



THOMAS J. VILSACK  
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

September 7, 2004

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit **Senate File 2311**, an Act relating to appropriations for economic development purposes, workforce development field offices, workforce training and economic development funds of community colleges, and including effective date and retroactive applicability provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas J. Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 2311

AN ACT

RELATING TO APPROPRIATIONS FOR ECONOMIC DEVELOPMENT PURPOSES,  
WORKFORCE DEVELOPMENT FIELD OFFICES, WORKFORCE TRAINING  
AND ECONOMIC DEVELOPMENT FUNDS OF COMMUNITY COLLEGES, AND  
INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY  
PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

APPROPRIATION RELATED

Section 1. CONTRACT OR APPROVED PROJECT OR ACTIVITY  
VALIDATION. Any contract or approved project or activity  
originally funded or intended to be funded in whole or in part  
with moneys from the grow Iowa values fund, and entered into  
or approved by the department of economic development or the  
grow Iowa values board after June 30, 2003, and before June  
16, 2004, in reliance on the publication of law implementing  
the grow Iowa values fund in the 2003 Code Supplement and 2003  
Iowa Acts, is valid and enforceable to the full extent of the  
law. The Iowa supreme court decision in Rants and Iverson v.  
Vilsack, No. 60/03-1948, June 16, 2004, and the provisions of  
this Act shall not in themselves constitute grounds for  
recision or modification of such contracts or approved  
projects or activities. This Act provides appropriations to  
fund these contracts or approved projects or activities.

Sec. 2. ECONOMIC DEVELOPMENT APPROPRIATIONS.

1. There is appropriated from the fund created in subsection 2, to the following designated entities and funds for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. (1) To the department of economic development for marketing strategies for the state:

..... \$ 6,782,949

(2) Of the amount appropriated in subparagraph (1), \$6,771,417 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

b. (1) To the department of economic development for financial assistance and incentives to businesses under programs currently existing which are administered by the department:

..... \$ 61,045,652

(2) Of the amount appropriated in subparagraph (1), \$36,915,343 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

(3) In addition to the amount appropriated in subparagraph (1), \$700,000 of any interest or earnings on moneys in the fund created in subsection 2 which are credited to the fund shall be appropriated to the department for the purposes specified in subparagraph (1).

c. To the department of economic development for providing financial assistance for projects in targeted state parks and destination parks pursuant to contracts or approved projects or activities validated in this division of this Act:

..... \$ 475,806

d. (1) For deposit in the loan and credit guarantee fund created in section 15E.227:

..... \$ 5,728,402

(2) Of the amount appropriated in subparagraph (1), \$1,785 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

e. To the department of economic development for financial assistance for institutions of higher learning under the control of the board of regents and for accredited private

institutions pursuant to contracts or approved projects or activities validated in this division of this Act:

..... \$ 10,058,162

f. (1) To the department of economic development for deposit into the workforce training and economic development funds of the community colleges pursuant to section 260C.18A:

..... \$ 3,848,668

(2) Of the amount appropriated in subparagraph (1), \$742,608 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

g. To the department of economic development for deposit into the workforce training and economic development funds of the community colleges created in section 260C.18A for purposes of the job retention program pursuant to section 260F.9:

..... \$ 1,000,000

h. To the department of economic development for endow Iowa grants to lead philanthropic entities pursuant to section 15E.304:

..... \$ 155,303

i. To the department of economic development for deposit into the general fund of the state for lost revenue due to endow Iowa tax credits granted pursuant to section 15E.305:

..... \$ 155,303

j. For deposit into the cash reserve fund to replace claims paid from the general fund of the state by the state appeal board as affirmed in section 3 of this division of this Act:

..... \$ 10,749,754

2. A federal economic stimulus and jobs holding fund is created in the state treasury under the control of the department of management consisting of moneys received from the federal government for state and local government fiscal relief under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund. Moneys appropriated from the fund in this section shall be expended as provided in the federal law making the moneys available and in conformance with chapter 17A.

