphics, construction, data and information services, delivery and pickup services, graphics, labor and personnel, lighting, makeup and hairdressing, film, music, photography, sound, video and related services, printing, research, site fees and rental, travel related to Iowa distant locations, trash removal and cleanup, and wardrobe. For the purposes of this subparagraph, *"labor and personnel"* does not include the director, producers, or cast members other than extras and stand-ins. The department of revenue, in consultation with the department of economic development, shall by rule establish a list of eligible expenditures.

(3) After verifying the eligibility for a tax credit under this paragraph *"a"*, the department of economic development shall issue a film, television, and video project promotion program tax credit certificate to be attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Tax credit certificates issued under this paragraph *"a"* may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the department of economic development shall not be transferable. A tax credit shall not be claimed by a transferee under this paragraph *"a"* until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V, under chapter 432, or against the moneys and credits tax imposed in section 533.329. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V, under chapter 432, or against the moneys and credits tax imposed in section 533.329.

(4) A taxpayer claiming a tax credit under this paragraph *"a"*, a business in which such taxpayer has an equity interest, and a business in which such taxpayer participates in its management is not eligible to receive the adjusted gross income reduction under paragraph *"c"*.

*b.* (1) For tax years beginning on or after January 1, 2007, an investment tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's investment in a project registered under the program. The tax credit shall equal twenty-five percent of the investment in the project. An individual may claim a tax credit under this paragraph of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit. A taxpayer shall not claim a tax credit under this paragraph *"b"* for qualified expenditures for which a tax credit is claimed under paragraph *"a"*.

(2) After verifying the eligibility for a tax credit under this paragraph *"b"*, the department of economic development shall issue a film, television, and video project promotion program tax credit certificate to be

attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Tax credit certificates issued under this paragraph "b" may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the department of economic development shall not be transferable. A tax credit shall not be claimed by a transferee under this paragraph "b" until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V, under chapter 432, or against the moneys and credits tax imposed in section 533.329. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V, under chapter 432, or against the moneys and credits tax imposed in section 533.329.

c. For tax years beginning on or after January 1, 2007, a reduction in adjusted gross income for purposes of taxes imposed in chapter 422, divisions II and III, for payments received from the sale, rental, or furnishing of tangible personal property or services directly related to the production of a project registered under this section which meets the criteria of a qualified expenditure under paragraph "a", subparagraph (2).

3. The department shall promote the program and the assistance available under the program on an internet website.

4. A project that depicts or describes any obscene material, as defined in section 728.1, shall not be eligible to receive assistance under this section.

2007 Acts, ch 162, §3, 13; 2007 Acts, ch 174, § 99

Section takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13

**15.394 through 15.400** Reserved.

#### **15.401 Renewable fuels.**

1. As used in this section, unless the context otherwise requires, "*biodiesel*", "*biodiesel blended fuel*", "*E-85 gasoline*", and "*retail motor fuel site*" mean the same as defined in section 214A.1.

2. The department shall provide a cost-share program for financial incentives for the installation or conversion of infrastructure used by retail motor fuel sites to do all of the following:

a. Sell and dispense E-85 gasoline.

b. Install or convert infrastructure required to establish on-site and off-site terminal facilities that store biodiesel or biodiesel blended fuel for distribution to retail motor fuel sites.

3. The department shall provide for an addition of at least thirty new or converted E-85 gasoline retail outlets and four new or converted on-site or off-site terminal facilities with a maximum expenditure of three hundred twenty-five thousand dollars per year for the fiscal period beginning July 1, 2005, and ending June 30, 2008. The department may provide for the marketing of these products in conjunction with this infrastructure program.

4. The department shall consult with the renewable fuel infrastructure board created in section 15G.202 in administering this section.

2005 Acts, ch 150, §82; 2006 Acts, ch 1142, §72

**15.402 through 15.410** Reserved.

**15.411 Targeted industries development financial assistance.**

1. As used in this section, unless the context otherwise requires:

*a. "Internship"* means temporary employment of a student that focuses on providing the student with work experience in the student's field of study.

*b. "Targeted industries"* means the industries of advanced manufacturing, biosciences, and information technology.

2. The department shall, upon board approval, contract with a provider through a request for proposals process for services related to statewide commercialization development in the targeted industries. Services provided shall include all of the following:

*a.* Assistance provided directly to businesses by experienced serial entrepreneurs for all of the following activities:

(1) Business plan development.

(2) Due diligence.

(3) Market assessments.

(4) Technology assessments.

(5) Other planning activities.

*b.* Operation and coordination of various available competitive seed and prototype development funds.

*c.* Connecting businesses to private angel investors and the venture capital community.

*d.* Assistance in obtaining access to an experienced pool of managers and operations talent that can staff, mentor, or advise start-up enterprises.

