

261—68.3 (15) Application process and review.

68.3(1) Application. The department shall develop a standardized application and make it available to a business applying for tax incentives and assistance. The application procedures are as follows:

- a. An application will not be accepted after project initiation.
- b. A signature from the appropriate community official shall be required on the application as indication that the community is aware of and supports the project. For a project with a qualifying investment of \$10 million or more, the community ordinance or resolution approving the project shall accompany the application.
- c. Each application will be reviewed by the department. The department may request additional information from the business that is applying for tax incentives and assistance or may use other resources to obtain the needed information.
- d. If the business meets the eligibility requirements, the department staff will prepare a report which includes a summary of the project and a recommendation on the amount of tax incentives and assistance to be offered to the business.

68.3(2) Wage waiver. Rescinded IAB 7/4/07, effective 6/15/07.

68.3(3) Benefit values. Rescinded IAB 7/4/07, effective 6/15/07.

68.3(4) Negotiations. The department reserves the right to enter into negotiations with the business regarding the amount of tax incentives and assistance the business shall receive. All forms of tax incentives and assistance available under the program may be subject to negotiations. The department shall consider all of the following factors with respect to entering into negotiations with the business:

- a. *Level of need.* The three general justifiable reasons for assistance are as follows:
 - (1) The business can raise only a portion of the debt and equity necessary to complete the project. A gap between sources and uses exists and state or federal funds or both are needed to fill the gap.
 - (2) The business can raise sufficient debt and equity to complete the project, but the returns are inadequate to motivate a company decision maker to proceed with the project. Project risks outweigh the rewards.
 - (3) The business is deciding between a site in Iowa (site A) and a site in another state (site B) for its project. The business argues that the project will cost less at site B and will require a subsidy to equalize costs in order to locate at site A. The objective is to quantify the cost differential between site A and site B.

Projects that have already been initiated will not be considered for funding.

b. *Quality of the jobs.* The department shall place greater emphasis on projects involving created or retained jobs that:

- (1) Have a higher wage scale. Businesses that have wage scales substantially higher than those of existing Iowa businesses in that industry shall be considered as providing the highest quality of jobs.
- (2) Have a lower turnover rate.
- (3) Are full-time or career-type positions.

c. *Percentage of created jobs defined as high quality jobs.* The department will consider the number of high quality jobs to be created versus the total number of created jobs in determining what amount of tax incentives and assistance to offer the business.

d. *Economic impact.* In measuring the economic impact to this state, the department shall place greater emphasis on projects which demonstrate the following:

- (1) A business with a greater percentage of sales out of state or of import substitution.
- (2) A business with a higher proportion of in-state suppliers.
- (3) A project which would provide greater diversification of the state economy.
- (4) A business with fewer in-state competitors.
- (5) A potential for future job growth.

[**ARC 7970B**, IAB 7/15/09, effective 7/1/09; **ARC 8145B**, IAB 9/23/09, effective 10/28/09]