

CHAPTER 15G

ECONOMIC GROWTH AND EXPANSION ACTIVITIES

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SUBCHAPTER I

GROW IOWA VALUES FUND
AND FINANCIAL ASSISTANCE
PROGRAM**15G.101 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. “*Base employment level*” means the number of full-time equivalent positions at a business, as established by the department and a business using the business’s payroll records, as of the date a business applies for financial assistance under the program.
2. “*Benefit*” means nonwage compensation provided to an employee. Benefits typically include medical and dental insurance plans, pension, retirement, and profit-sharing plans, child care services, life insurance coverage, vision insurance coverage, disability insurance coverage, and any other nonwage compensation as determined by the board.
3. “*Board*” means the Iowa economic development board.
4. “*County wage*” means the county wage calculation performed by the department pursuant to section 15G.112, subsection 3.
5. “*Created job*” means a new, permanent, full-time equivalent position added to a business’s payroll in excess of the business’s base employment level.
6. “*Department*” means the department of economic development.
7. “*Financial assistance*” means assistance provided only from the funds, rights, and assets legally available to the department pursuant to this chapter and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty payments.
8. “*Fiscal impact ratio*” means a ratio calculated by estimating the amount of taxes to be received from a business by the state and dividing the estimate by the estimated cost to the state of providing certain financial incentives to the business, reflecting a ten-year period of taxation and incentives and expressed in terms of current dollars. For purposes of the grow Iowa values financial assistance program, “*fiscal impact ratio*” does not include taxes received by political subdivisions.
9. “*Full-time equivalent position*” means a non-part-time position for the number of hours or days per week considered to be full-time work for the kind of service or work performed for an employer. Typically, a full-time equivalent position requires two thousand eighty hours

of work in a calendar year, including all paid holidays, vacations, sick time, and other paid leave.

10. “*Fund*” means the grow Iowa values fund created in section 15G.111.

11. “*Maintenance period*” means the period of time between the project completion date and maintenance period completion date.

12. “*Maintenance period completion date*” means the date on which the maintenance period ends.

13. “*Project completion date*” means the date by which a recipient of financial assistance has agreed to meet all the terms and obligations contained in an agreement with the department as described in section 15G.112, subsection 1, paragraph “d”.

14. “*Project completion period*” means the period of time between the date financial assistance is awarded and the project completion date.

15. “*Qualifying wage threshold*” means the county wage or the regional wage, as calculated by the department pursuant to section 15G.112, subsection 3, whichever is lower.

16. “*Regional wage*” means the regional wage calculation performed by the department pursuant to section 15G.112, subsection 3.

17. “*Retained job*” means a full-time equivalent position, in existence at the time an employer applies for financial assistance which remains continuously filled or authorized to be filled as soon as possible and which is at risk of elimination if the project for which the employer is seeking assistance does not proceed.

2009 Acts, ch 123, §1

15G.102 through 15G.107 Reserved.

15G.108 Grow Iowa values fund. Repealed by 2009 Acts, ch 123, § 8. See § 15G.111.

15G.109 Marketing strategies.

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

The department shall implement and administer the approved marketing strategy.

2003 Acts, 1st Ex, ch 1, §85, 133

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

2004 Acts, 1st Ex, ch 1001, §33 – 36

15G.110 Appropriation.

1. For the fiscal period beginning July 1, 2005, and ending June 30, 2008, and for the fiscal period beginning July 1, 2011, and ending June 30, 2015, there is appropriated to the department of economic development each fiscal year fifty million dollars from the general fund of the state for deposit in the grow Iowa values fund.

2. For the fiscal period beginning July 1, 2008, and ending June 30, 2011, there is appropriated to the department of economic development each fiscal year fifty million dollars from the rebuild Iowa infrastructure fund for deposit in the grow Iowa values fund, notwithstanding section 8.57, subsection 6, paragraph “c”.

2005 Acts, ch 170, §18; 2008 Acts, ch 1179, §52; 2010 Acts, ch 1184, §30

[SP] Standing appropriation from rebuild Iowa infrastructure fund for FY 2009-2010 reduced; 2009 Acts, ch 184, §5; 2010 Acts, ch 1182, §32, 36

[T] Section amended

15G.111 Grow Iowa values fund — appropriation — allocation of fund moneys.

