



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

July 18, 2011

The Honorable Matthew Schultz
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 590, an Act relating to the organization of the executive branch agencies responsible for administering economic development programs, making certain properly related changes, and including effective date and transition provisions.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad
Governor

cc: Secretary of the Senate
Clerk of the House



House File 590

AN ACT

RELATING TO THE ORGANIZATION OF THE EXECUTIVE BRANCH AGENCIES RESPONSIBLE FOR ADMINISTERING ECONOMIC DEVELOPMENT PROGRAMS, MAKING CERTAIN PROPERLY RELATED CHANGES, AND INCLUDING EFFECTIVE DATE AND TRANSITION PROVISIONS.

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

DIVISION I

ECONOMIC DEVELOPMENT AUTHORITY

Section 1. Section 15.101, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

15.101 Findings and purpose — collaboration described.

1. The general assembly finds that economic development is an important public purpose and that both the public and private sectors have a shared interest in fostering the economic vitality of the state. Therefore, it is the purpose of this subchapter to implement economic development policy in the state by means of a collaboration between government and the private sector.

2. The collaboration shall involve the economic development authority and the Iowa innovation corporation, both of which shall work together to further economic development policy according to the provisions of this subchapter.

Sec. 2. Section 15.102, Code 2011, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

NEW SUBSECTION. 01A. "Business enterprise" means a work or improvement located within the state, including but not limited to real property, buildings, equipment, furnishings, and any other real and personal property or any interest

therein, financed, refinanced, acquired, owned, constructed, reconstructed, extended, rehabilitated, improved, or equipped, directly or indirectly, in whole or in part, by the authority or through loans made by it and which is designed and intended for the purpose of providing facilities for manufacturing, industrial, processing, warehousing, wholesale or retail commercial, recreational, hotel, office, research, business, or other related purposes, including but not limited to machinery and equipment deemed necessary or desirable for the operation thereof.

NEW SUBSECTION. 1A. "*Chief executive officer*" means the chief executive officer of the corporation.

NEW SUBSECTION. 2A. "*Corporation*" means the Iowa innovation corporation created pursuant to section 15.107.

NEW SUBSECTION. 4A. "*Financial assistance*" means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty payments.

Sec. 3. Section 15.102, subsections 1 and 4, Code 2011, are amended to read as follows:

1. "*Board*" means the ~~Iowa economic development board~~ members of the authority appointed by the governor and in whom the powers of the authority are vested pursuant to section 15.105.

4. "*Director*" means the director of the ~~department~~ authority, appointed pursuant to section 15.106C, or the director's designee.

Sec. 4. Section 15.102, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 5. Section 15.105, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

15.105 Economic development authority.

1. The economic development authority is created, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions, to undertake programs which implement economic development policy in the state, and to undertake certain finance programs.

a. (1) The powers of the authority are vested in and shall be exercised by a board of eleven voting members appointed by the governor subject to confirmation by the senate. The voting members shall be comprised of the following:

(a) Two members from each United States congressional

district in the state.

(b) Three members selected at large.

(2) Of the voting members appointed pursuant to subparagraph (1), the governor shall appoint the following:

(a) One person who is a member of the Iowa innovation council established in section 15.117A.

(b) One person who has professional experience in finance, insurance, or investment banking.

(c) One person who has professional experience in advanced manufacturing.

(d) One person with professional experience in small business development.

(e) One person with professional experience representing the interests of organized labor.

(f) Six persons who are actively employed in the private, for-profit sector of the economy or who otherwise have substantial expertise in economic development.

(3) The governor shall not appoint to the authority board any person who is either the spouse or a relative within the first degree of consanguinity of a serving member of the authority board or the board of directors of the corporation.

b. There shall be four ex officio, nonvoting legislative members consisting of the following:

(1) Two state senators, one appointed by the president of the senate after consultation with the majority leader of the senate and one appointed by the minority leader of the senate from their respective parties.

(2) Two state representatives, one appointed by the speaker and one appointed by the minority leader of the house of representatives from their respective parties.

c. (1) There shall be three ex officio, nonvoting members consisting of the following:

(a) The president of the state board of regents, or the president's designee.

(b) One person, selected by the Iowa association of independent colleges and universities, who is the president of a private college or university in the state, or that person's designee.

(c) One person, selected by the Iowa association of community college presidents, who is the president of a community college, or that person's designee.

(2) A person serving as a designee pursuant to subparagraph (1) shall serve a one-year term as an ex officio member of the

authority board.

2. Members of the authority shall be appointed for staggered terms of four years beginning and ending as provided in section 69.19. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member of the authority may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing. Members of the authority board shall not serve as directors of the corporation.

