

CHAPTER 15

DEPARTMENT OF ECONOMIC DEVELOPMENT

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SUBCHAPTER I

DEPARTMENT — ORGANIZATION

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

Referred to in §15E.202

15.102 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Board*” means the Iowa economic development board.
2. “*Community microenterprise development organization*” means a community development, economic development, social service, or nonprofit organization that provides training, access to financing, and technical assistance to microenterprises.
3. “*Department*” means the Iowa department of economic development.
4. “*Director*” means the director of the department or the director’s designee.
5. “*Microenterprise*” means any business with five or fewer employees which generally lacks collateral and has difficulty securing financing from conventional business lending sources. “*Microenterprise*” includes start-up, home-based, and self-employed businesses.
6. “*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.
 7. 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 an African American, 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, §3 – 5, 18; 2008 Acts, ch 1178, §1; 2009 Acts, ch 41, §11

Referred to in [§8.11](#), [12.34](#), [15.247](#), [15.313](#), [69.16C](#), [73.15](#), [422.33](#), [476C.1](#)

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 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 voting 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 of the voting 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. The loan and credit guarantee committee shall advise the board on the winding up of loan guarantees made under the loan and credit guarantee program established pursuant to [section 15E.224](#), Code 2009, and on the proper amount of the allocation described in [section 15G.111, subsection 4](#), paragraph “g”.

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; 2008 Acts, ch 1156, §16, 58; 2009 Acts, ch 123, §18; 2009 Acts, ch 133, §5, 6

Referred to in [§15E.202](#), [15G.115](#), [260G.6](#)

Confirmation, see §2.32

15.104 Duties of the board.

The board shall:

1. Perform duties related to the administration of the grow Iowa values fund and grow Iowa values financial assistance program as described in [chapter 15G](#).

2. Implement the requirements of [chapter 73](#).

3. 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.

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

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

6. 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.

7. Adopt all necessary rules recommended by the director or administrators of divisions prior to their adoption pursuant to [chapter 17A](#).

8. By January 31 of each year, submit a report to the general assembly and the governor that covers its activities during the preceding fiscal year. The report shall include all of the following:

a. *Financial assistance.* Data on all assistance provided to eligible businesses under the high quality jobs program described in [section 15.326](#).

b. *Projects funded through the grow Iowa values financial assistance program established in section 15G.112.* For each job creation or retention business finance project receiving moneys from the grow Iowa values fund, the following information:

(1) The net number of new jobs created as of June 30 of the prior year. For the purposes of this subparagraph, "*net number of new jobs*" is the number of new or retained jobs as identified in the contract.

(2) The number of jobs created, as of June 30 of the prior year, that are at or above the qualifying wage threshold for the project. For the purposes of this subparagraph, "*qualifying wage threshold*" has the same meaning as defined in [section 15G.101](#).

(3) The number of retained jobs, as of June 30 of the prior year. For the purposes of this subparagraph, "*retained jobs*" means the number of retained jobs as identified in the contract.

(4) The total amount expended by a business, as of June 30 of the prior year, toward the total project cost as identified in the contract.

(5) The project's location.

(6) The amount, if any, of private and local matching funds, as of June 30 of the prior year.

(7) The amount spent on research and development activities, as of June 30 of the prior year.

c. *Industrial new jobs training Act.* Data on all assistance or benefits provided under the Iowa industrial new jobs training Act established in [chapter 260E](#).

d. *Workforce development fund.* The proposed allocation of moneys from the workforce development fund to be made for the next fiscal year for the programs and purposes contained in [section 15.343, subsection 2](#).

(1) The director shall 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 proposed allocation may provide for increased or decreased funding levels if the demand for a program indicates that the need is greater or less than the allocation for that program.

(2) The director shall submit a report each quarter to the board. The report shall include the status of the funds and may include the director's proposed revisions. The proposed revisions may be approved by the board in January and April of each year.

(3) The director shall also provide quarterly reports to the legislative services agency on the status of the funds.

e. *Employee training and retraining goals and objectives.* Pursuant to [section 15.108, subsection 6](#), the upcoming year's goals and objectives, including both short-term and long-term methods of improving program performance, creating employment opportunities for residents, and enhancing the delivery of services.

f. *Accelerated career education programs.* The data related to the accelerated career education programs established in [chapter 260G](#) and the activities of those programs during the previous fiscal year.

g. *Coordination with community colleges and state board of regents.* Pursuant to [section 15.108, subsection 3](#), paragraph "a", subparagraph (1), an assessment of the degree to which

the department has coordinated with the community colleges and the state board of regents institutions in the avoidance of duplication of economic development efforts, including the degree to which there are future coordination needs. The state board of regents institutions and the community colleges shall be given an opportunity to review and comment on this portion of the department's annual report prior to its printing or release.

h. Endow Iowa program. In cooperation with the lead philanthropic entity, as defined in [section 15E.303](#), a summary of the activities conducted under the endow Iowa grant program created in [section 15E.304](#). This portion of the annual report shall include a summary of the endow Iowa tax credits approved by the department in the prior calendar year, including the number of credits approved, the amount approved, a summary of the benefiting donations by size, and the number of community foundations and affiliate organizations benefiting from the tax credit program.

i. Grow Iowa values fund expenditures. Detailed financial data that delineate expenditures made under each component of the grow Iowa values fund created in [section 15G.111](#).

j. Renewable fuel programs. A detailed accounting of expenditures in support of renewable fuel infrastructure programs, as provided in [sections 15G.203](#) and [15G.204](#). The renewable fuel infrastructure board established in [section 15G.202](#) shall approve that portion of the department's annual report regarding projects supported from the grow Iowa values fund created in [section 15G.111](#). This paragraph is repealed on July 1, 2012.

k. Pilot project cities — withholding agreement, tax credits. Data on the pilot project cities established pursuant to [section 403.19A](#), including all of the following:

- (1) The amount each project received from each state economic development and tax credit program.