*e.* Support and advice for accessing sources of early stage financing.

3. The department shall establish and administer a program to provide financial and technical assistance to encourage prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period of time in the targeted industries. Financial assistance shall be awarded on a per project basis upon board approval. The amount of financial assistance available for

a single project shall not exceed one hundred fifty thousand dollars. In order to receive financial assistance, an applicant must demonstrate the ability to secure one dollar of nonstate moneys for every two dollars received from the department.

4. The department shall, upon board approval, establish and administer a program to provide financial assistance for projects designed to encourage collaboration between commercial users and developers of information technology in the state for the purpose of commercializing existing software and applications technologies. Financial assistance shall not exceed one hundred thousand dollars per project. In order to receive financial assistance, an applicant must demonstrate the ability to secure two dollars of nonstate moneys for every one dollar received from the department. Financial assistance shall be awarded to projects that will result in technologies being developed as commercial products for sale by Iowa companies rather than as custom applications for proprietary use by a participating firm.

5. The department shall, upon board approval, establish and administer a program to provide financial assistance to businesses or departments of businesses engaged in the delivery of information technology services in the state for the purpose of upgrading the high-level technical skills of existing employees. The amount of financial assistance shall not exceed twenty-five thousand dollars for any business site. In order to receive financial assistance, an applicant must demonstrate the ability to secure two dollars of nonstate moneys for every one dollar received from the department.

6. The department shall, upon board approval, establish and administer a targeted industries internship program for students of Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents. The purpose of the program is to link Iowa students to small and medium sized firms in the targeted industries through internship opportunities. An employer may receive financial assistance in an amount of one dollar for every two dollars paid by the employer to an intern. The amount of financial assistance shall not exceed three thousand one hundred dollars for any single internship, or nine thousand three hundred dollars for any single employer. In order to be eligible to receive financial assistance under this subsection, the employer must have five hundred or fewer employees and must be engaged in a targeted industry. The department shall encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the targeted industries internship program.

7. The department of economic development shall work with the department of workforce development to create a statewide supplier capacity and product database to assist the department of economic development in linking suppliers to Iowa-based companies. The department of economic development may procure technical assistance for the creation of the database from a third party through a request for proposals process.

8. The technology commercialization committee created pursuant to section 15.116 shall review all applications for financial assistance and requests for proposals pursuant to this section and make recommendations to the board.

9. The board shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

2007 Acts, ch 122, §1

**15.412 through 15.420** Reserved.

**15.421 Generation Iowa commission.**

1. The generation Iowa commission is established within the department for purposes of advising and assisting in the retention and attraction of the young adult population in the state in both urban and rural areas.

2. *a.* The commission shall consist of fifteen voting members appointed by the governor, subject to confirmation by the senate. At the time of appointment or reappointment, a member shall be at least eighteen years of age, but less than thirty-five years of age. The voting membership shall reflect diversity within all of the following areas:

- (1) Geographic location within the state.
- (2) Public, private, and nonprofit sector employment.
- (3) Location of secondary and higher education within and outside Iowa.
- (4) Urban and rural residents.
- (5) Multicultural diversity.

*b.* Four members of the general assembly shall serve as nonvoting, ex officio members of the commission with two from the senate and two from the house of representatives and not more than one member from each chamber being from the same political party. The two senators shall be designated by the president of the senate after consultation with the majority and minority leaders of the senate. The two representatives shall be designated by the speaker of the house of representatives after consultation with the majority and minority leaders of the house of representatives.

3. The voting members shall be appointed in compliance with the requirements of sections 69.16, 69.16A, and 69.19, and shall serve staggered, three-year terms as designated by the governor. Members may be reappointed by the governor provided the requirements of subsection 2 are met.

4. The commission shall annually elect a chairperson and a vice chairperson from the voting members of the commission.

5. The commission shall do all of the following:

*a.* (1) By January 15, 2008, the commission shall submit a written report to the governor and the general assembly. The report shall include findings and recommendations of the commission regarding the status of efforts to attract and retain the young adult population in the state, career opportunities and educational needs of young adults, and the movement of the young adult population between rural areas and urban areas and between Iowa and other states. The commission shall submit an updated report to the governor and the general assembly by January 15, 2009, and by January 15 in every odd-numbered year thereafter.

(2) By January 15 in years when the report required in subparagraph (1) is not updated, the commission shall submit to the governor and the general assembly a written status report which shall include an analysis of progress made during the previous calendar year on any recommendations in the report and any available updates on data included in the report.

*b.* Advise and assist the department in activities designed to retain and attract the young adult population.

*c.* Develop and make available best practices guidelines for employers to attract and retain young adult employees.