

Senate File 2506

S-5259

1 Amend Senate File 2506 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 HEADQUARTERS EXPANSION AND DEVELOPMENT FOR GROWTH EMPLOYMENT
6 PROGRAM

7 Section 1. NEW SECTION. 15.600 Short title.

8 This part shall be known and may be cited as the
9 "*Headquarters Expansion and Development for Growth and Employment*
10 *Program*", or "*EDGE Program*".

11 Sec. 2. NEW SECTION. 15.601 Definitions.

12 As used in this part, unless the context otherwise requires:

13 1. "*Agreement*" means an agreement entered into by an
14 eligible business and the authority pursuant to section 15.604.

15 2. "*Base employment level*" means the number of full-time
16 equivalent positions at a business, as established by the
17 authority and the business based on the business's payroll
18 records, on the date the business applies for the program.

19 3. "*Benefits*" means nonwage compensation provided to an
20 employee. "*Benefits*" include medical and dental insurance, a
21 pension, a retirement plan, a profit-sharing plan, child care,
22 life insurance, vision insurance, and disability insurance.

23 4. "*Community*" means a city or county in the state.

24 5. "*Corporate headquarters*" means a location in the
25 state that serves as the principal executive office or
26 houses the core administrative operations for a business,
27 and that includes executive leadership offices, strategic
28 decision-making functions, and administrative and support staff
29 employees.

30 6. "*Corporate job*" means a position based at a corporate
31 headquarters that involves strategic planning, executive
32 decision-making, or core administrative functions.

33 7. "*Created jobs*" or "*create jobs*" means new, permanent,
34 full-time equivalent positions added to an eligible business's
35 payroll, at the location of the eligible business's project, in

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1 excess of the eligible business's base employment level.

2 8. "*Data center business*" means the same as defined in
3 section 423.3, subsection 95.

4 9. "*Eligible business*" means a business that meets the
5 requirements of section 15.602.

6 10. "*Full-time equivalent position*" means a non-part-time
7 position for the number of hours or days per week considered
8 to be full-time work for the kind of service or work performed
9 for an employer. Typically, a full-time equivalent position
10 requires two thousand eighty hours of work in a calendar year,
11 including all paid holidays, vacations, sick time, and other
12 paid leave.

13 11. "*Gross annual wages*" means all regular wages and
14 salaries received by an employee for performing services as
15 an employee of an employer. "*Gross annual wages*" does not
16 include nonregular forms of compensation, such as bonuses,
17 unusual overtime pay, commissions, stock options, pensions,
18 retirement or death benefits, unemployment benefits, life or
19 other insurance, or other fringe benefits.

20 12. "*New corporate job*" means a corporate job that is a
21 created job.

22 13. "*Program*" means the headquarters expansion and
23 development for growth and employment program.

24 14. "*Project*" means the retention or location of a corporate
25 headquarters for an eligible business, proposed in an eligible
26 business's application to the program, that will accomplish the
27 goals of the program.

28 15. "*Qualifying wage threshold*" means the mean wage level
29 represented by the wages within two standard deviations of
30 the mean wage within the laborshed area in which the eligible
31 business is located, as calculated by the authority by rule,
32 using the most current covered wage and employment data
33 available from the department of workforce development for the
34 laborshed area in which the eligible business is located.

35 16. "*Retained corporate job*" means a corporate job that is

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1 also a retained job.

2 17. "*Retained jobs*" means a full-time equivalent position
3 that is in existence at the time an eligible business applies
4 for the program that remains continuously filled, and that is
5 at risk of elimination if the proposed project for which the
6 eligible business is applying to the program does not proceed.

7 18. "*Tax incentives*" means tax credits authorized under the
8 program by the authority for an eligible business.

9 Sec. 3. NEW SECTION. 15.602 **Eligible business.**

10 1. To be eligible to receive tax incentives under
11 the program, a business must meet all of the following
12 requirements:

13 a. The community in which the proposed project is located
14 must approve the project either by ordinance or resolution.

15 b. The business must have a global presence, significant
16 market share, or national recognition in the industry in which
17 the business operates.

18 c. The business must be able to provide documentation that a
19 minimum of fifty-one percent of the business's gross revenue is
20 generated from business conducted outside the state.