- (2) The number of new jobs created as a result of the pilot program.

- (3) The average wage of the jobs created as a result of the pilot project.

- (4) An evaluation of the investment made by the state of Iowa in the pilot project cities program, including but not limited to the items described in subparagraphs (1) through (3).

l. Targeted industries development — financial assistance. A report of the expenditures of moneys appropriated and allocated to the department for certain programs authorized pursuant to [section 15.411](#) relating to the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology.

m. Targeted small business activities. A section that is a compilation of the following reports required pursuant to [section 15.108, subsection 7](#), paragraph “c”:

- (1) A summary of the report filed by December 1 of each year by the department of administrative services with the department of economic development regarding targeted small business procurement activities conducted during the previous fiscal year.

- (2) A summary of the report filed by December 1 of each year by the department of inspections and appeals with the department of economic development regarding certifications of targeted small businesses. At a minimum, the summary shall include the number of certified targeted small businesses for the previous year, the increase or decrease in that number during the previous fiscal year compared to the prior fiscal year, and the number of targeted small businesses that have been decertified in the previous fiscal year.

- (3) A summary of the internal report compiled by December 1 of each year by the department of economic development regarding the targeted small business financial assistance program. At a minimum, the summary 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.

- (4) A list of the procurement goals established pursuant to [section 73.16, subsection 2](#), and compiled by the department of economic development's targeted small business marketing and compliance manager and the performance of each agency in meeting the goals. The

performance of each agency shall be based upon the reports required pursuant to [section 73.16, subsection 2](#).

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; 2008 Acts, ch 1122, § 5, 6; 2008 Acts, ch 1191, §119; 2009 Acts, ch 82, §11; 2009 Acts, ch 123, §19 – 21

Referred to in [§10C.6](#), [260G.4C](#)

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

Referred to in [§7E.5](#), [15F.101](#), [15G.201](#)

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. 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; 2009 Acts, ch 82, §12

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 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. Perform the duties and activities specified for the agricultural marketing program under [sections 15.201](#) and [15.202](#).

b. 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.

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

d. 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.

e. 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 department of transportation, the department of natural resources, the department of cultural affairs, the generation Iowa commission, the vision Iowa board, other state agencies, and local and regional entities public interpretation, marketing, and education programs that encourage Iowans and out-of-state visitors to participate in the recreational and leisure opportunities available in Iowa. The department shall establish and administer a program that helps connect both Iowa residents and residents of other states to new and existing Iowa experiences as a means to enhance the economic, social, and cultural well-being of the state. The program shall include a broad range of new opportunities, both rural and urban, including main street destinations, green space initiatives, and artistic and cultural attractions.

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) 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.

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

(5) 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.

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

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

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, §6 – 8; 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, §1 – 4, 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, §2 – 5; 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; 2008 Acts, ch 1122, §4, 7 – 9; 2008 Acts, ch 1178, §2

Referred to in §8A.111, 15.104, 19B.7, 73.20, 455B.199B

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.

4. Establish a sustainable community development initiative. The purpose of the initiative is to improve the sustainability of Iowa communities by ensuring long-term economic growth and fostering environmentally conscious growth and development. In establishing the initiative, the department shall:

- a. Create a plan to ensure that all of the department’s current community growth and development programs, efforts, and initiatives incorporate an environmentally conscious approach and policies that promote sustainability.

- b. Cooperate with local governments by providing information, technical assistance, and financial incentives to communities pursuing sustainable growth.

[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; 2008 Acts, ch 1190, §31

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

Councils of governments; see chapter 28H

15.111 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. Repealed by 2008 Acts, ch 1122, § 16. See § 15.104(8).

15.114 Microenterprise development advisory committee.

1. The department shall establish, administer, and regularly convene a microenterprise development advisory committee.

2. The committee shall include at least ten but not more than fifteen members representing government agencies, nonprofit organizations, and private sector entities that have expertise and a demonstrated interest in the development of microenterprises.

3. The committee shall study and make recommendations to the department and the general assembly on the design and implementation of a competitive grant program in support of community efforts to develop microenterprises within communities with low-income and moderate-income residents.

a. The committee shall make recommendations for improving the mechanisms for connecting community grantees with available microenterprise and entrepreneurship resources. The recommendations shall include standardized applications for participation in the community microenterprise development organization grant program* and standardized applications for obtaining funding from various state and federal microenterprise and entrepreneurship development programs.

b. The committee shall make recommendations to grantees regarding the development of an entrepreneurship and business education program. The program shall be designed to enhance entrepreneurial skills, develop business acumen, increase marketing skills, and improve financial literacy.

c. In making its recommendations, the committee shall focus on creating a strong network of programs and shall ensure that the needs of both rural and urban communities are being met.

4. The committee shall by January 31 of each year report to the department and the general assembly on the progress of microenterprise development in Iowa and on its recommendations for the community microenterprise development organization grant program.

2008 Acts, ch 1178, §4

*Microenterprise development organization grant program, see §15.240

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

Referred to in [§15.117](#)

15.116 Technology commercialization committee.

To evaluate and make recommendations to the board on appropriate funding for the projects and programs applying for financial assistance from the innovation and commercialization development fund created in [section 15.412](#), 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; 2009 Acts, ch 123, §22, 33

Referred to in [§15.411](#), [15G.115](#)

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 Confidentiality of information in financial assistance applications.