1. *Fund created.* A grow Iowa values fund is created in the state treasury under the control of the department of economic development consisting of the following:

a. The moneys appropriated to the department pursuant to section 15G.110.

b. Payments of interest, repayments of moneys loaned, and recaptures of grants and loans made pursuant to this chapter.

c. All moneys accruing to the department, including payments of interest, repayments of moneys loaned, royalty payments received, and recaptures of grants, loans, or other forms of financial assistance provided to recipients, from the department's administration of the following preexisting programs:

(1) The community economic betterment program established pursuant to section 15.317, Code 2009.

(2) The entrepreneurial ventures assistance program established pursuant to section 15.339, Code 2009.

(3) The value-added agricultural products and processes financial assistance program established pursuant to section 15E.111, Code 2009.

(4) The physical infrastructure assistance program established pursuant to section 15E.175, Code 2009.

(5) The loan and credit guarantee program established pursuant to section 15E.224, Code 2009.

2. *Fund administration.*

a. The department shall administer the fund consistent with the provisions of this chapter and with other pertinent Acts of the general assembly, including providing financial assistance awards pursuant to section 15G.112.

b. Moneys credited to 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. Interest or earnings on moneys in the fund are appropriated to the department. Of the moneys appropriated to the department pursuant to this paragraph, the department shall make the following allocations:

(1) For each fiscal year of the fiscal period beginning July 1, 2010, and ending June 30, 2013, the department shall allocate not more than one hundred seventy-five thousand dollars for purposes of providing financial assistance to Iowa's councils of governments.

(2) For each fiscal year of the fiscal period beginning July 1, 2010, and ending June 30, 2013, the department shall allocate not more than two hundred thousand dollars for purposes of providing support and administrative assistance to the vision Iowa board, the community attraction and tourism program, and river enhancement community attraction and tourism projects.

(3) For each fiscal year of the fiscal period beginning July 1, 2010, and ending June 30, 2013, the department shall allocate the remaining amount of interest or earnings on moneys in the fund for purposes of providing financial assistance under the disaster recovery component of the grow Iowa values financial assistance program. All moneys allocated pursuant to this subparagraph that remain unexpended or unobligated at the end of the fiscal year beginning July 1, 2012, shall revert and be credited to the fund.

c. Of the moneys accruing to the fund pursuant to subsection 1, paragraph "c", the department, with the approval of the board, may allocate an amount necessary to fund administrative and operations costs. An allocation pursuant to this paragraph may be made in addition to any allocations made pursuant to subsection 4, paragraph "a".

3. *Appropriation.* For each fiscal year of the fiscal period beginning July 1, 2009, and ending June 30, 2015, there is appropriated from the fund to the department of economic development for purposes of making expenditures pursuant to this chapter fifty million dollars.

4. *Departmental purposes.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate twenty-eight million five hundred thousand dollars each fiscal year as follows:

a. For administrative costs, an amount not more than six hundred thousand dollars of the moneys subject to allocation under this subsection.

b. For awards of financial assistance pursuant to section 15G.112, an amount approved by the board.

c. For marketing proposals pursuant to section 15G.109, an amount approved by the board.

d. For a statewide labor shed study conducted in coordination with the department of workforce development, an amount approved by the board.

e. For responding to opportunities and threats, as described in section 15G.113, an amount approved by the board.

f. For procuring technical assistance from either the public or private sector and for information technology purposes, an amount approved by the board.

g. For covering existing guarantees made under the loan and credit guarantee program established pursuant to section 15E.224, Code 2009, an amount approved by the board.

5. *Board of regents institutions.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate five million dollars each fiscal year for financial assistance to institutions of higher learning under the control of the state board of regents.

a. The financial assistance allocated pursuant to this subsection is for capacity building infrastructure in areas related to technology commercialization, for marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and for infrastructure projects and programs needed to assist in the implementation of activities under chapter 262B.

b. In allocating moneys to institutions under the control of the state board of regents, the board shall require the institutions to provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this subsection.

c. The state board of regents shall annually prepare a report for submission to the governor, the general assembly, the department, and the legislative services agency regarding the activities, projects, and programs funded with moneys allocated under this subsection. The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the department. The metrics and criteria shall allow the governor's office, the general assembly, and the department to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

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

6. *State parks.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate one million dollars each fiscal year for purposes of providing financial assistance for projects in targeted state parks, state banner parks, and destination parks.

a. The department of natural resources shall submit a plan to the board for the proposed expenditure of moneys received from the department pursuant to this subsection. The plan shall focus on improving state parks, state banner parks, and destination parks for economic development purposes. The board shall approve, deny, modify, or defer proposed expenditures under the plan. Based on the plan submitted and the action of the board in regard to the plan, the department of economic development shall provide financial assistance to the department of natural resources for support of state parks, state banner parks, and destination parks.

b. For purposes of this subsection, "*state banner park*" means a park with multiple uses and which focuses on the economic development benefits of a community or area of the state.