21 d. The business must be able to provide documentation that
22 a state other than Iowa is meaningfully competing for the
23 location or retention of the business's corporate headquarters.

24 e. (1) The business must be primarily engaged in advanced
25 manufacturing, bioscience, insurance and finance, technology
26 and innovation, or research and development. The business
27 shall not be a data center business, a retail business, or
28 a business where a cover charge or membership requirement
29 restricts certain individuals from entering the business.

30 (2) Factors the authority shall consider to determine if
31 a business is primarily engaged in advanced manufacturing,
32 bioscience, insurance and finance, technology and innovation,
33 or research and development shall include but are not limited
34 to all of the following:

35 (a) The business's North American industry classification

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1 system code.

2 (b) The business's main sources of revenue.

3 (c) The business's customer base.

4 f. (1) The business must not be solely relocating
5 operations from one area of the state to another area of
6 the state. A proposed project that does not create jobs or
7 involve a substantial amount of new capital investment shall
8 be presumed to be a relocation of operations. For purposes of
9 this subparagraph, the authority shall consider a letter from
10 the affected local community's government officials supporting
11 the business's move away from the affected local community
12 in making a determination whether the business is solely
13 relocating operations.

14 (2) This paragraph shall not be construed to prohibit
15 a business from expanding the business's operations in a
16 community if the business has similar operations in this state
17 that are not closing or undergoing a substantial reduction in
18 operations.

19 g. The business must offer comprehensive benefits to
20 each full-time equivalent employee employed at its corporate
21 headquarters. The authority may adopt rules under chapter 17A
22 to determine the requirements for comprehensive benefits.

23 h. (1) The business must not have a record of violations
24 of law or of rules, including but not limited to antitrust,
25 environmental, trade, or worker safety, that over a period of
26 time show a consistent pattern or that establish the business's
27 intentional, criminal, or reckless conduct in violation of such
28 laws or rules.

29 (2) In making determinations and findings under
30 subparagraph (1), and making a determination whether a business
31 is disqualified from the program, the authority shall be exempt
32 from chapter 17A.

33 2. In determining if a business is eligible to participate
34 in the program, the authority shall consider a variety of
35 factors including but not limited to all of the following:

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1 a. The cost to the state of providing tax incentives
2 compared to the potential increase in state and local tax
3 collections from the project, the potential for population
4 growth resulting from the project, and the potential for wage
5 growth resulting from the project.

6 b. The impact of the business's proposed project on
7 businesses that are in competition with the business.
8 The authority shall make a good-faith effort to identify
9 existing Iowa businesses in competition with the business
10 being considered for the program. The authority shall make
11 a good-faith effort to determine the probability that any
12 proposed tax incentives will displace employees of a competing
13 business. In determining the impact on a competing business,
14 employee displacement from the competing business shall not be
15 considered created jobs for the applying business's project.

16 c. The business's proposed project's economic impact on
17 the state. The authority shall place greater emphasis on
18 businesses and proposed projects that meet the following
19 requirements:

20 (1) The business has a high proportion of in-state
21 suppliers.

22 (2) The proposed project will diversify the state economy.

23 (3) The business has few in-state competitors.

24 (4) The proposed project has the potential to create jobs on
25 an ongoing basis, or will result in increased skills and wages
26 for employees of the eligible business.

27 (5) The proposed project has the potential to increase the
28 state's overall gross domestic product.

29 (6) The proposed project will result in a newly constructed
30 facility, or a facility with a significantly increased taxable
31 valuation.

32 (7) Any other factors the authority deems relevant in
33 determining the economic impact of a proposed project.

34 **Sec. 4. NEW SECTION. 15.603 Applications — authorization**
35 **of tax incentives.**

1 1. Applications for the program shall be submitted to the
2 authority in the form and manner prescribed by the authority by
3 rule. Each application must be accompanied by an application
4 fee in an amount determined by the authority by rule.

5 2. In determining the eligibility of a business to
6 participate in the program the authority may engage outside
7 experts to complete a technical, financial, or other review
8 of an application submitted by a business if such review is
9 outside the expertise of the authority.

10 3. The authority and the board may negotiate with an
11 eligible business regarding the terms of, and the aggregate
12 value of, the tax incentives the eligible business may receive
13 under the program.