1. The board and the department shall give due regard to the confidentiality of certain information disclosed by applicants for financial assistance during the application process, the contract administration process, and the period following closeout of a contract in the manner described in [this section](#).

2. All information contained in an application for financial assistance submitted to the department shall remain confidential while the department is reviewing the application, processing requests for confidentiality, negotiating with the applicant, and preparing the application for consideration by the director or the board. The department may release certain information in an application for financial assistance to a third party for technical review. If the department releases such information to a third party, the department shall ensure that the third party protects such information from public disclosure. After the department has considered a request for confidentiality, any information not deemed confidential shall be made publicly available. Any information deemed confidential by the department shall also be kept confidential during and following administration of a contract executed pursuant to a successful application.

3. The department shall consider the written request of an applicant or award recipient to keep confidential certain details of an application, a contract, or the materials submitted

in support of an application or a contract. If the request includes a sufficient explanation as to why the public disclosure of such details would give an unfair advantage to competitors, the department shall keep certain details confidential. If the department elects to keep certain details confidential, the department shall release only the nonconfidential details in response to a request for records pursuant to [chapter 22](#). If confidential details are withheld from a request for records pursuant to [chapter 22](#), the department shall release an explanation of why the information was deemed confidential and a summary of the nature of the information withheld and the reasons for withholding it. In considering requests for confidential treatment, the department shall narrowly construe the provisions of [this section](#) in order to appropriately balance an applicant's need for confidentiality against the public's right to information about the department's activities.

4. If a request for confidentiality is denied by the department, an applicant may withdraw the application and any supporting materials, and the department shall not retain any copies of the application or supporting materials. Upon notice that an application has been withdrawn, the department shall not release a copy in response to a request for records pursuant to [chapter 22](#).

5. The department shall adopt by rule a process for considering requests to keep information confidential pursuant to [this section](#). The department may adopt emergency rules pursuant to [chapter 17A](#) to implement [this section](#). The rules shall include criteria for guiding the department's decisions about the confidential treatment of applicant information. The criteria may include but are not limited to the following:

- a. The nature and extent of competition in the applicant's industry sector.
- b. The likelihood of adverse financial impact to the applicant if the information were to be released.
- c. The risk that the applicant will locate in another state if the request is denied.
- d. Any other factor the department reasonably considers relevant.

2008 Acts, ch 1149, §1

15.119 Aggregate tax credit limit for certain economic development programs.

1. Notwithstanding any provision to the contrary in [sections 15.327 through 15.336](#), [section 15.393](#), [section 15A.9, subsection 8](#), [sections 15E.191 through 15E.197](#), 422.11E,* and [section 422.33, subsection 9](#), the department shall not authorize an amount of tax credits for purposes specified in [subsection 2](#) in excess of one hundred eighty-five million dollars for any fiscal year. However, the department may authorize an amount of tax credits in one fiscal year in excess of one hundred eighty-five million, and such excess amount shall be counted against the total amount of tax credits that may be authorized in the next fiscal year.

2. The department, with the approval of the board, shall adopt by rule a procedure for allocating the aggregate tax credit limit established in [this section](#) among the following programs administered by the department:

- a. The high quality job creation program administered pursuant to [sections 15.326 through 15.336](#).
- b. The film, television, and video project promotion program administered pursuant to [sections 15.391 through 15.393](#).
- c. The corporate tax research credit under the quality jobs enterprise zone program pursuant to [section 15A.9, subsection 8](#).
- d. The enterprise zones program administered pursuant to [sections 15E.191 through 15E.197](#).
- e. The assistive device tax credit program administered pursuant to [section 422.11E*](#) and [section 422.33, subsection 9](#).

3. The department shall submit to the department of revenue on or before August 15 of each year a report on the tax credits allocated pursuant to [this section](#) and the tax credits awarded under each of the programs described in [subsection 2](#).

2009 Acts, ch 135, §1, 3

*§422.11E is repealed; corrective legislation is pending

Section applies to tax credits awarded on or after July 1, 2009; 2009 Acts, ch 135, §3

15.120 through 15.200 Reserved.

SUBCHAPTER II ACTIVITIES

PART 1

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

Referred to in [§15.108](#)

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

Referred to in [§15.108](#)

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.

5. The agricultural products advisory council shall review applications for financial assistance under the value-added agriculture component of the grow Iowa values financial assistance program established in [section 15G.112](#).

86 Acts, ch 1245, §811; 89 Acts, ch 219, §1; 2006 Acts, ch 1100, §3, 4; 2009 Acts, ch 123, §23
Referred to in [§15G.115](#)

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

15.205 through 15.220 Reserved.

PART 2

15.221 through 15.225 Repealed by 2008 Acts, ch 1031, § 70.

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

PART 3

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

15.232 Repealed by 91 Acts, ch 267, § 319.

15.233 through 15.239 Reserved.

PART 4

15.240 Community microenterprise development organization grant program.

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

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

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

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

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

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

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

- (4) The capacity to provide assistance in securing financing.
 - c. The scope of services offered and the efficient delivery of such services, especially to low-income, moderate-income, and minority individuals.
 - d. The ability to monitor the progress of clients and to identify those clients in need of additional technical and financial assistance.
 - e. The ability to build relationships and coordinate resources with other entities supporting microentrepreneurs. These entities may include but are not limited to community colleges, cooperative extension services, small business development centers, chambers of commerce, community economic development organizations, workforce centers, and community nonprofit service providers that serve low-income and moderate-income individuals.
 - f. The ability to coordinate activities with any targeted small business advocate services operating in the community.
 - g. The amount and sufficiency of operating funds available.
 - h. Any other criteria the department deems reasonable.
- 2008 Acts, ch 1178, §3

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

Referred to in [§15.108](#)

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 6 and 7](#).

