



CHESTER J. CULVER  
GOVERNOR

**OFFICE OF THE GOVERNOR**

PATTY JUDGE  
LT. GOVERNOR

April 24, 2009

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**Senate File 142**, an Act relating to economic development by providing for an innovation and commercialization development fund, making the department of revenue responsible for approving certain tax credits for third-party developers, making appropriations, and providing an effective date.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Culver", with a long horizontal flourish extending to the right.

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 142

AN ACT

RELATING TO ECONOMIC DEVELOPMENT BY PROVIDING FOR AN INNOVATION AND COMMERCIALIZATION DEVELOPMENT FUND, MAKING THE DEPARTMENT OF REVENUE RESPONSIBLE FOR APPROVING CERTAIN TAX CREDITS FOR THIRD-PARTY DEVELOPERS, MAKING APPROPRIATIONS, AND PROVIDING AN EFFECTIVE DATE.

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

DIVISION I

INNOVATION AND COMMERCIALIZATION DEVELOPMENT FUND

Section 1. Section 15.411, subsections 1 and 9, Code 2009, are amended to read as follows:

1. As used in this ~~section~~ part, unless the context otherwise requires:

a. "Internship" means temporary employment of a student that focuses on providing the student with work experience in the student's field of study.

b. "Targeted industries" means the industries of advanced manufacturing, biosciences, and information technology.

9. In each fiscal year, the department may ~~expend~~ transfer additional moneys that become available to the department from sources such as loan repayments or recaptures of awards from federal economic stimulus funds to the innovation and commercialization development fund created in section 15.412 provided the department spends those moneys for the implementation of the recommendations included in the separate consultant reports on bioscience, advanced manufacturing, information technology, and entrepreneurship submitted to the department in calendar years 2004, 2005, and 2006.

Sec. 2. NEW SECTION. 15.412 INNOVATION AND COMMERCIALIZATION DEVELOPMENT FUND.

1. a. An innovation and commercialization development fund is created in the state treasury under the control of the department. The fund shall consist of moneys appropriated to the department and any other moneys available to, obtained, or accepted by the department for placement in the fund.

b. Payments of interest, repayments of moneys loaned pursuant to this section, and recaptures of financial assistance shall be credited to the fund. Moneys in 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.

2. Moneys in the fund are appropriated to the department and, with the approval of the board, shall be used to facilitate agreements, enhance commercialization in the targeted industries, and increase the availability of skilled workers within the targeted industries.

3. Moneys in the fund, with the approval of the board, may also be used for the following purposes:

a. For assistance to entities providing student internship opportunities.

b. For increasing career awareness training.

c. For recruiting management talent.

d. For assistance to entities engaged in prototype and concept development activities.

e. For developing a statewide commercialization network.

f. For deploying and maintaining an Iowa entrepreneur website.

g. For funding asset mapping and supply chain initiatives, including for identifying methods of supporting lean manufacturing practices or processes.

h. For information technology training.

i. For networking events to facilitate the transfer of technology among researchers and industries.

j. For funding student competition programs.

k. For the purchase of advanced equipment and software at Iowa community colleges in order to support training and coursework related to the targeted industries.

Sec. 3. Section 15G.111, subsection 8, Code 2009, is amended to read as follows:

8. a. For the fiscal period beginning July 1, 2007, and ending June 30, ~~2015~~ 2009, there is appropriated for each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development three million dollars for the purpose of providing the commercialization services described in section 15.411, subsections 2 and 3.

b. For the fiscal period beginning July 1, 2009, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development three million dollars for transfer to the innovation and commercialization development fund created in section 15.412.