14 Sec. 5. NEW SECTION. 15.604 **Agreement.**

15 1. An eligible business that is approved by the authority to
16 participate in the program shall enter into an agreement with
17 the authority that specifies the criteria for the successful
18 completion of all requirements of the program. The agreement
19 must contain, at a minimum, provisions related to all of the
20 following:

21 a. The eligible business must certify to the authority
22 annually that the business is in compliance with the agreement.

23 b. If the eligible business fails to comply with any
24 requirements of the program or the agreement, the eligible
25 business may be required to repay any tax incentives the
26 authority issued to the eligible business. After a final
27 determination by the authority, the authority will notify
28 the department of revenue of any required repayment of a
29 tax incentive, which shall be considered a tax payment due
30 and payable to the department of revenue by any taxpayer
31 that claimed the tax incentive, and the failure to make the
32 repayment may be treated by the department of revenue in the
33 same manner as a failure to pay the tax shown due, or required
34 to be shown due, with the filing of a return or deposit form.

35 c. If the eligible business undergoes a layoff or

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1 permanently closes any of its facilities within the state, the
2 eligible business may be subject to all of the following:

3 (1) A reduction or elimination of some or all of the tax
4 incentives the authority issued to the eligible business.

5 (2) Repayment of any tax incentives that the business
6 has claimed, and payment of any penalties assessed by the
7 department of revenue.

8 *d.* The end date of the agreement.

9 *e.* The number of new corporate jobs and retained corporate
10 jobs to be created or retained as part of the project, the
11 qualifying wage threshold applicable to the project, and the
12 date on which the authority will initially verify the eligible
13 business employs the required number of new corporate jobs and
14 retained corporate jobs.

15 *f.* The maximum aggregate value of the tax incentives
16 authorized by the board.

17 *g.* The eligible business shall only employ individuals
18 legally authorized to work in this state. If the eligible
19 business is found to knowingly employ individuals who are
20 not legally authorized to work in this state, in addition to
21 any penalties provided by law, the eligible business may be
22 required to repay all or a portion of any tax incentives the
23 authority issued to the eligible business.

24 *h.* A requirement that the eligible business must continue to
25 own and operate a corporate headquarters in the state until the
26 end date of the agreement as specified in paragraph "*d*".

27 *i.* Any terms deemed necessary by the authority to effect the
28 eligible business's ongoing compliance with section 15.602.

29 2. The board shall not amend the terms of the agreement
30 to allow an increase in the maximum aggregate value of tax
31 incentives authorized by the board under section 15.603.

32 3. The eligible business shall comply with all applicable
33 terms of the agreement until the agreement end date. An
34 eligible business shall maintain the business's base employment
35 level until the agreement end date.

1 4. The eligible business shall not assign the agreement
2 to another entity without the advance written approval of the
3 board.

4 5. The authority may enforce the terms of the agreement as
5 necessary and appropriate.

6 Sec. 6. NEW SECTION. 15.605 **Qualifying wage tax credit.**

7 1. If the authority has entered into an agreement with an
8 eligible business pursuant to section 15.604, the authority
9 may authorize a qualifying wage tax credit with the eligible
10 business for a period not to exceed three years according
11 to the start and end date specified in the agreement. The
12 authority may issue a qualifying wage tax credit to the
13 eligible business for each year of the authorized period upon
14 verification under section 15.604, subsection 1, paragraph
15 "e", that the eligible business employed the required number
16 of employees in new corporate jobs and retained corporate jobs
17 that pay at least two hundred percent of the qualifying wage
18 threshold. The tax credit for each year of the authorized
19 period shall equal no more than the sum of all of the
20 following:

21 a. Up to fifteen percent of the gross annual wages of new
22 corporate jobs that pay at least two hundred percent of the
23 qualifying wage threshold.

24 b. Up to one percent of the gross annual wages of retained
25 corporate jobs that pay at least two hundred percent of the
26 qualifying wage threshold, not to exceed one million dollars.

27 2. A tax credit shall be allowed against the taxes imposed
28 in chapter 422, subchapters II, III, and V, and against the
29 moneys and credits tax imposed in section 533.329.