2. A “targeted small business financial assistance program” is established within the department. A targeted small business financial assistance program account is established within the strategic investment fund created in [section 15.313](#), to allow the department to provide for loans, loan guarantees, or grants to eligible targeted small businesses.

a. 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.

b. 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.

c. 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) African American.
- (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; 2009 Acts, ch 41, §12; 2009 Acts, ch 133, §7

Referred to in [§15.108](#)

15.248 through 15.250 Reserved.

PART 5

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

Referred to in [§15.342A](#)

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.

PART 6

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.

PART 7

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. a. 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:

(1) Integrating state, regional, and local tourism and recreation marketing and promotion plans.

(2) Recommending a wide range of centers, including state-developed and state-operated to privately managed facilities.

(3) 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.

(4) 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.

(5) Projecting estimated acquisition, construction, exhibit, staffing, and maintenance costs.

(6) Integrating electronic data telecommunications systems.

(7) Identifying sites for maintaining existing centers as well as locations for new centers.

b. 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; 2008 Acts, ch 1032, §201

*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.

PART 8

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

15.289 and 15.290 Reserved.

PART 9

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 does not include property which has been placed, or is proposed for placement, 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. “*Council*” means the brownfield redevelopment advisory council established in [section 15.294](#).

3. “*Grayfield site*” means an industrial or commercial property meeting all of the following requirements:

a. The property has been developed and has infrastructure in place but the property’s current use is outdated or prevents a better or more efficient use of the property. Such property includes vacant, blighted, obsolete, or otherwise underutilized property.

b. The property’s improvements and infrastructure are at least twenty-five years old and one or more of the following conditions exists:

(1) Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of twelve months or more.

(2) The assessed value of the improvements on the property has decreased by twenty-five percent or more.

(3) The property is currently being used as a parking lot.

(4) The improvements on the property no longer exist.

4. “*Green development*” means development which meets or exceeds the sustainable design standards established by the state building code commissioner pursuant to [section 103A.8B](#).

5. “*Qualifying investment*” means the purchase price, the cleanup costs, and the redevelopment costs directly related to a qualifying redevelopment project.

6. “*Qualifying redevelopment project*” means a brownfield or a grayfield site being redeveloped or improved by the property owner. “*Qualifying redevelopment project*” does not include a previously remediated or redeveloped brownfield site.

7. “*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; 2008 Acts, ch 1173, §1

Referred to in [§15A.1](#), [15E.193B](#)

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

Referred to in [§15.293](#)

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

Referred to in [§15.292](#), [15.294](#)

15.293A Redevelopment tax credits.

1. a. A redevelopment 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 equity investment, as provided in [subsection 3](#), in a qualifying redevelopment project.

b. An individual may claim a tax credit under [this subsection](#) 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.

c. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable but 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 first receives the tax credit.

2. a. To claim a redevelopment tax credit under [this section](#), a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2009. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return.

b. After verifying the eligibility of a qualifying investor for a tax credit pursuant to [this section](#), the department of economic development shall issue a redevelopment tax credit certificate to be attached to the investor's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the qualifying investor, any 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.

c. The tax credit certificate, unless rescinded by the board, shall be accepted by the department of revenue as payment for taxes imposed pursuant to [chapter 422](#), [divisions II, III, and V](#), and in [chapter 432](#), and for the moneys and credits tax imposed in [section 533.329](#), subject to any conditions or restrictions placed by the board upon the face of the tax credit certificate and subject to the limitations of [this section](#).

d. Tax credit certificates issued under [this section](#) 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, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue.

e. 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.

f. A tax credit shall not be claimed by a transferee under [this section](#) 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](#).

3. The amount of the tax credit shall equal one of the following:

- a. Twelve percent of the taxpayer's qualifying investment in a grayfield site.
- b. Fifteen percent of the taxpayer's qualifying investment in a grayfield site if the qualifying redevelopment project meets the requirements of a green development.
- c. Twenty-four percent of the taxpayer's qualifying investment in a brownfield site.
- d. Thirty percent of the taxpayer's qualifying investment in a brownfield site if the qualifying redevelopment project meets the requirements of a green development.

4. For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the redeveloped property that would otherwise result from the qualified redevelopment costs shall be reduced by the amount of the credit computed under this part.

5. The maximum amount of a tax credit for a qualifying investment in any one qualifying redevelopment project shall not exceed ten percent of the maximum amount of tax credits available in any one fiscal year pursuant to [subsection 6](#).

6. For the fiscal year beginning July 1, 2009, the maximum amount of tax credits issued by the department shall not exceed one million dollars. The department shall not issue tax credits pursuant to [this section](#) in subsequent fiscal years unless authorized pursuant to [this subsection](#).

7. An investment shall be deemed to have been made on the date the qualifying redevelopment project is completed. An investment made prior to January 1, 2009, or after June 30, 2010, shall not qualify for a tax credit under this part.

8. A qualifying redevelopment project that is not completed within thirty months after issuance of an approval for the project by the board shall cease to be eligible for a tax credit pursuant to [this section](#), however, the board in its discretion may provide for an additional twelve-month period in which to complete a project.

9. The department shall develop a system for registration and authorization of tax credits authorized pursuant to this part and shall control distribution of all tax credits distributed to investors pursuant to this part. In developing the system, the department shall provide for a list of applicants for the tax credit and maintain it from year to year so that if the maximum aggregate amount of tax credits is reached in one year, an applicant can be given priority consideration for the credit in an ensuing year.