7. *Cultural trust fund.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate one million dollars each fiscal year for deposit in the Iowa cultural trust fund created in section 303A.4. The board of trustees of the Iowa cultural trust shall annually prepare a report for submission to the governor, the general assembly, the department, and the legislative services agency regarding the activities, projects, and programs funded with moneys allocated under this subsection.

8. *Community colleges.* Of the moneys appropriated to the department pursuant to

subsection 3, the department shall allocate seven million dollars each fiscal year for deposit into the workforce training and economic development funds of the community colleges created pursuant to section 260C.18A.

9. *Regional financial assistance.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate one million dollars each fiscal year for providing economic development region financial assistance under section 15E.232, subsections 1, 3, 4, 5, and 6, and under section 15E.233, and for providing financial assistance for business accelerators pursuant to section 15E.351.

a. Of the moneys allocated in this subsection, the department shall transfer three hundred fifty thousand dollars each fiscal year for the fiscal period beginning July 1, 2009, and ending June 30, 2015, to Iowa state university of science and technology, for purposes of providing financial assistance to establish small business development centers in areas of the state previously served by a small business development center, to develop business succession plans, and to maintain existing small business development centers. Of the three hundred fifty thousand dollars transferred each fiscal year pursuant to this paragraph, not more than one hundred thousand dollars shall be used for business succession activities. Financial assistance for a small business development center shall not exceed fifty thousand dollars per fiscal year and shall not be awarded unless the city or county where the center is located or scheduled to be located demonstrates the ability to obtain local matching moneys on a dollar-for-dollar basis for at least twenty-five percent of the cost of the center.

b. Of the moneys allocated under this subsection, the department may use up to fifty thousand dollars each fiscal year during the fiscal period beginning July 1, 2009, and ending June 30, 2015, for purposes of providing training, materials, and assistance to Iowa business resource centers.

10. *Innovation and commercialization services.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate five million five hundred thousand dollars for deposit in the innovation and commercialization development fund created in section 15.412.

11. *Targeted small businesses.* Of the moneys appropriated to the department pursuant to subsection 3, the department shall allocate one million dollars for deposit in the targeted small business financial assistance program account established pursuant to section 15.247 within the strategic investment fund created in section 15.313.

2005 Acts, ch 150, §2; 2005 Acts, ch 170, §19; 2006 Acts, ch 1010, §9, 10; 2006 Acts, ch 1175, §1, 2, 23; 2006 Acts, ch 1176, §20, 29; 2007 Acts, ch 122, §2 – 4; 2008 Acts, ch 1031, §15; 2008 Acts, ch 1102, §2, 3, 5; 2008 Acts, ch 1179, §53; 2009 Acts, ch 123, §2, 33; 2009 Acts, ch 170, §3, 11; 2009 Acts, ch 184, §37; 2010 Acts, ch 1009, §3, 4; 2010 Acts, ch 1061, §89, 181; 2010 Acts, ch 1069, §5; 2010 Acts, ch 1184, §31 – 34

[P] See annual Iowa Acts for temporary exceptions, changes, or other noncodified enactments modifying these statutory provisions

[T] Subsection 4, paragraph h stricken by its own terms effective July 1, 2010; 2009 Acts, ch 123, §2, 33

[T] Subsection 2, paragraphs b and c amended

[T] Subsection 4, unnumbered paragraph 1 amended

[T] Subsection 4, paragraph h stricken

[T] Subsection 5, paragraph c amended

[T] Subsection 10 amended

[T] NEW subsection 11

15G.112 Grow Iowa values financial assistance program.