3. *a.* Seven voting members of the authority constitute a quorum.

b. The affirmative vote of a majority of the quorum described in paragraph "a" is necessary for any action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose.

c. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

4. Members of the authority are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. Members of the authority and the director shall give bond as required for public officers in chapter 64.

6. Meetings of the authority shall be held at the call of the chairperson or when two members so request.

7. Members shall elect a chairperson and vice chairperson annually, and other officers as they determine, but the director shall serve as secretary to the authority.

8. *a.* The members of the authority shall develop a strategic plan for economic development in the state.

b. (1) The strategic plan shall identify the authority's goals for the next calendar year and shall include a set of metrics that will be used to gauge and assess the extent to which the authority achieves those goals. Such metrics shall include, but are not limited to:

- (a) The number of net new jobs created in the state.
- (b) The average wage and benefit levels for such jobs.
- (c) The impact to average household income for Iowa families

as a result of the jobs created.

(d) Such other information as the authority or the director deems relevant.

(2) The strategic plan shall be submitted to the general assembly and the governor's office on or before January 31 of each year.

9. The net earnings of the authority, beyond that necessary to implement the public purposes and programs herein authorized, shall not inure to the benefit of any person other than the state. Upon termination of the existence of the authority, title to all property owned by the authority, including any such net earnings of the authority, shall vest in the state. The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of the authority, including the power to terminate the authority, except that no law shall impair the obligation of any contract or contracts entered into by the authority to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa, or Article I, section 10, of the Constitution of the United States.

10. Members of the authority, or persons acting on behalf of the authority while acting within the scope of their agency or employment, are not subject to personal liability resulting from carrying out the powers and duties in this chapter.

11. The authority shall be the successor entity to the economic development board and the department of economic development which are hereby eliminated. The authority shall assume all duties and responsibilities previously assigned to the economic development board and the department of economic development to the extent that such duties and responsibilities are not otherwise assigned by the provisions of this subchapter.

Sec. 6. Section 15.106, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

15.106 Conflicts of interest.

1. *a.* If a member or employee of the authority has an interest, either direct or indirect, in a contract to which the authority is, or is to be, a party, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority.

b. The member or employee having the interest shall not participate in any action of the authority with respect to

that contract. A violation of a provision of this subsection is misconduct in office under section 721.2. However, a resolution of the authority is not invalid because of a vote cast by a member in violation of this subsection or of section 15.105, subsection 3, unless the vote was decisive in the passage of the resolution.

c. For the purposes of this subsection, "*action of the authority with respect to that contract*" means only an action directly affecting a separate contract, and does not include an action which benefits the general public or which affects all or a substantial portion of the contracts included in a program of the authority.

2. The director shall not have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party. The director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending, or aiding in any purchase or sale of property, or loan, made by the authority, nor shall the director be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, either directly or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale, or loan.

3. Not more than one principal executive, employee, or other representative from a business or its affiliates may serve concurrently on the authority board, the board of directors of the corporation, or any combination thereof. For purposes of this subsection, "*affiliate*" means the same as defined in section 423.1.

Sec. 7. NEW SECTION. 15.106A General powers of the authority.

1. The authority has any and all powers necessary and convenient to carry out its purposes and duties and exercise its specific powers, including but not limited to the power to:

- a.* Sue and be sued in its own name.
- b.* Have and alter a corporate seal.
- c.* Make and alter bylaws for its management consistent with the provisions of this chapter.
- d.* Make and execute agreements, contracts, and other

instruments of any and all types on such terms and conditions as the authority may find necessary or convenient to the purposes of the authority, with any public or private entity, including but not limited to contracts for goods and services. All political subdivisions, other public agencies, and state departments and agencies may enter into contracts and otherwise cooperate with the authority.

e. Adopt by rule pursuant to chapter 17A procedures relating to competitive bidding, including the identification of those circumstances under which competitive bidding by the authority, either formally or informally, shall be required. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of administrative services or any other agency. Except when such rules apply, the authority and all contracts made by it in carrying out its public and essential governmental functions with respect to any of its programs shall be exempt from the provisions and requirements of all laws or rules of the state which require competitive bids in connection with the letting of such contracts.

f. Acquire, hold, improve, mortgage, lease, and dispose of real and personal property, including but not limited to the power to sell at public or private sale, with or without public bidding, any such property, or other obligation held by it.

g. Procure insurance against any loss in connection with its operations and property interests.

h. Accept appropriations, gifts, grants, loans, or other aid from public or private entities. A record of all gifts or grants, stating the type, amount, and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.

i. Provide to public and private entities technical assistance and counseling related to the authority's purposes.

j. In cooperation with other local, state, or federal governmental agencies, conduct research studies, develop estimates of unmet economic development needs, gather and compile data useful to facilitating decision making, and enter into agreements to carry out programs within or without the state which the authority finds to be consistent with the goals of the authority.