3. Notwithstanding section 8.33, moneys that remain unexpended at the end of a fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 3. PAYMENT OF CLAIMS. The general assembly affirms the action by the state appeal board on August 27, 2004, approving payment of claims against the state for moneys appropriated from the grow Iowa values fund and obligated prior to the Iowa supreme court decision of Rants and Iverson v. Vilsack, No. 60/03-1948, June 16, 2004, that invalidated the proper enactment of the appropriations.

Sec. 4. REPEAL. 2003 Iowa Acts, First Extraordinary Session, chapter 2, sections 65 through 75, are repealed.

Sec. 5. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2003.

DIVISION II  
WORKFORCE DEVELOPMENT FIELD OFFICES  
APPROPRIATIONS

Sec. 6. NEW SECTION. 96.7A APPROPRIATIONS FOR WORKFORCE DEVELOPMENT FIELD OFFICES.

There is appropriated from the general fund of the state to the department of workforce development for the fiscal period beginning July 1, 2004, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For workforce development field offices, including salaries, support, maintenance, conducting labor market surveys, and miscellaneous purposes:

- 1. FY 2004-2005..... \$ 6,525,000
- 2. FY 2005-2006..... \$ 6,525,000
- 3. FY 2006-2007..... \$ 3,262,500

Notwithstanding section 8.33, moneys that remain unexpended at the end of the fiscal year shall not revert but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 7. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION III

WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

Sec. 8. Section 260C.18A, subsection 2, unnumbered paragraph 1, Code Supplement 2003, as amended by 2004 Iowa Acts, Senate File 2298, section 370, is amended to read as follows:

~~On July 1 of each year for the fiscal year beginning July 1, 2003, and for every fiscal year thereafter, moneys from the grow-Iowa-values-fund created in section 156.108 are appropriated to the department of economic development for deposit in the workforce training and economic development funds in amounts determined pursuant to subsection 4. Moneys deposited in the funds and disbursed to community colleges for a fiscal year shall be expended for the following purposes, provided seventy percent of the moneys shall be used on projects in the areas of advanced manufacturing, information technology and insurance, and life sciences which include the areas of biotechnology, health care technology, and nursing care technology:~~

Sec. 9. Section 260C.18A, subsections 3, 4, and 7, Code Supplement 2003, as amended by 2004 Iowa Acts, Senate File 2298, section 330, are amended by striking the subsections.

Sec. 10. Section 260C.18A, subsection 6, paragraph d, Code Supplement 2003, is amended to read as follows:

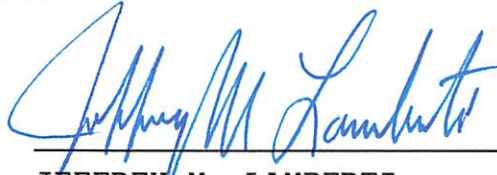
d. Annually submit the two-year plan and progress report to the department of economic development in a manner prescribed by rules adopted by the department pursuant to chapter 17A ~~and annually file a copy of the plan and progress report with the grow-Iowa-values-board. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, a community college shall not have moneys deposited in the workforce training and economic development fund of that community college unless the grow-Iowa-values-board approves the annual progress report of the community college.~~

Sec. 11. Section 260C.18A, subsection 8, as enacted by 2004 Iowa Acts, Senate File 2298, section 331, is amended by striking the subsection.

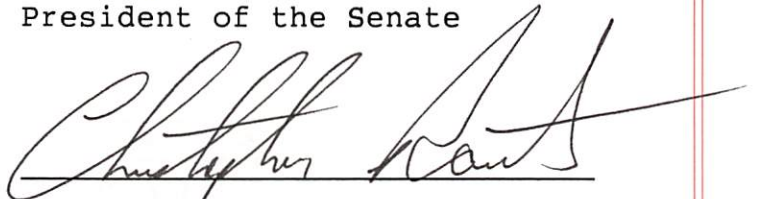
Sec. 12. Section 260C.18A, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 9. This section is repealed effective June 30, 2010.

Sec. 13. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to June 30, 2004.



JEFFREY M. LAMBERTI  
President of the Senate




CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2311, Eightieth General Assembly.



MICHAEL E. MARSHALL  
Secretary of the Senate

Approved September 7, 2004



THOMAS J. VILSACK  
Governor