1. Program established.

a. The department shall establish and administer a grow Iowa values financial assistance program for purposes of providing financial assistance from the fund to applicants. The financial assistance shall be provided from moneys credited to the grow Iowa values fund and not otherwise obligated or allocated pursuant to section 15G.111.

b. The program shall consist of the components described in subsections 4 through 9. Each fiscal year, the department, with the approval of the board, shall allocate an amount of financial assistance from the fund that may be awarded under each component of the program to qualifying applicants.

c. In making awards of financial assistance pursuant to subsections 4 and 5, the department shall calculate the fiscal impact ratio, and in reviewing each application

to determine the amount of financial assistance to award, the board shall consider the appropriateness of the award to the fiscal impact ratio of the project and to other factors deemed relevant by the board.

d. For each award of financial assistance under the program, the department and the recipient of the financial assistance shall enter into an agreement describing the terms and obligations under which the financial assistance is being provided. The department may negotiate, subject to approval by the board, the terms and obligations of the agreement. An agreement shall contain but need not be limited to all of the following terms and obligations:

- (1) A project completion date.
- (2) A maintenance period completion date.
- (3) The number of jobs to be created or retained.
- (4) The amount of financial assistance to be provided under the program.
- (5) An amount of matching funds from a city or county. The department shall adopt by rule a formula for determining the amount of matching funds required.

e. The department may enforce the terms and obligations of agreements described in paragraph "d".

f. A recipient of financial assistance shall meet all terms and obligations in an agreement by the project completion date, but the board may for good cause extend the project completion date.

g. During the maintenance period, a recipient of financial assistance shall continue to comply with the terms and obligations of an agreement entered into pursuant to paragraph "d".

h. If a business that is approved to receive financial assistance experiences a layoff within this state or closes any of its facilities within this state, the board has the discretion to reduce or eliminate some or all of the amount of financial assistance to be received. If a business has received financial assistance under this section and experiences a layoff within this state or closes any of its facilities within this state, the business may be subject to repayment of all or a portion of the incentives that the business has received.

2. *Standard program requirements.* In addition to the eligibility requirements of the individual program components applicable to the financial assistance sought, a business shall be subject to all of the following requirements:

a. The business shall submit to the department with its application for financial assistance a report describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the board finds that a business has a record of violations of the law, statutes, rules, or regulations that tends to show a consistent pattern, the board 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.

b. The business shall not have 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. However, 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 proposed project shall not negatively impact 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 financial 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 financial 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.

d. The business shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the assistance received by a business which has received financial assistance under the

program and is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the department.

3. *County and regional wage calculations.*

a. In administering the financial assistance program, the department shall annually calculate a county wage and a regional wage for each county for purposes of determining the eligibility of applicants for financial assistance under the program.

(1) The county wage and the regional wage shall be an hourly wage rate based on data from the most recent four quarters of wage and employment information from the quarterly covered wage and employment data report issued by the department of workforce development.

(2) The department shall not include the value of benefits when calculating the county wage or the regional wage.

b. The county wage shall be the average of the wages paid for jobs performed in the county by employers in all employment categories except the employment categories of government, agriculture, and mining.

c. The regional wage shall be calculated as follows:

(1) Multiplying by four the county wage of a county.

(2) Adding together the county wage of each of the counties adjacent to the county.

(3) Adding the result obtained in subparagraph (1) to the result obtained in subparagraph (2).

(4) Dividing the result obtained in subparagraph (3) by the sum of the number of counties adjacent to the county plus four.

4. *One hundred thirty percent wage component.*

a. In order to qualify for financial assistance under this component of the program, a business shall meet all of the following requirements:

(1) The business shall create or retain jobs as part of a project, and the jobs created or retained shall meet one of the following requirements:

(a) 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.

(b) 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.

(2) 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.

(3) 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.

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

b. A business providing a sufficient package of benefits to each employee holding a created or retained job shall qualify for a credit against any of the one hundred thirty percent qualifying wage threshold requirements described in paragraph "a", subparagraph (1). The credit shall be calculated and applied as follows:

(1) By multiplying the qualifying wage threshold of the county in which the business is located by one and three-tenths.

(2) By multiplying the result of subparagraph (1) by one-tenth.

(3) The amount of the result of subparagraph (2) shall be credited against the amount of the one hundred thirty percent qualifying wage threshold requirement that the business is required to meet under paragraph "a", subparagraph (1).

(4) The credit shall not be applied against the one hundred percent of qualifying wage threshold requirement described in paragraph "a", subparagraph (1).

c. Notwithstanding the qualifying wage threshold requirements described in paragraph

“a”, subparagraph (1), 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.

d. An applicant may apply to the board for a waiver of the qualifying wage threshold requirements of this subsection.