10. The department shall develop rules for the qualification of qualifying redevelopment projects and qualifying investments. The department of revenue shall adopt these criteria as administrative rules and shall adopt any other rules pursuant to [chapter 17A](#) necessary for the administration of this part.

11. The department may cooperate with the department of natural resources and local governments in an effort to disseminate information regarding the availability of tax credits for investments in qualifying redevelopment projects under this part.

12. If the maximum amount of tax credits available has not been issued at the end of a fiscal year, the remaining tax credit amount may be carried over to a subsequent fiscal year or may be issued in advance to qualifying redevelopment projects for a subsequent fiscal year. Whenever the council approves a tax credit which has not been allocated at the end of a fiscal year, the department may prorate the remaining credit amount to more than one eligible applicant.

13. If the recipient of a tax credit issued pursuant to [this section](#) has also applied to the department, the board, or any other agency of state government for additional financial assistance, the department, the board, or agency of state government shall not consider the

receipt of a tax credit issued pursuant to [this section](#) when considering the application for additional financial assistance.

2008 Acts, ch 1173, §2

Referred to in [§15.293B](#), [15.294](#)

15.293B Approval — requirements — repayment.

1. An investor seeking to claim a tax credit pursuant to [section 15.293A](#) shall apply to the council which shall have the power to approve the amount of tax credit available for each qualifying redevelopment project.

2. An investor applying for a tax credit shall provide the council with all of the following:

a. Information showing the total costs of the qualifying redevelopment project, including the costs of land acquisition, cleanup, and redevelopment.

b. Information about the financing sources of the investment which are directly related to the qualifying redevelopment project for which the taxpayer is seeking approval for a tax credit, as provided in [section 15.293A](#).

3. If a taxpayer receives a tax credit pursuant to [section 15.293A](#), but fails to comply with any of the requirements, the taxpayer loses any right to the tax credit, and the department of revenue shall seek recovery of the value of the credit received.

2008 Acts, ch 1173, §3

Referred to in [§15.294](#)

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](#).

4. The council shall consider applications for redevelopment tax credits as described in [sections 15.293A](#) and [15.293B](#), and the council may approve the amount of such tax credits for qualifying investments in qualifying redevelopment projects.

2000 Acts, ch 1101, §4; 2008 Acts, ch 1173, §4

Referred to in [§15.291](#), [15.292](#)

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.

PART 10

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

15.308 Repealed by 98 Acts, ch 1175, § 14.

15.309 and 15.310 Reserved.

PART 11

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. *a.* 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.

b. 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; 2008 Acts, ch 1032, §122; 2009 Acts, ch 123, §24

Referred to in [§15.247](#), [15.312](#), [15E.120](#)

15.314 Reserved.**PART 12****15.315 through 15.320 Repealed by 2009 Acts, ch 123, § 8.**

Transfer of balances remaining in funds or accounts associated with the community economic betterment program to the grow Iowa values fund established in §15G.111; 2009 Acts, ch 123, §9

15.321 through 15.324 Reserved.

15.325 Negotiations — state and local officials — restrictions. Repealed by 2009 Acts, ch 123, § 8.

PART 13**15.326 Short title.**

This part shall be known and may be cited as the “*High Quality Jobs Program*”.

94 Acts, ch 1008, §4; 2005 Acts, ch 150, §42, 68, 69; 2009 Acts, ch 123, §10

Referred to in [§15.104](#), [15.119](#)

15.327 Definitions.

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

1. “*Benefit*” has the same meaning as defined in [section 15G.101](#).
2. “*Community*” means a city, county, or entity established pursuant to [chapter 28E](#).
3. “*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.
4. “*Created job*” has the same meaning as defined in [section 15G.101](#).
5. “*Department*” means the Iowa department of economic development.
6. “*Eligible business*” means a business meeting the conditions of [section 15.329](#).
7. “*Fiscal impact ratio*” has the same meaning as defined in [section 15G.101](#).
8. “*Maintenance period completion date*” has the same meaning as defined in [section 15G.101](#).
9. “*Program*” means the high quality jobs program.
10. “*Project completion date*” has the same meaning as defined in [section 15G.101](#).
11. “*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.
12. “*Qualifying wage threshold*” has the same meaning as defined in [section 15G.101](#).
13. “*Retained job*” has the same meaning as defined in [section 15G.101](#).

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; 2009 Acts, ch 123, §11

Referred to in [§15.119](#)

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 operations in one area of this state and relocated substantially the same operations in a community in another area of this state. This paragraph shall not be construed to prohibit a business from expanding its operation in a

community if existing operations of a similar nature in this state are not closed or substantially reduced.

c. The business shall create or retain jobs as part of a project, and the jobs created or retained shall meet one of the following qualifying wage thresholds:

(1) If the business is creating jobs, the business shall demonstrate that the jobs will pay at least one hundred percent of the qualifying wage threshold at the start of the project completion period, at least one hundred thirty percent of the qualifying wage threshold by the project completion date, and at least one hundred thirty percent of the qualifying wage threshold until the maintenance period completion date.