30 3. In order for a taxpayer to claim a tax credit under
31 subsection 1, a tax credit certificate issued by the authority
32 shall be included with the taxpayer's tax return. The tax
33 credit certificate shall contain the taxpayer's name, address,
34 tax identification number, the amount of the credit, and other
35 information required by the authority.

1 4. An individual may claim a tax credit under subsection
2 1 on behalf of a partnership, limited liability company,
3 S corporation, estate, or trust electing to have income
4 taxed directly to the individual. The amount claimed by the
5 individual shall be based upon the pro rata share of the
6 individual's earnings from the partnership, limited liability
7 company, S corporation, estate, or trust.

8 5. Any tax credit in excess of the taxpayer's liability
9 for the tax year is refundable. In lieu of claiming a refund,
10 an eligible business may elect to have the overpayment shown
11 on the eligible business's final, completed return credited
12 to the eligible business's tax liability for the immediately
13 succeeding tax year. A tax credit shall not be carried back
14 to a tax year prior to the tax year in which the tax credit is
15 first claimed by the eligible business.

16 6. Tax credit certificates issued pursuant to this section
17 are not transferable.

18 **Sec. 7. NEW SECTION. 15.606 Other incentives.**

19 The authority, in its discretion, may prohibit an eligible
20 business that has been issued tax incentives under the program
21 from receiving any additional tax incentive, tax credit,
22 grant, loan, or other financial assistance under any program
23 administered by the authority.

24 **Sec. 8. NEW SECTION. 422.12R Qualifying wage tax credit.**

25 The taxes imposed under this subchapter, less the credits
26 allowed under section 422.12, shall be reduced by a qualifying
27 wage tax credit allowed under section 15.605.

28 **Sec. 9.** Section 422.33, Code 2026, is amended by adding the
29 following new subsection:

30 **NEW SUBSECTION. 4.** The taxes imposed under this subchapter
31 shall be reduced by a qualifying wage tax credit allowed under
32 section 15.605.

33 **Sec. 10.** Section 422.60, Code 2026, is amended by adding the
34 following new subsection:

35 **NEW SUBSECTION. 2.** The taxes imposed under this subchapter

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1 shall be reduced by a qualifying wage tax credit allowed under
2 section 15.605.

3 Sec. 11. Section 533.329, subsection 2, Code 2026, is
4 amended by adding the following new paragraph:

5 NEW PARAGRAPH. *m.* The moneys and credits tax imposed under
6 this section shall be reduced by a qualifying wage tax credit
7 allowed under section 15.605.

8 Sec. 12. CODE EDITOR DIRECTIVE. The Code editor is directed
9 to designate sections 15.600 through 15.606, as enacted in this
10 division of this Act, as part 37 of subchapter II.

11 DIVISION II

12 MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

13 Sec. 13. Section 15.491, subsection 12, Code 2026, is
14 amended to read as follows:

15 12. "*Foreign adversary*" means a the following:

16 a. A foreign government or foreign non-government person as
17 determined in 15 C.F.R. §7.4, and that is listed in 15 C.F.R.
18 §7.4(a) at any time from March 4, 2024, through ~~the termination~~
19 ~~of the program~~ July 17, 2024.

20 b. A foreign government or foreign non-government person as
21 determined in 15 C.F.R. §791.4, and that is listed in 15 C.F.R.
22 §791.4 at any time from July 18, 2024, through the termination
23 of the program.

24 Sec. 14. Section 15.501, Code 2026, is amended to read as
25 follows:

26 **15.501 Restrictions on board.**

27 The board shall not authorize tax incentives available under
28 the program, or an exemption to restrictions on agricultural
29 land holdings pursuant to this part, for more than two eligible
30 businesses, or on or after January 1, ~~2027~~ 2030, whichever
31 occurs first.

32 DIVISION III

33 BUSINESS INCENTIVES FOR GROWTH PROGRAM TRAINING FUND

34 Sec. 15. NEW SECTION. **15.512 Training fund.**

35 1. A business incentives for growth program training fund

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1 is created in the state treasury under the control of the
2 authority. An amount up to one and one-half percent of the
3 gross wages an eligible business pays to employees specified in
4 an agreement entered into pursuant to section 15.506 shall be
5 credited to the fund from the withholding payments made by an
6 eligible business pursuant to section 422.16. Such jobs shall
7 be identified by the authority as having a sufficient economic
8 impact to warrant assistance with training.

