



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

May 18, 2009

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 304, an Act relating to withholding agreements and local match requirements of the targeted jobs withholding tax credit program.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Culver", written over a large, stylized initial "C".

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 304

AN ACT

RELATING TO WITHHOLDING AGREEMENTS AND LOCAL MATCH
REQUIREMENTS OF THE TARGETED JOBS WITHHOLDING TAX
CREDIT PROGRAM.

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

Section 1. Section 403.19A, subsection 3, paragraph c,
Code 2009, is amended to read as follows:

c. (1) The pilot project city shall enter into a
withholding agreement with each employer concerning the
targeted jobs withholding credit. The withholding agreement
shall provide for the total amount of withholding tax credits
awarded. An agreement shall not provide for an amount of
withholding credits that exceeds the amount of the qualifying
investment made in the project. However, an agreement
shall not be entered into by a pilot project city with a
business currently located in this state unless the business
either creates ten new jobs or makes a qualifying investment
of at least five hundred thousand dollars within the urban
renewal area. The withholding agreement may have a term of up
to ten years. An employer shall not be obligated to enter
into a withholding agreement. An agreement shall not be
entered into with an employer not already located in a pilot
project city when another Iowa community is competing for the
same project and both the pilot project city and the other
Iowa community are seeking assistance from the department.

(2) The pilot project city shall not enter into a
withholding agreement after June 30, ~~2010~~ 2013.

(3) The pilot project city shall provide on an annual
basis to the department of economic development information

documenting the total amount of payments and receipts under a withholding agreement, including all agreements with an employer to suspend, abate, exempt, rebate, refund, or reimburse property taxes, to provide a grant for property taxes paid or a grant not related to property taxes, or to make a direct payment of taxes, with moneys in the special fund. The department of economic development shall verify the information provided by the pilot project city.

(4) The department shall have the authority to approve or deny a withholding agreement and shall only deny an agreement if the agreement fails to meet the requirements of this paragraph "c" or the local match requirements in paragraph "j", or if an employer is not in good standing as to prior or existing agreements with the department of economic development. The department may suggest changes to an agreement.

Sec. 2. Section 403.19A, subsection 3, paragraph j, Code 2009, is amended by striking the paragraph and inserting in lieu thereof the following:

j. (1) A pilot project city entering into a withholding agreement shall arrange for matching local financial support for the project. The local match required under this paragraph "j" shall be in an amount equal to one dollar for every dollar of withholding credit received by the pilot project city.

(2) For purposes of this paragraph "j", "local financial support" means cash or in-kind contributions to the project from a private donor, a business, or the pilot project city.

(3) If the project, when completed, will increase the amount of an employer's taxable capital investment by an amount equal to at least ten percent of the amount of withholding credit dollars received by the pilot project city, then the pilot project city shall itself contribute at least ten percent of the local match amount computed under subparagraph (1).

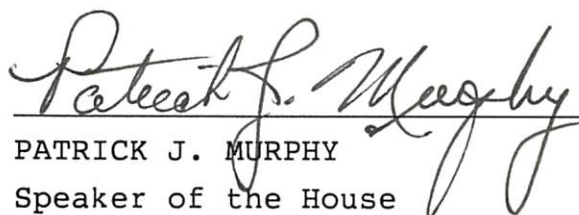
(4) If the project, when completed, will not increase the amount of an employer's taxable capital investment by an amount at least equal to ten percent of the amount of withholding credit dollars received by the pilot project city, then the pilot project city shall not be required to make a contribution to the local match.

(5) A pilot project city's contribution, if any, to the local match may include the dollar value of any tax abatement provided by the city to the business for new construction.



JOHN P. KIBBIE

President of the Senate



PATRICK J. MURPHY

Speaker of the House

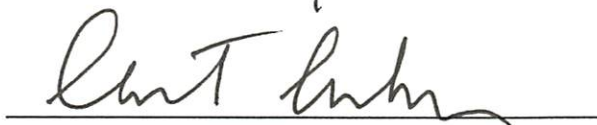
I hereby certify that this bill originated in the Senate and is known as Senate File 304, Eighty-third General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved, May 18th, 2009



CHESTER J. CULVER

Governor