

**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

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