9 2. On a quarterly basis, an eligible business shall disclose
10 the amount of gross wages that qualify under subsection 1 to
11 the authority and to the department of revenue. Based upon
12 the gross wage amount provided to the authority, the authority
13 shall calculate the amount of gross wages to be deposited into
14 the fund for the quarter, and the department of revenue shall
15 deposit that amount into the fund.

16 3. Moneys in the fund shall be used to reimburse training
17 expenses incurred by an eligible business that are associated
18 with the eligible business's project.

19 4. An eligible business's training expenses that may be
20 eligible for reimbursement must meet all of the following
21 criteria:

22 a. The expenses are paid to a third party.

23 b. The expenses are for training that is specific to the
24 project of the eligible business and necessary for the success
25 of the project.

26 c. The expenses were incurred over the period of time
27 identified in the agreement under section 15.506, but not to
28 exceed four years.

29 d. The expenses are documented to the satisfaction of the
30 authority.

31 5. An eligible business that has been approved by the
32 authority to receive a reimbursement from the fund shall not be
33 eligible to receive any other state incentive to be used for
34 the same purpose.

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DIVISION IV

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1 REPEAL OF THE NEW JOBS TAX CREDIT

2 Sec. 16. Section 2.48, subsection 3, paragraph e,
3 subparagraph (7), Code 2026, is amended by striking the
4 subparagraph.

5 Sec. 17. Section 422.33, subsection 6, Code 2026, is amended
6 by striking the subsection.

7 Sec. 18. REPEAL. Section 422.11A, Code 2026, is repealed.

8 Sec. 19. PRESERVATION OF EXISTING RIGHTS. This division of
9 this Act shall not limit, modify, or otherwise adversely affect
10 any amount of tax incentive issued, awarded, or allowed before
11 the effective date of this division of this Act, nor shall
12 it limit, modify, or otherwise adversely affect a taxpayer's
13 right to claim or redeem a tax incentive issued, awarded, or
14 allowed before the effective date of this division of this Act,
15 including but not limited to any tax incentive carryforward
16 amount.

17 Sec. 20. EFFECTIVE DATE. This division of this Act, being
18 deemed of immediate importance, takes effect upon enactment.

19 DIVISION V

20 LOAD FORECASTING

21 Sec. 21. NEW SECTION. 15.120A **Load forecasting report and**
22 **analysis of electric transmission system expansion plans.**

23 To support economic development in the state, the authority
24 shall commission Iowa state university of science and
25 technology to produce a report forecasting the probable future
26 growth of the use of electricity within Iowa and within the
27 midwest region. The report shall include a load forecast and
28 an analysis of electric transmission system expansion plans.
29 The authority must commission such report from the university
30 at least every two years. In developing the report, the
31 university shall solicit the input of residential, commercial,
32 and industrial consumers and the electric industry. The
33 published report shall only rely on information provided by
34 utilities as required by section 476.2 in aggregate form and
35 exclude identifying information about an individual utility's

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1 electric system. The load forecast and state electric
2 transmission system expansion planning analysis must be
3 published by December 31, 2028, and biennially published on or
4 before December 31 thereafter. The authority may commission
5 other reports as necessary to evaluate energy needs including
6 but not limited to natural gas. A report commissioned pursuant
7 to this section must be publicly available on the authority's
8 internet site.

9 Sec. 22. Section 476.1A, subsection 2, Code 2026, is amended
10 to read as follows:

11 2. However, ~~sections~~ section 476.2, subsection 7, section
12 476.20, subsections 1 through 4, sections 476.21, 476.51,
13 476.56, 476.58, 476.62, and 476.66, and chapters 476A and 478,
14 to the extent applicable, apply to such electric utilities.

15 Sec. 23. Section 476.1B, subsection 2, Code 2026, is amended
16 to read as follows:

17 2. ~~Section 476.20, subsections 1 through 4,~~ Section 476.2,
18 subsection 7, section 476.20, subsections 1 through 4, sections
19 476.51, 476.56, 476.58, 476.62, and 476.66, and chapters 476A
20 and 478, to the extent applicable, apply to such electric and
21 gas utilities.