5. *One hundred percent wage component.* In order to qualify for financial assistance under this component of the program, a business shall meet all of the following requirements:

a. 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 pay at least one hundred percent of the qualifying wage threshold at the start of the project completion period, by the project completion date, and 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 percent of the qualifying wage threshold throughout both the project completion period and the maintenance period.

b. 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.

c. 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.

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

6. *Entrepreneurial component.*

a. In order to qualify for financial assistance under the entrepreneurial component of the program, a business shall meet all of the following requirements:

(1) The business shall be an early-stage business. For purposes of this subparagraph, “*early-stage business*” means a business that has been competing in a particular industry for three years or less.

(2) The business shall have consulted with and obtained a letter of endorsement from either a business accelerator approved by the department or from an entrepreneurial development organization recognized by the department.

b. Notwithstanding subsection 1, paragraph “d”, subparagraph (5), a business applying for financial assistance under the entrepreneurial component is eligible for financial assistance regardless of whether the business has received matching funds from a city or county.

c. In awarding financial assistance under the entrepreneurial component of the program, the department and the board shall give priority to businesses in those sectors of the Iowa economy with the greatest potential for growth and expansion. Sectors having such potential include but are not limited to biotechnology, recyclable materials, software development, computer-related products, advanced materials, advanced manufacturing, and medical and surgical instruments.

7. *Infrastructure component.* In order to qualify for financial assistance under the infrastructure component of the program, a business or community shall be engaged in a physical infrastructure project. For purposes of this subsection, “*physical infrastructure project*” means a project that creates necessary infrastructure for economic success throughout Iowa, provides the foundation for the creation of jobs, and that involves the investment of a substantial amount of capital. Physical infrastructure projects include but are not limited to projects involving any mode of transportation; public works and utilities such as sewer, water, power, or telecommunications; physical improvements that mitigate, prevent, or eliminate environmental contamination; and other similar projects deemed to be physical infrastructure by the department.

8. *Value-added agriculture component.*

a. In order to qualify for financial assistance under the value-added agriculture component of the program, a business shall be a production facility engaged in the process

of adding value to agricultural products. Projects considered eligible under this subsection include but are not limited to innovative agricultural products and processes, innovative and new renewable fuels, agricultural biotechnology, biomass and alternative energy production, and organic products and emerging markets. Financial assistance is available for project development as well as project creation.

b. The board and the department shall not award financial assistance under the value-added agriculture component in an amount exceeding fifty percent of the total capital investment in a project.

c. Notwithstanding subsection 1, paragraph “d”, subparagraph (5), a business applying for financial assistance under the value-added agriculture component is eligible for financial assistance regardless of whether the business has received matching funds from a city or county.

9. *Disaster recovery component.* In order to qualify for financial assistance under the disaster recovery component of the program, a business shall meet all of the following conditions:

a. The business is located in an area declared a disaster area by a federal official.

b. The business has sustained substantial physical damage and has closed as the result of a natural disaster.

c. The business has a plan for reopening that includes employing a sufficient number of the employees the business employed before the natural disaster occurred. The department shall adopt rules governing the number of employees that is sufficient under this paragraph.

d. The business will pay wages at the same level after reopening as the business paid before the natural disaster occurred.

2005 Acts, ch 150, §3; 2008 Acts, ch 1102, §4, 5; 2008 Acts, ch 1191, §162; 2009 Acts, ch 123, §3; 2010 Acts, ch 1069, §6

[P] Additional requirements for applicants which are economic development regions, see §15E.231

[T] Subsection 1, paragraph h amended

15G.113 Opportunities and threats.

1. The department, with the approval of the board, may award financial assistance from the fund to a business, an individual, a development corporation, a nonprofit organization, an organization established in section 28H.1, or a political subdivision of this state if, in the opinion of the department, a project presents a unique opportunity for economic development in this state, or if the project addresses a situation constituting a threat to the continued economic prosperity of this state.

2. The board shall adopt rules governing the eligibility of projects for financial assistance pursuant to this section.

2009 Acts, ch 123, §4

15G.114 Rules.

1. The board, upon the recommendation of the department, shall adopt rules for the administration of this chapter in accordance with chapter 17A.