(2) If the business is retaining jobs, the business shall demonstrate that the jobs retained will pay at least one hundred thirty percent of the qualifying wage threshold throughout both the project completion period and the maintenance period.

d. The business shall provide a sufficient package of benefits to each employee holding a created or retained job. The board, at the recommendation of the department, shall adopt rules determining what constitutes a sufficient package of benefits.

e. The business shall demonstrate that the jobs created or retained will have a sufficient impact on state and local government revenues as determined by the department after calculating the fiscal impact ratio of the project.

f. The business shall not be a retail business or a business where entrance is limited by a cover charge or membership requirement.

g. Notwithstanding the qualifying wage threshold requirements in paragraph "c", if a business is also the recipient of financial assistance under another program administered by the department, and the other program requires the payment of higher wages than the wages required under [this subsection](#), the business shall be required to pay the higher wages.

2. A business providing a sufficient package of benefits to each employee holding a created or retained job shall qualify for a credit against the qualifying wage threshold requirements described in [subsection 1](#), paragraph "c". The credit shall be calculated in the manner described in [section 15G.112, subsection 4](#), paragraph "b".

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 or retained. 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 or retained as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created or retained.

c. The economic impact to this state of the proposed project. In measuring the economic

impact, the department shall place greater emphasis on projects which can demonstrate the existence of one or more of the following conditions:

- (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.

6. The department may waive any of the requirements of [this section](#) for good cause shown.

94 Acts, ch 1008, §6; 99 Acts, ch 192, §33; 2005 Acts, ch 150, §44, 68, 69; 2008 Acts, ch 1032, §201; 2009 Acts, ch 82, §14; 2009 Acts, ch 123, §12; 2009 Acts, ch 184, §32

Referred to in [§15.119](#), [15.327](#)

For aggregate limitations on amount of tax credits, see §15.119

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 project completion date, a maintenance period completion date, the number of jobs to be created or retained, or certain other terms and obligations described in [section 15G.112, subsection 1](#), paragraph “d”, as the department deems necessary in order to make the requirements in project agreements uniform. The department, with the approval of the board, may adopt rules as necessary for making such requirements uniform. Such rules shall be in compliance with the provisions of this part and with the provisions of [chapter 15G](#).

94 Acts, ch 1008, §7; 2004 Acts, ch 1003, §1, 12; 2005 Acts, ch 150, §45, 68, 69; 2009 Acts, ch 123, §13

Referred to in [§15.119](#)

For aggregate limitations on amount of tax credits, see §15.119

15.331 New jobs credit from withholding. Repealed by 2005 Acts, ch 150, § 67 – 69. See § 15E.197.

15.331A Sales and use tax refund.

1. 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](#).

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

a. 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.

b. 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](#).

c. The eligible business shall inform the department of revenue in writing within two weeks of project completion. For purposes of [this section](#), “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.

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; 2008 Acts, ch 1031, §79; 2008 Acts, ch 1032, §123; 2009 Acts, ch 123, §14

Referred to in [§15.119](#), [15.331C](#), [15.335A](#), [15E.193B](#), [15E.196](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)

15.331B Exemption from land ownership restrictions for nonresident aliens. Repealed by 2005 Acts, ch 150, § 67 – 69.

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 revenue, the amount of taxes paid as described in [subsection 1](#) and shall submit such forms to the department of revenue. 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 of revenue 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 of revenue 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 of revenue 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 revenue 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 deemed necessary by the department of revenue.

2004 Acts, ch 1003, §3, 12; 2005 Acts, ch 19, §14; 2005 Acts, ch 150, §47, 68, 69; 2009 Acts, ch 82, §4

Referred to in [§15.119](#), [15.331A](#), [15.335A](#), [422.33](#), [422.60](#), [432.12H](#), [533.329](#)
For aggregate limitations on amount of tax credits, see [§15.119](#)

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

Referred to in [§15.119](#), [15.335A](#), [427B.17](#)

15.333 Investment tax credit.

1. *a.* An eligible business may claim a tax credit equal to a percentage of the new investment directly related to new jobs created or retained 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.

b. 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, §1 – 3; 2004 Acts, ch 1003, §4, 12; 2005 Acts, ch 135, §103; 2005 Acts, ch 150, §48, 68, 69; 2007 Acts, ch 174, §82; 2009 Acts, ch 123, §15

Referred to in [§15.119](#), [15.335A](#), [15E.196](#), [422.11F](#), [422.33](#), [422.60](#), [533.329](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)

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

Referred to in [§15.119](#), [15.335A](#), [15E.196](#), [432.12C](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)

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, § 67 – 69.

15.334A Sales and use tax exemption. Repealed by 2005 Acts, ch 150, § 67 – 69.

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 two million dollars.

a. (1) The credit equals the sum of the following:

(a) 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.

(b) 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.

(2) 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. a. 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.

b. For purposes of [this section](#), “Internal Revenue Code” means the Internal Revenue Code in effect on January 1, 2009.

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.

6. The department of revenue shall by February 15 of each year issue an annual report to the general assembly containing the total amount of all claims made by employers under [this section](#), and the portion of the claims issued as refunds, for all claims processed during the previous calendar year. The report shall contain the name of each claimant for whom a tax credit in excess of five hundred thousand dollars was issued and the amount of the credit received.

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; 2008 Acts, ch 1011, §1, 9; 2008 Acts, ch 1032, §201; 2009 Acts, ch 171, §1; 2009 Acts, ch 179, §102, 153, 232

Referred to in [§15.119](#), [15.335A](#), [15E.196](#), [422.10](#), [422.33](#), [469.10](#)

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

For aggregate limitations on amount of tax credits, see [§15.119](#)

2009 amendment to subsection 1 applies to projects approved on or after April 23, 2009; 2009 Acts, ch 171, §3

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 jobs created or retained that pay at least one hundred thirty percent of the qualifying wage threshold as computed pursuant to [section 15G.112, subsection 4](#), and the amount of the qualifying investment made according to the following schedule:

a. 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:

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

(2) 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.