22 Sec. 24. Section 476.2, Code 2026, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 7. The commission shall have the authority
25 to compel all public utilities to share with Iowa state
26 university of science and technology the utility's information
27 necessary to develop state load forecasts and state electric
28 transmission system expansion planning analysis pursuant to
29 section 15.120A. A public utility may use a third party
30 to prepare such information to be shared with Iowa state
31 university of science and technology. A public utility may
32 enter into a nondisclosure agreement with Iowa state university
33 of science and technology requiring the shared information be
34 kept confidential if the public utility reasonably believes
35 the information is a confidential record pursuant to section

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1 22.7. The state load forecast and state electric transmission
2 system expansion planning aggregate analysis published pursuant
3 to section 15.120A may be used as evidentiary support in any
4 proceedings before the commission, provided the confidentiality
5 of any information provided by a public utility is maintained.

6 Sec. 25. NEW SECTION. **476.10C Load forecasts and analyses**
7 **of state electric transmission system expansion plans — fund.**

8 1. An electric transmission system expansion plans analysis
9 and load forecasting fund is created in the state treasury
10 under the control of the economic development authority. The
11 commission shall direct all electric utilities to remit to the
12 treasurer of state for deposit in the electric transmission
13 system expansion plans analysis and load forecasting fund not
14 more than two one-hundredths of one percent of the total gross
15 operating revenues during the last calendar year derived from
16 the utilities' intrastate public utility operations. Moneys in
17 the fund are appropriated to the economic development authority
18 to be used for the purposes of commissioning a report pursuant
19 to section 15.120A. Notwithstanding section 8.33, moneys in
20 the fund that remain unencumbered or unobligated at the close
21 of a fiscal year shall not revert but shall remain available
22 for expenditure for the purposes designated. Notwithstanding
23 section 12C.7, subsection 2, interest or earnings on moneys in
24 the fund shall be credited to the fund.

25 2. The commission shall, by rule, establish a maximum
26 amount of remittances in aggregate and provide a schedule
27 for remittances. The remittances collected pursuant to this
28 section shall be in addition to the assessments permitted
29 pursuant to section 476.10. The commission shall allow
30 inclusion of these remittances in the budgets approved by the
31 commission pursuant to section 476.6, subsection 15, paragraph
32 "c", but such remittances shall not be included when computing
33 the projected cumulative average annual cost for an electric
34 utility's energy efficiency plan and demand response plan under
35 section 476.6, subsection 15, paragraph "c".

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DIVISION VI

IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM

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3 Sec. 26. Section 260E.2, subsection 10, Code 2026, is
4 amended by striking the subsection and inserting in lieu
5 thereof the following:

6 10. "New job" means a new, permanent, full-time equivalent
7 position added to an employer's payroll, at the location of the
8 employer's project, in excess of the employer's base employment
9 level.

10 Sec. 27. Section 260E.3, subsection 2, Code 2026, is amended
11 to read as follows:

12 2. a. Payment For an agreement entered into on or
13 before June 30, 2026, payment of program costs shall not be
14 deferred for a period longer than ten years from the date of
15 commencement of the project, and the agreed upon period shall
16 not be extended.

17 b. For an agreement entered into on or after July 1, 2026,
18 payment of program costs shall not be deferred for a period
19 longer than seven years from the date of commencement of the
20 project.

21 Sec. 28. Section 260E.3, Code 2026, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 6. Upon receipt of a notice that a
24 community college and an employer have entered into an
25 agreement, the department of revenue shall provide a copy of
26 the agreement to the department of workforce development for
27 review. The department of workforce development may provide
28 feedback regarding the agreement to the department of revenue
29 within seven calendar days after the date of receipt of the
30 copy of the agreement. The department of revenue must share
31 any such feedback with the community college.

32 Sec. 29. Section 260E.5, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 7. A bond issued to a community college
35 for a project shall not exceed seventy percent of total program

1 costs related to training expenses.

2 Sec. 30. Section 260E.7, Code 2026, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 4. A community college that receives
5 a new jobs credit from withholding under section 260E.5
6 shall annually report a detailed accounting of the community
7 college's bond interest to the department of workforce
8 development, the department of education, and the department
9 of revenue.

10 Sec. 31. NEW SECTION. 260E.8 Eligible program costs.

11 To be eligible to receive a new jobs credit from withholding,
12 a community college must document to the satisfaction of the
13 department that the community college's program costs meet all
14 of the following criteria:

15 1. The program costs are incurred over the period of time
16 specified in the agreement under section 260E.3.