k. Enter into agreements with the federal government, tribes, and other states to undertake economic development activities in the state of Iowa.

l. Own or acquire intellectual property rights including but not limited to copyrights, trademarks, service marks, and patents, and enforce the rights of the authority with respect to such intellectual property rights.

m. Make, alter, interpret, and repeal rules consistent with the provisions of this chapter, and subject to chapter 17A.

n. Form committees or panels as necessary to facilitate the authority's duties. Committees or panels formed pursuant to this paragraph shall be subject to the provisions of chapters 21 and 22.

o. Establish one or more funds within the state treasury under the control of the authority. Notwithstanding section 8.33 or 12C.7, or any other provision to the contrary, moneys invested by the treasurer of state pursuant to this subsection shall not revert to the general fund of the state and interest accrued on the moneys shall be moneys of the authority and shall not be credited to the general fund. The nonreversion of moneys allowed under this paragraph does not apply to moneys appropriated to the authority by the general assembly.

p. Select projects to receive assistance by the exercise of diligence and care.

q. Exercise generally all powers typically exercised by private enterprises engaged in business pursuits unless the exercise of such a power would violate the terms of this chapter or the Constitution of the State of Iowa.

r. Issue negotiable bonds and notes as provided in section 15.106D.

2. Notwithstanding any other provision of law, any purchase or lease of real property, other than on a temporary basis, when necessary in order to implement the programs of the authority or protect the investments of the authority, shall require written notice from the authority to the government oversight standing committees of the general assembly and the prior approval of the executive council.

3. The powers enumerated in this section are cumulative of and in addition to those powers enumerated elsewhere in this chapter and such powers do not limit or restrict any other powers of the authority.

Sec. 8. NEW SECTION. 15.106B Specific program powers.

1. In addition to the general powers described in section 15.106A, the authority shall have all powers convenient and necessary to carry out its programs.

2. For purposes of this section, *"powers convenient and*

necessary" includes but is not limited to the power to:

a. Undertake more extensive research and discussion of the strategic plan developed by the members of the authority in order to better formulate and implement state economic development policy.

b. Establish a nonprofit corporation pursuant to section 15.107, for the purpose of receiving and disbursing funds from public or private sources to be used to further the overall development and economic well-being of the state.

c. Provide export documentation to Iowa businesses that are exporting goods and services if no other government entity is providing export documentation in a form deemed necessary for international commerce.

d. (1) Pursuant to a contract executed between the authority and the corporation, the authority may delegate to the corporation the performance of the following functions on behalf of the authority:

(a) Marketing and promotional activities.

(b) Policy research.

(c) Economic analysis.

(d) Expansion of international markets for Iowa-produced or Iowa-based products.

(e) Consulting services.

(f) Services related to statewide commercialization development as provided for in section 15.411, subsection 2.

(2) A contract executed pursuant to this paragraph "d" shall not delegate an essential government function, including the budgetary or personnel management responsibilities of the authority, and shall not delegate any sovereign power of the state.

(3) The terms of a contract executed pursuant to this paragraph "d" may provide for compensation at the fair market value of the services to be provided under the contract.

(4) Notwithstanding section 8A.311 and any rules promulgated thereunder by the department of administrative services, the authority may enter into contracts with the corporation for the sole source procurement of services. In entering into such sole source contracts, the authority shall negotiate a fair and reasonable price for the services and shall thoroughly document the circumstances of such sole source procurements.

(5) A contract executed pursuant to this paragraph "d" shall be drafted and executed with the assistance and advice of the

attorney general.

3. The authority may enter into contracts on behalf of the Iowa innovation council established in section 15.117A. Such contracts may delegate the performance of functions to the corporation only if the contracts meet the requirements of subsection 2, paragraph "d".

4. a. If the authority enters into a contract, including but not limited to a contract executed pursuant to subsection 2, paragraph "d", with a nonprofit corporation organized under chapter 504 or under the similar laws of another jurisdiction, the authority shall ensure that the terms of the contract shall provide for the disclosure of all gifts, grants, bequests, donations, or other conveyances of financial assistance to the corporation from all private and public sources. Such disclosure shall include information from the corporation's current fiscal year and its most recent three fiscal years and shall include the name and address of the person or entity making the conveyance and the amount.

b. If the authority enters into a contract for the provision of financial assistance to a business, the authority shall ensure that the terms of the contract provide for the disclosure of all donations the business has ever made to the corporation. The authority shall not consider the amount or frequency of such donations when evaluating the merits of the business's application or when determining the amount of financial assistance to be awarded to the business.

c. The authority shall not enter into a contract for services, including a contract executed pursuant to subsection 2, paragraph "d", that exceeds two years in duration.