DIVISION II

TAX CREDITS FOR THIRD-PARTY DEVELOPERS

Sec. 4. Section 15.331C, subsection 2, Code 2009, is amended to read as follows:

2. A third-party developer shall state under oath, on forms provided by the department of ~~economic-development~~ revenue, the amount of taxes paid as described in subsection 1 and shall submit such forms to the department of revenue. The taxes paid shall be itemized to allow identification of the taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. After receiving the form from the third-party developer, the department of revenue shall issue a tax credit certificate to the eligible business equal to the sales and use taxes paid by a third-party developer under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility. The department of revenue shall also issue a tax credit certificate to the eligible business equal to the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. The aggregate combined total amount of tax refunds under section 15.331A for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center and of tax credit certificates issued by the department of revenue for the taxes

paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall not exceed five hundred thousand dollars in a fiscal year. If an applicant for a tax credit certificate does not receive a certificate for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center, the application shall be considered in succeeding fiscal years. The eligible business shall not claim a tax credit under this section unless a tax credit certificate issued by the department of ~~economic~~ development revenue is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. A tax credit certificate shall contain the eligible business's name, address, tax identification number, the amount of the tax credit, and other information ~~required~~ deemed necessary by the department of revenue.

DIVISION III  
APPROPRIATIONS

Sec. 5. 2008 Iowa Acts, chapter 1190, section 4, subsection 1, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 6. 2008 Iowa Acts, chapter 1190, section 26, is amended to read as follows:

SEC. 26. 2007 Iowa Acts, chapter 207, section 13, subsection 3, is amended to read as follows:

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated ~~until the close of the fiscal year beginning July 17, 2008~~ for succeeding fiscal years until expended.

Sec. 7. 2008 Iowa Acts, chapter 1190, section 27, is amended to read as follows:

SEC. 27. 2007 Iowa Acts, chapter 207, section 14, unnumbered paragraph 3, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated ~~until the close of the fiscal year beginning July 17, 2008~~ for succeeding fiscal years until expended.

Sec. 8. 2008 Iowa Acts, chapter 1190, section 28, is amended to read as follows:

SEC. 28. 2007 Iowa Acts, chapter 207, section 15, subsection 4, is amended to read as follows:

4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated ~~until the close of the fiscal year beginning July 17, 2008~~ for succeeding fiscal years until expended.

Sec. 9. 2008 Iowa Acts, chapter 1190, section 29, is amended to read as follows:

SEC. 29. 2007 Iowa Acts, chapter 207, section 16, unnumbered paragraph 4, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated ~~until the close of the fiscal year beginning July 17, 2008~~ for succeeding fiscal years until expended.

Sec. 10. EFFECTIVE DATE. This division of this Act amending 2008 Iowa Acts, chapter 1190, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV  
STRATEGIC PLAN

Sec. 11. Section 15.104, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 12. Section 15.106, subsection 8, Code 2009, is amended by striking the subsection.

Sec. 13. Section 15.318, subsection 11, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The impact to the state of the proposed project. In measuring the economic impact, the department shall award more points for projects which ~~have greater consistency with the state strategic plan than other projects.~~ Greater consistency

~~may include any or all of~~ can demonstrate the existence of one or more of the following conditions:

Sec. 14. Section 15.329, subsection 5, paragraph c, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The impact to the state of the proposed project. In measuring the economic impact, the department shall place greater emphasis on projects which ~~have greater consistency with the state strategic plan than other projects.~~ ~~Greater consistency may include any or all of~~ can demonstrate the existence of one or more of the following conditions:

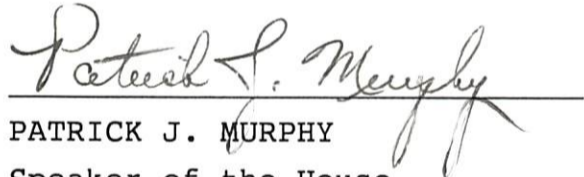
Sec. 15. Section 28H.2, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 16. Section 315.11, subsection 2, paragraph a, Code 2009, is amended by striking the paragraph.



JOHN P. KIBBIE

President of the Senate



PATRICK J. MURPHY

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 142, Eighty-third General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 24<sup>th</sup>, 2009



CHESTER J. CULVER

Governor