17 2. The program costs are not incurred to reimburse travel,
18 conferences, or legal fees.

19 3. Administrative expenses account for no more than fifteen
20 percent of the program costs.

21 4. The program costs are not incurred for a project that
22 leads directly to a professional degree in medicine, law,
23 accounting, or other professional area, or a project that
24 includes onboarding or basic computer skills.

25 Sec. 32. IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM INTERIM
26 STUDY COMMITTEE.

27 1. The legislative council is requested to establish an
28 interim study committee to meet during the 2026 legislative
29 interim to review the new jobs training program and make
30 recommendations regarding the program.

31 2. The membership of the committee shall consist of, at a
32 minimum:

33 a. Three members of the senate, two republicans and one
34 democrat, appointed by the majority leader of the senate.

35 b. Three members of the house of representatives, two

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1 republicans and one democrat, appointed by the speaker of the
2 house of representatives.

3 c. Three representatives of community colleges located
4 within the state.

5 d. A representative of the Iowa economic development
6 authority.

7 e. A representative of the department of workforce
8 development.

9 f. Three business owners who have participated in the new
10 jobs training program.

11 g. One business owner who has not participated in the new
12 jobs training program.

13 h. A representative of the office of the governor.

14 i. A local director of economic development.

15 3. The interim study committee shall do all of the
16 following:

17 a. Review the new jobs training program, including but not
18 limited to all of the following:

19 (1) The original objectives of the program, and an
20 evaluation of whether the objectives are aligned with the
21 current workforce needs in the state.

22 (2) The number of jobs created as a result of the program.

23 (3) Wage increases for participants in the program prior to
24 and after participating in the program.

25 (4) Employee retention rates for employers participating
26 in the program.

27 (5) The financial impact of the program, including an
28 evaluation of the cost-effectiveness of the program, a
29 comparison of state funding versus economic output and job
30 creation, and an assessment of the return on investment for the
31 state and businesses that participate in the program.

32 (6) The quality and relevance of the training programs that
33 are offered, including whether each training program meets
34 industry standards and needs, and whether participants in the
35 training gain necessary skills to succeed in each participant's

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1 job.

2 (7) The effectiveness of the program in targeting
3 industries with the highest demand for skilled labor.

4 (8) Sectors that may require more focus and support from the
5 program.

6 b. Gather qualitative data through surveys or interviews
7 with program participants, and identify the strengths
8 and weaknesses of the new jobs training program from the
9 perspective of the participants.

10 c. Review partnerships with community colleges and training
11 providers to evaluate whether the partnerships are effective in
12 delivering relevant training, and identify ways to strengthen
13 or expand partnerships.

14 d. Assess the effectiveness of the program's compliance
15 monitoring and oversight of the use of program funds and
16 participants' adherence to the program requirements.

17 e. Compare the benefit that employers receive from
18 participating in the program to the benefits available to the
19 same employers through other incentive programs.

20 f. Review how community colleges participating in the
21 program use bond interest.

22 g. Evaluate whether skills gained by employees through the
23 program are transferable.

24 h. Review the program's payment mechanism.

25 4. Meetings of the interim study committee may be held
26 electronically or in person, provided that the final meeting of
27 the interim study committee is held in person.

28 5. The interim study committee shall submit a report
29 detailing the committee's findings and recommendations to the
30 general assembly no later than December 15, 2026.

31 6. The interim study committee shall hold the committee's
32 first meeting on or before August 1, 2026.>

33 2. Title page, by striking lines 1 through 14 and inserting
34 <An Act relating to matters under the purview of the economic
35 development authority, the utilities commission, and the

1 department of education, including creation of the headquarters
2 expansion and development for growth and employment program,
3 and the business incentives for growth program training fund;
4 repeal of the new jobs tax credit program; the major economic
5 growth attraction program; load forecasting and analysis of
6 electric transmission system expansion plans; creation of the
7 electric transmission system expansion planning and analysis
8 and load forecasting fund; the industrial new jobs training
9 program; and establishing the new jobs training program interim
10 study committee; and including effective date provisions.>

MIKE BOUSSELOT