(3) 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.

b. The number of jobs is one but not more than five and the amount of the qualifying investment is one of the following:

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

(2) 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.

(3) 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.

c. The number of jobs is six but not more than ten and the amount of the qualifying investment is one of the following:

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

(2) 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.

(3) 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.

d. The number of jobs is eleven but not more than fifteen and the amount of the qualifying investment is one of the following:

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

(2) 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.

(3) 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.

e. The number of jobs is sixteen but not more than thirty and the amount of the qualifying investment is one of the following:

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

(2) 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.

(3) 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.

f. 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 six percent, the sales tax refund, and the additional research and development tax credit.

g. The number of jobs is forty-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 seven percent, the sales tax refund, and the additional research and development tax credit.

h. The number of jobs is sixty-one but not more than eighty 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.

i. The number of jobs is eighty-one but not more than one hundred 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.

j. The number of jobs is at least one hundred 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. “Benefits” means the same as defined in [section 15G.101](#).

c. “County wage” means the same as defined in [section 15G.101](#).

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. “Qualifying wage threshold” means the same as defined in [section 15G.101](#).

g. “Regional wage” means the same as defined in [section 15G.101](#).

h. “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 qualifying wage threshold requirement provided in [subsection 1](#) in order to seek tax incentives for an eligible business. The board may grant a project-specific waiver from the qualifying wage threshold requirement in [subsection 1](#) for the remainder of a calendar year, based on county wage or regional wage calculations brought forth by the applicant county including but not limited to any of the following:

- a.* The county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.
- b.* The regional wage calculated without wage data from up to two adjacent counties.
- c.* The 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. 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.

5. The department shall negotiate the amount of tax incentives provided to an applicant under the program in accordance with [this section](#) and [section 15G.112](#), as applicable.

2005 Acts, ch 150, §50, 69; 2008 Acts, ch 1191, §160; 2009 Acts, ch 123, §16

Referred to in [§15.119](#), [15.333](#), [15.333A](#)

For aggregate limitations on amount of tax credits, see §15.119

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.

94 Acts, ch 1008, §13; 2005 Acts, ch 150, §51, 68, 69; 2008 Acts, ch 1191, §161

Referred to in [§15.119](#)

15.337 Waiver of program qualification requirements. Repealed by 2005 Acts, ch 150, § 67 – 69.

PART 14

15.338 and 15.339 Repealed by 2009 Acts, ch 123, § 8. See § 15G.112(6).

Transfer of balances remaining in funds or accounts associated with the entrepreneurial ventures assistance program to the grow Iowa values fund established in [§15G.111](#); 2009 Acts, ch 123, §9

15.340 Reserved.

PART 15

15.341 Workforce development fund program.

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

95 Acts, ch 184, §1

Referred to in [§15.108](#)

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

Referred to in [§15.251](#), [15.343](#), [422.16A](#)

15.343 Workforce development fund.

1. a. 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 moneys appropriated to the fund from the workforce development fund account established in [section 15.342A](#).

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

a. Three million dollars shall be used for purposes provided in [section 260F.6](#).

b. One million dollars shall be used for purposes provided in [section 260F.6B](#).

95 Acts, ch 184, §3; 96 Acts, ch 1180, §2, 4 – 6; 96 Acts, ch 1186, §5 – 7; 99 Acts, ch 183, §3; 2000 Acts, ch 1230, §16; 2001 Acts, ch 188, §22; 2003 Acts, ch 35, §45, 49; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1122, §10, 11

Referred to in [§15.104](#), [15.342](#), [260C.18A](#)

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 and 15.346 Repealed by 96 Acts, ch 1180, § 20.

15.347 and 15.348 Repealed by 96 Acts, ch 1186, § 26. See § 84A.8.

PART 16

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

Referred to in [§428A.8](#)

15.350 Reserved.

PART 17

15.351 through 15.354 Repealed by 2008 Acts, ch 1097, § 4.

Transfer to housing trust fund of unobligated funds in or received for deposit in the local housing assistance program fund created in §15.354, Code 2007; 2008 Acts, ch 1097, §5

15.355 through 15.360 Reserved.

PART 18

15.361 through 15.367 Repealed by 98 Acts, ch 1225, § 21, 40.**15.368 World food prize award and support.**

1. Commencing with the fiscal year beginning July 1, 2009, there is annually appropriated from the general fund of the state to the department one million dollars for the support of the world food prize award.

2. The Iowa state capitol is designated as the primary location for the annual ceremony to award the world food prize.

2008 Acts, ch 1191, §30

Appropriation of \$750,000 for fiscal year beginning July 1, 2009; 2009 Acts, ch 176, §3

15.369 and 15.370 Reserved.

PART 19

15.371 through 15.373 Repealed by 2000 Acts, ch 1174, § 30. See chapter 15F.**15.374 through 15.380 Reserved.**

PART 20

15.381 through 15.387 Repealed by 2005 Acts, ch 150, § 67 – 69. 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.

PART 21

15.391 Short title.

This part shall be known as the “*Film, Television, and Video Project Promotion Program*”.
2007 Acts, ch 162, §1, 13

Referred to in [§15.119](#)

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

Referred to in [§15.119](#)

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 may be charged for registering. The amount of the fee charged for registering shall be determined by the department by rule. Registration fees collected by the department under [this section](#) shall be used to administer the program. The department shall not register a project unless the department determines that all of the following criteria 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 an amount not to exceed twenty-five percent of the qualified expenditures on a project. The department may negotiate the amount of the tax credit. 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, 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.

