

261—69.7(15) Agreements and compliance.

69.7(1) Execution. Successful applicants will be required to execute an agreement within 180 days of the award date. The time limit for execution may be extended by the authority director for an additional 180 days for good cause shown. Upon expiration of the time limit, including any extensions approved pursuant to this subrule, the board may approve additional extensions or rescind the award.

69.7(2) Requirements. An agreement shall meet all requirements of and be administered pursuant to Iowa Code section 15.506 as enacted by 2025 Iowa Acts, Senate File 657.

69.7(3) Jobs. If applicable, an agreement will specify the number of jobs the business has pledged to create in addition to the base employment level and the number of retained jobs. An agreement may specify that a business has pledged additional jobs or pledged wage requirements greater than the qualifying wage threshold as a condition to receipt of an award or receipt of a specific amount or form of tax incentives or financial assistance. Job obligations will be established and monitored pursuant to rule 261—69.8(15).

69.7(4) Investment. An agreement will describe the project and specify the total project cost and qualifying investment the business proposes to make. The agreement will describe the actions to be taken by the business when its investment is placed in service.

69.7(5) Project completion date. An agreement will specify the project completion date and the applicable requirements that must be met by the project completion date.

69.7(6) Contract end date.

a. The authority will establish a contract end date based on the date the business is expected to have claimed all tax incentives and satisfied any repayment obligations for financial assistance. The contract end date may be earlier than the date specified in an agreement based on actual claims of tax incentives and satisfaction of any job, investment, or repayment obligations. The agreement will specify the applicable requirements that must be met by the contract end date.

b. The total agreement length will be at least two years.

c. An agreement may be terminated prior to the contract end date by mutual agreement of the parties. The amount of tax incentives or financial assistance available may be reduced as described in the agreement if the agreement is terminated prior to the contract end date.

69.7(7) Conditions to disbursement. An agreement will specify the conditions to disbursement of financial assistance or issuance of tax incentives, including but not limited to compliance with the requirements of Iowa Code section 15A.1(3)“*b*” regarding solid and hazardous waste.

69.7(8) Monitoring and reports. The authority shall ensure that program recipients comply with agreements. An agreement will specify the reports a program recipient must submit to the authority and due dates for such reports. Reports shall be provided in the form and content acceptable to the authority.

a. Recipients shall report annually to the authority about the status of the project, including but not limited to employment, wages, benefits, project costs, investment, and compliance with the agreement. The authority will use the data it collects in the authority’s annual report to the general assembly pursuant to Iowa Code section 15.107B.

b. Recipients shall submit a report to the authority to document that the project investment and job obligations have been completed as proposed and prior to the contract end date to verify compliance with the agreement.

c. On-site or remote monitoring may be conducted during the agreement term as deemed appropriate by the authority.

69.7(9) Default. An agreement will specify events of default and the remedies available to the authority.

a. Financial assistance. If the authority determines that a recipient is in default, the authority may seek recovery of all financial assistance funds plus interest; assess penalties; negotiate alternative repayment schedules; initiate, suspend or discontinue collection efforts; and take other appropriate action as the board deems necessary. Negotiated settlements, write-offs or discontinuance of collection efforts are subject to approval by the board. If the authority or board refers defaulted agreements to outside counsel for collection, then the terms of the agreement between the authority and the outside counsel regarding the scope of counsel’s authorization to accept settlements shall apply.

b. Tax incentives. If the authority determines that a recipient is in default, the eligible business may be required to repay tax incentives pursuant to Iowa Code section 15.506(1)“b” as enacted by 2025 Iowa Acts, Senate File 657. The repayment amount is subject to applicable interest and penalties as determined by the department of revenue. If the business is an entity that has elected pass-through taxation status for income tax purposes, the department of revenue may undertake collection efforts against members, individuals or shareholders to whom the tax incentives were passed through.

c. Calculation of repayment due or reduction.

(1) Job shortfall. If a business does not meet its job requirements, the repayment amount or reduction of tax incentives or financial assistance shall be the same proportion as the amount of the job shortfall. For example, if the business creates 50 percent of the jobs required, the business shall repay 50 percent of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 50 percent.

(2) Investment shortfall. If a business does not meet the requirements for total project cost or qualifying investment, the repayment amount or reduction of tax incentives or financial assistance shall be the same proportion as the amount of the shortfall in applicable required investment. For example, if the business meets 75 percent of the amount of required qualifying investment, the business shall repay 25 percent of the amount of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 25 percent. If a business has a shortfall in both total project cost and qualifying investment, the repayment amount or reduction shall be the same proportion as the greater of the two shortfalls.

(3) Job and investment shortfalls. If a business has a shortfall in both investment and job requirements, the repayment amount or reduction shall be the same proportion as the greater of the two shortfalls. For example, if a business creates 50 percent of the required jobs and meets 75 percent of the required qualifying investment, the business shall be required to repay 50 percent of the amount of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 50 percent.

(4) Benefits. Notwithstanding any other provision in this subrule, if a business fails to comply with the benefit requirements of the agreement, the business shall be required to repay all of the tax incentives or financial assistance received, or tax incentives or financial assistance will be fully revoked.

(5) Minimum eligibility. Notwithstanding any other provision in this subrule, if a business fails to maintain eligibility for the program, the business shall repay all of the tax incentives or financial assistance received, or tax incentives or financial assistance will be fully revoked.

d. Notice of default. The authority will notify a business of an event of default as described in the agreement. If the community in which the project is located provided a property tax exemption pursuant to Iowa Code section 15.510 as enacted by 2025 Iowa Acts, Senate File 657, the authority will also notify the community of an event of default as described in the agreement.

69.7(10) Amendments. Agreement amendments must comply with Iowa Code chapter 15, subchapter II, part 33, as enacted by 2025 Iowa Acts, Senate File 657, and this chapter. Recipients may submit requests for amendments to authority staff.

a. Except as provided in paragraph 69.7(10)“b,” no request to amend an agreement may be approved unless it has been reviewed by the due diligence committee established pursuant to 261—Chapter 1, the due diligence committee has recommended approving the request to amend the agreement and the board approves the request to amend the agreement.

b. The board may delegate authority to authority staff to approve nonsubstantive changes to the agreement, including but not limited to the following:

- (1) Recipient name, address and similar changes.
- (2) Collateral changes that do not materially and substantially impact the authority’s security.
- (3) Line-item budget changes that do not reduce overall total project costs or qualifying investment.
- (4) Loan repayment amounts or due dates that do not extend the final due date of a loan.
- (5) Changes to tax credit amortization schedules.
- (6) Extension of a project completion date or contract end date of up to 12 months.