2. To the extent necessary, the rules shall provide for the inclusion of uniform terms and obligations in agreements between the department and the recipients of financial assistance under the grow Iowa values financial assistance program, the high quality jobs program, and the enterprise zone program. For purposes of this section, “*terms and obligations*” includes but is not limited to the created or retained jobs, qualifying wage thresholds, project completion dates, project completion periods, maintenance periods, and maintenance period completion dates that are applicable to the grow Iowa values financial assistance program, the high quality job creation program, and the enterprise zone program.

2009 Acts, ch 123, §5

15G.115 Applications — advisory body recommendations — final board actions.

1. The department shall accept and process applications for financial assistance under the grow Iowa values financial assistance program. After processing the applications, the department shall prepare them for review by advisory committees and for final action by the board as described in this section.

2. *a.* Each application from a business for financial assistance under the grow Iowa values financial assistance program shall be reviewed by the due diligence committee established by the board pursuant to section 15.103, subsection 6. The due diligence committee shall make a recommendation on each application to the board.

b. Each application for financial assistance from funds allocated by the department for deposit in the innovation and commercialization development fund pursuant to section 15G.111, subsection 10, shall be reviewed by the technology commercialization committee established in section 15.116, which shall make a recommendation on each application to the board.

3. In overseeing the administration of the grow Iowa values fund and grow Iowa values financial assistance program pursuant to this chapter, the board shall do all of the following:

a. At the first scheduled meeting of the board after the start of a new fiscal year, take final action on all of the following:

(1) The department's recommendations for the annual fiscal year allocation of moneys in the fund, as provided in section 15G.111, subsection 4. The board may adjust the allocation of moneys during the fiscal year as necessary.

(2) The department's recommendations for the allocation of moneys among the program components referred to in section 15G.112, subsection 1, paragraph "b". The board may adjust the allocation of moneys during the fiscal year as necessary.

b. Consider the recommendation of the due diligence committee and the technology commercialization committee on each application for financial assistance, as described in subsection 2, and take final action on each application.

c. Take final action on the required plans for proposed expenditures submitted by the entities receiving moneys allocated under section 15G.111, subsections 5 through 8.

d. Take final action on any rules recommended by the department for the implementation of the provisions of this chapter.

2009 Acts, ch 123, §6, 33; 2010 Acts, ch 1031, §262; 2010 Acts, ch 1069, §7

[T] See Code editor's note to §8A.402 at the end of Vol VI

[T] Subsections 2 and 3 amended

SUBCHAPTER II

RENEWABLE FUEL INFRASTRUCTURE

15G.201 Definitions.

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

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

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

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

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

5. "Motor fuel pump" and "motor fuel blender pump" or "blender pump" mean the same as defined in section 214.1.

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

7. "Tank vehicle" means the same as defined in section 321.1.

8. "Terminal" means a storage and distribution facility for motor fuel or a blend stock such as ethanol or biodiesel that is stored on-site or off-site in bulk and that is supplied to a motor vehicle, pipeline, or a marine vessel and from which storage and distribution facility

the motor fuel or blend stock may be removed at a rack. “*Terminal*” does not include any of the following:

- a. A retail motor fuel site.
 - b. A facility at which motor fuel, special fuel, or blend stocks are used in the manufacture of products other than motor fuel and from which no motor fuel or special fuel is removed.
 9. “*Terminal operator*” means a person who has responsibility for, or physical control over, the operation of a terminal, including by ownership, contractual agreement, or appointment.
 10. “*Underground storage tank fund board*” means the Iowa comprehensive petroleum underground storage tank fund board established pursuant to section 455G.4.
- 2006 Acts, ch 1142, §28; 2006 Acts, ch 1175, §3, 23; 2008 Acts, ch 1169, §1, 2, 30

15G.201A Classification of renewable fuel.

For purposes of this subchapter, ethanol blended fuel and biodiesel fuel shall be classified in the same manner as provided in section 214A.2.

2008 Acts, ch 1169, §3, 30; 2009 Acts, ch 41, §17

15G.202 Renewable fuel infrastructure board.

A renewable fuel infrastructure board is established within the department.

1. The department shall provide the infrastructure board with necessary facilities, items, and clerical support. The department shall perform administrative functions necessary for the management of the infrastructure board and the renewable fuel infrastructure programs as provided in sections 15G.203 and 15G.204, all under the direction of the infrastructure board.