(a) For purposes of this subparagraph, “*labor and personnel*” includes compensation paid to the principal producer, principal director, and principal cast members if the principal producer, principal director, or principal cast member is an Iowa resident or an Iowa-based business, and if the compensation paid meets one of the following conditions:

(i) If the qualified expenditures are at least ten million dollars but less than twenty million dollars, the compensation paid to each principal producer, principal director, and principal cast member does not exceed two hundred fifty thousand dollars each.

(ii) If the qualified expenditures are at least twenty million dollars, the compensation paid to each principal producer, principal director, and principal cast member does not exceed one million dollars each.

(b) For purposes of this subparagraph, “*labor and personnel*” includes compensation paid to personnel other than the principal producer, principal director, or principal cast members if the compensation paid meets one of the following conditions:

(i) If the qualified expenditures are less than ten million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and principal cast members, does not exceed one hundred fifty thousand dollars each.

(ii) If the qualified expenditures are at least ten million dollars but less than twenty million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and the principal cast members, does not exceed two hundred thousand dollars each.

(iii) If the qualified expenditures are at least twenty million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and the principal cast members, does not exceed three hundred thousand dollars each.

(c) The department of revenue, in consultation with the department of economic development, shall by rule establish a list of eligible and negotiable 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 an amount not to exceed twenty-five percent of the qualified expenditures on the project. The department may negotiate the amount of the tax credit. 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 the tax year in which a qualified expenditure occurred, and for the ensuing three tax years, a taxpayer may claim a reduction in adjusted gross income not to exceed in a tax year twenty-five percent of the amount of the qualified expenditure 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; 2008 Acts, ch 1032, §4, 5; 2008 Acts, ch 1122, §3; 2009 Acts, ch 109, §1 – 6

Referred to in [§15.119](#), [422.7](#), [422.11T](#), [422.11U](#), [422.33](#), [422.35](#), [422.60](#), [432.12J](#), [432.12K](#), [533.329](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)

Section takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13
2009 amendments to this section apply to projects registered on or after July 1, 2009; 2009 Acts, ch 109, §6

15.394 through 15.400 Reserved.

PART 22

15.401 Renewable fuels. Repealed by 2008 Acts, ch 1169, § 26, 30. See § 15G.203.

15.402 through 15.410 Reserved.

PART 23

15.411 Targeted industries development — financial assistance.

1. As used in this part, 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 service providers on a case-by-case basis 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. In each fiscal year, the department may transfer additional moneys that become available to the department from sources such as loan repayments or recaptures of awards from federal economic stimulus funds to the innovation and commercialization development fund created in [section 15.412](#), provided the department spends those moneys for the implementation of the recommendations included in the separate consultant reports on bioscience, advanced manufacturing, information technology, and entrepreneurship submitted to the department in calendar years 2004, 2005, and 2006.

10. The board shall adopt rules pursuant to [chapter 17A](#) necessary for the administration of [this section](#).

2007 Acts, ch 122, §1; 2008 Acts, ch 1122, §17 – 19; 2009 Acts, ch 82, §1

Referred to in [§15.104](#)

15.412 Innovation and commercialization development fund.

1. a. An innovation and commercialization development fund is created in the state treasury under the control of the department. The fund shall consist of moneys appropriated to the department and any other moneys available to, obtained, or accepted by the department for placement in the fund.

b. Payments of interest, repayments of moneys loaned pursuant to [this section](#), and recaptures of financial assistance shall be credited to the fund. 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.

2. Moneys in the fund are appropriated to the department and, with the approval of the board, shall be used to facilitate agreements, enhance commercialization in the targeted industries, and increase the availability of skilled workers within the targeted industries.

3. Moneys in the fund, with the approval of the board, may also be used for the following purposes:

- a. For assistance to entities providing student internship opportunities.
- b. For increasing career awareness training.
- c. For recruiting management talent.
- d. For assistance to entities engaged in prototype and concept development activities.
- e. For developing a statewide commercialization network.
- f. For deploying and maintaining an Iowa entrepreneur website.
- g. For funding asset mapping and supply chain initiatives, including for identifying methods of supporting lean manufacturing practices or processes.
- h. For information technology training.
- i. For networking events to facilitate the transfer of technology among researchers and industries.
- j. For funding student competition programs.
- k. For the purchase of advanced equipment and software at Iowa community colleges in order to support training and coursework related to the targeted industries.

2009 Acts, ch 82, §2

Referred to in [§15.116](#), [15.411](#), [15G.111](#)

15.413 through 15.420 Reserved.

PART 24

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 include fifteen voting members appointed by the governor, subject to confirmation by the senate. At the time of appointment or reappointment, a voting 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 one member each by the president of the senate after consultation with the majority leader of the senate, and by the minority leader of the senate. The two representatives shall be designated one member each by the speaker of the house of representatives after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

c. The directors of the department of economic development and the department of workforce development, or their designees, shall serve as nonvoting, ex officio members.

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. Voting members may be reappointed by the governor provided the requirements of [subsection 2](#) are met.

4. a. The chairperson and vice chairperson of the commission shall be selected by the governor and shall serve at the pleasure of the governor.

b. An executive council of the commission shall consist of the chairperson and vice chairperson, and three members elected by the commission on an annual basis. The executive council shall meet on a monthly basis.

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 state agencies in activities designed to retain and attract the young adult population.

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

d. Conduct meetings on at least a bimonthly basis.

2007 Acts, ch 45, §1; 2008 Acts, ch 1031, §13; 2008 Acts, ch 1156, §17, 58; 2009 Acts, ch 179, §189 – 192

Confirmation, see §2.32