

**15E.193 Eligible business.**

1. A business which is or will be located, in whole or in part, in an enterprise zone is eligible to receive incentives and assistance under [this division](#) if the business has not closed or reduced its operation in one area of the state and relocated substantially the same operation into the enterprise zone and if the business meets all of the following requirements:

a. Is not a retail business or a business where entrance is limited by a cover charge or membership requirement.

b. (1) The business shall provide a sufficient package of benefits to each employee holding a created or retained job. For purposes of this paragraph, “*created job*” and “*retained job*” have the same meaning as defined in [section 15G.101](#).

(2) The board, upon the recommendation of the department, shall adopt rules determining what constitutes a sufficient package of benefits.

c. The business shall pay a wage that is at least ninety percent of the qualifying wage threshold. For purposes of this paragraph, “*qualifying wage threshold*” has the same meaning as defined in [section 15G.101](#).

d. Creates or retains at least ten full-time equivalent positions and maintains them until the maintenance period completion date. For purposes of this paragraph, “*maintenance period completion date*” and “*full-time equivalent position*” have the same meanings as defined in [section 15G.101](#).

e. Makes a capital investment of at least five hundred thousand dollars.

f. If the business is only partially located in an enterprise zone, the business must be located on contiguous parcels of land.

2. In addition to meeting the requirements under [subsection 1](#), an eligible business shall provide the enterprise zone commission with all of the following:

a. The long-term strategic plan for the business which shall include labor and infrastructure needs.

b. Information dealing with the benefits the business will bring to the area.

c. Examples of why the business should be considered or would be considered a good business enterprise.

d. The impact the business will have on other businesses in competition with it. The enterprise zone commission shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The enterprise zone commission 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.

e. A report describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the enterprise zone commission finds that a business has a record of violations of the law, statutes, rules, or regulations that tends to show a consistent pattern, the enterprise zone commission shall not make an award of financial assistance to the business unless the board finds either that the violations did not seriously affect public health, public safety, or the environment, or, if such violations did seriously affect public health, public safety, or the environment, that mitigating circumstances were present.

3. If a business has received incentives or assistance under [section 15E.196](#) and fails to maintain the requirements of [subsection 1](#) to be an eligible business, the business is subject to repayment of all or a portion of the incentives and assistance that it has received. The city or county, as applicable, shall have the authority to take action to recover the value of taxes not collected as a result of the exemption provided by the community to the business. The department of revenue shall have the authority to recover the value of state taxes or incentives provided under [section 15E.196](#). The value of state incentives provided under [section 15E.196](#) includes applicable interest and penalties. The department of economic development and the city and county, as applicable, shall enter into agreement with the business specifying the method for determining the amount of incentives or assistance paid which will be repaid in the event of failure to maintain the requirements of [subsection 1](#). In addition, a business that

fails to maintain the requirements of [subsection 1](#) shall not receive incentives or assistance for each year during which the business is not in compliance.

4. If a business that is approved to receive incentives or assistance provided under [section 15E.196](#) experiences a layoff within the state or closes any of its facilities within the state prior to receiving the incentives and assistance, the department may reduce or eliminate all or a portion of the incentives and assistance. If a business has received incentives or assistance under [section 15E.196](#) and experiences a layoff within the state or closes any of its facilities within the state after receiving the incentives and assistance, the business may be subject to repayment of all or a portion of the incentives and assistance that it has received.

97 Acts, ch 144, §3; 98 Acts, ch 1175, §7 – 9; 2003 Acts, ch 129, §2; 2003 Acts, ch 145, §286; 2006 Acts, ch 1009, §1 – 3; 2007 Acts, ch 126, §7; 2009 Acts, ch 123, §17

Referred to in [§15.119](#), [15E.193B](#), [15E.194](#), [15E.195](#)

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