2. The infrastructure board shall be composed of eleven members who shall be appointed by the governor as follows:

- a. One person representing insurers who is knowledgeable about issues relating to underground storage tanks.
- b. One person representing the petroleum industry who is knowledgeable about issues relating to petroleum refining, terminal operations, and petroleum or motor fuel distribution.
- c. Nine persons based on nominations made by the titular heads of all of the following:
 - (1) The agribusiness association of Iowa.
 - (2) The Iowa corn growers association.
 - (3) The Iowa farm bureau federation.
 - (4) The Iowa motor truck association.
 - (5) The Iowa soybean association.
 - (6) The petroleum marketers and convenience stores of Iowa.
 - (7) The Iowa petroleum equipment contractors association.
 - (8) The Iowa renewable fuels association.
 - (9) The Iowa grocery industry association.

3. Appointments of voting members to the infrastructure board are subject to the requirements of sections 69.16 and 69.16A. In addition, the appointments shall be geographically balanced. The governor’s appointees shall be confirmed by the senate, pursuant to section 2.32.

4. The members of the infrastructure board shall serve five-year terms beginning and ending as provided in section 69.19. However, the governor shall appoint initial members to serve for less than five years to ensure members serve staggered terms. A member is eligible for reappointment. A vacancy on the board shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

5. The infrastructure board shall elect a chairperson from among its members each year on a rotating basis as provided by the infrastructure board. The infrastructure board shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of six or more members.

6. The infrastructure board shall meet with three or more members of the underground storage tank fund board who shall represent the underground storage tank fund board. The representatives shall be available to advise the infrastructure board when the infrastructure

board makes decisions regarding the awarding of financial incentives to a person under a renewable fuel infrastructure program provided in section 15G.203 or 15G.204.

7. Members of the infrastructure board are not entitled to receive compensation but shall receive reimbursement of expenses from the department as provided in section 7E.6.

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

2006 Acts, ch 1142, §29

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

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

1. The purpose of the program is to improve retail motor fuel sites by installing, replacing, or converting infrastructure to be used to store, blend, or dispense renewable fuel. The infrastructure shall be ethanol infrastructure or biodiesel infrastructure.

a. (1) Ethanol infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense E-85 gasoline.

(b) Store, blend, and dispense motor fuel from a motor fuel blender pump, as required in this subparagraph division. The ethanol infrastructure must provide for the storage of ethanol or ethanol blended gasoline, or for blending ethanol with gasoline. The ethanol infrastructure must at least include a motor fuel blender pump which dispenses different classifications of ethanol blended gasoline and allows E-85 gasoline to be dispensed at all times that the blender pump is operating.

(2) Biodiesel infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense biodiesel or biodiesel blended fuel.

(b) Blend or dispense biodiesel fuel from a motor fuel blender pump.

b. The infrastructure must be part of the premises of a retail motor fuel site operated by a retail dealer. The infrastructure shall not include a tank vehicle.

2. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

3. The infrastructure board shall approve cost-share agreements executed by the department and persons that the infrastructure board determines are eligible as provided in this section, according to terms and conditions required by the infrastructure board. The infrastructure board shall determine the amount of the financial incentives to be awarded to a person participating in the program. In order to be eligible to participate in the program all of the following must apply:

a. The person must be an owner or operator of the retail motor fuel site.

b. The person must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain all information required by the infrastructure board and shall at least include all of the following:

(1) The name of the person and the address of the retail motor fuel site to be improved.

(2) A detailed description of the infrastructure to be installed, replaced, or converted, including but not limited to the model number of each installed, replaced, or converted motor fuel storage tank if available.

(3) A statement describing how the retail motor fuel site is to be improved, the total

estimated cost of the planned improvement, and the date when the infrastructure will be first used.

(4) A statement certifying that the infrastructure shall only be used to comply with the provisions of this section and as specified in the cost-share agreement, unless granted a waiver by the infrastructure board pursuant to this section.

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

5. An award of financial incentives to a participating person shall be on a cost-share basis in the form of a grant. To participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the retail motor fuel site. A cost-share agreement shall be for a three-year period or a five-year period. A cost-share agreement shall include provisions for standard financial incentives or standard financial incentives and supplemental financial incentives as provided in this subsection. The infrastructure board may approve multiple improvements to the same retail motor fuel site for the full amount available for both ethanol infrastructure and biodiesel infrastructure so long as the improvements for ethanol infrastructure and for biodiesel infrastructure are made under separate cost-share agreements.

a. (1) Except as provided in paragraph "b", a participating person may be awarded standard financial incentives to make improvements to a retail motor fuel site. The standard financial incentives awarded to a participating person shall not exceed the following:

(a) For a three-year cost-share agreement, fifty percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(b) For a five-year cost-share agreement, seventy percent of the actual cost of making the improvement or fifty thousand dollars, whichever is less.

(2) The infrastructure board may approve multiple awards of standard financial incentives to make improvements to a retail motor fuel site so long as the total amount of the awards for ethanol infrastructure or biodiesel infrastructure does not exceed the limitations provided in subparagraph (1).

b. In addition to any standard financial incentives awarded to a participating person under paragraph "a", the participating person may be awarded supplemental financial incentives to make improvements to a retail motor fuel site to do any of the following:

(1) Upgrade or replace a dispenser which is part of gasoline storage and dispensing infrastructure used to store and dispense E-85 gasoline as provided in section 455G.31. The participating person is only eligible to be awarded the supplemental financial incentives if the person installed the dispenser not later than sixty days after the date of the publication in the Iowa administrative bulletin of the state fire marshal's order providing that a commercially available dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory as provided in section 455G.31. The supplemental financial incentives awarded to the participating person shall not exceed seventy-five percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(2) To improve additional retail motor fuel sites owned or operated by a participating person within a twelve-month period as provided in the cost-share agreement. The supplemental financial incentives shall be used for the installation of an additional tank and associated infrastructure at each such retail motor fuel site. A participating person may be awarded supplemental financial incentives under this subparagraph and standard financial incentives under paragraph "a" to improve the same motor fuel site. The supplemental financial incentives awarded to the participating person shall not exceed twenty-four thousand dollars. The participating person shall be awarded the supplemental financial incentives on a cumulative basis according to the schedule provided in this subparagraph, which shall not exceed the following:

- (a) For the second retail motor fuel site, six thousand dollars.
- (b) For the third retail motor fuel site, six thousand dollars.
- (c) For the fourth retail motor fuel site, six thousand dollars.
- (d) For the fifth retail motor fuel site, six thousand dollars.

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

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

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

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

2006 Acts, ch 1142, §30; 2007 Acts, ch 126, §9; 2007 Acts, ch 211, §46; 2008 Acts, ch 1032, §128; 2008 Acts, ch 1169, § 4 – 9, 30; 2009 Acts, ch 41, §263

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

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

1. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

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

- a. The name of the terminal operator and the address of the terminal to be improved.
- b. A detailed description of the infrastructure to be installed, replaced, or converted.
- c. A statement describing how the terminal is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used to store and distribute biodiesel or biodiesel blended fuel.
- d. A statement certifying that the infrastructure shall not be used to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless granted a waiver by the infrastructure board pursuant to this section.

3. a. An award of financial incentives to a participating person shall be in the form of a grant. In order to participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the terminal. The financial incentives awarded to the participating person shall not exceed the following:

(1) For improvements to store, blend, or dispense biodiesel fuel from B-2 or higher but not as high as B-99, fifty percent of the actual cost of making the improvements or fifty thousand dollars, whichever is less.

(2) For improvements to store, blend, and dispense biodiesel fuel from B-99 to B-100, fifty percent of the actual cost of making the improvements or one hundred thousand dollars, whichever is less. However, a person shall not be awarded moneys under this subparagraph if the person has been awarded a total of eight hundred thousand dollars under this subparagraph during any period of time and pursuant to all cost-share agreements in which the person participates.

b. The infrastructure board may approve multiple awards to make improvements to a terminal so long as the total amount of the awards does not exceed the limitations provided in paragraph “a”.

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

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

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

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

2006 Acts, ch 1142, §31; 2007 Acts, ch 126, §10; 2008 Acts, ch 1169, §10, 11, 30

15G.205 Renewable fuel infrastructure fund.

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

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

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

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

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

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

2006 Acts, ch 1175, §6, 23; 2006 Acts, ch 1185, §56; 2008 Acts, ch 1122, §2; 2009 Acts, ch 41, §18

15G.206 Report. Repealed by 2008 Acts, ch 1122, § 16. See § 15.104(8).