Sec. 9. NEW SECTION. 15.106C Director — responsibilities.

1. The operations of the authority shall be administered by a director who shall be appointed by the governor, subject to confirmation by the senate, and who shall serve for a four-year term beginning and ending as provided in section 69.19. An appointment by the governor to fill a vacancy in the office of the director shall be for the balance of the unexpired four-year term.

2. The director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view or to favor a political candidate for office. The director shall ensure that the authority is operated free from political influence.

3. The director shall advise the authority on matters

relating to economic development and act on the authority's behalf to carry out all directives from the authority board in regard to the operation of the authority.

4. The director shall employ personnel as necessary to carry out the duties and responsibilities of the authority. For nonprofessional employees, employment shall be consistent with chapter 8A, subchapter IV. The employment of professional employees shall be exempt from the provisions of chapter 8A, subchapter IV, and chapter 20.

5. A person shall not be employed concurrently by both the authority and the corporation.

6. A person leaving employment with the authority shall not be employed by the corporation until a period of two years has passed. A person leaving employment with the corporation shall not be employed by the authority until a period of two years has passed.

7. *a.* The director may create organizational divisions within the authority in the manner the director deems most efficient to carry out the duties and responsibilities of the department.

b. In structuring the authority, the director shall create a small business development division and ensure that the division focuses administrative efforts, program resources, and financial assistance awards on small businesses.

c. (1) On or before September 15, 2011, the authority shall submit a report to the governor and the general assembly assessing the extent to which each of the authority's programs can be used to provide assistance to small businesses and making recommendations for legislative changes to such programs in order to better and more intensively focus economic development efforts on such small businesses. The report shall also address the extent to which the authority's programs address local economic development needs and efforts.

(2) This paragraph "*c*" is repealed on June 30, 2012.

Sec. 10. NEW SECTION. 15.106D Private activity bonds and notes.

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to finance the cost of business enterprises, to finance the working capital needs of businesses, to refinance existing indebtedness incurred for any of the foregoing purposes or any combination of the foregoing, the payment of interest on its bonds and notes, the establishment of reserves

to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out the purposes of this section. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code, chapter 554.

2. All bonds issued by the authority shall be limited obligations of the authority. The principal of and interest on such bonds shall be payable solely out of the revenues derived from the business enterprise to be financed by the bonds so issued under the provisions of this section. Bonds and interest coupons issued under authority of this section shall not constitute an indebtedness of the authority within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the authority or a charge against its general credit. Bonds or notes are not an obligation of this state or any political subdivision of this state, other than the authority, within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this section, and the authority may not pledge the credit or taxing power of this state or any political subdivision of this state, other than the authority, or make its debts payable out of any moneys except as provided in this section.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of such authorized officer.

4. Bonds shall:

a. State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the revenues derived from the business enterprise to be financed by the bonds so issued under the provisions of this section, constitute special obligations of the authority, and do not constitute an indebtedness of the authority, this state, or any political subdivision of this state within the meaning of any constitutional or statutory debt limit.

b. Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this

state, signed on behalf of the authority with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of the seal of the authority, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance.

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of this section in the same manner and to the same extent as other bonds issued pursuant to this section.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable solely out of the revenues derived from the business enterprise to be financed by the notes so issued under the provisions of this section, or from the proceeds of the sale of bonds of the authority in anticipation of which the notes were issued. Notes shall be issued in the same manner and for the same purposes as bonds. Notes and the resolutions authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of the authority may contain.

Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in the resolution authorizing their issuance. Notes shall be as fully negotiable as bonds of the authority.

7. It is the intent of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

8. Neither the members of the authority nor any person executing its bonds, notes, or other obligations shall be liable personally on the bonds, notes, or other obligations or be subject to any personal liability or accountability by reason of the issuance of the authority's bonds or notes.

Sec. 11. NEW SECTION. 15.106E Review of authority operations.

Commencing July 1, 2014, the general assembly shall conduct a review of the authority and its activities and shall issue a report with findings and recommendations by January 1, 2015.

Sec. 12. Section 15.107, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

15.107 Iowa innovation corporation.

1. The authority shall establish the Iowa innovation corporation as a nonprofit corporation organized under chapter 504 and qualifying under section 501(c)(3) of the Internal Revenue Code as an organization exempt from taxation. Unless otherwise provided in this subchapter, the corporation is subject to the provisions of chapter 504. The corporation shall be established for the purpose of receiving and disbursing funds from public or private sources to be used to further the overall development and economic well-being of the state.

2. The corporation shall collaborate with the authority as described in this subchapter, but the corporation shall not

be considered, in whole or in part, an agency, department, or administrative unit of the state.

a. The corporation shall not receive appropriations from the general assembly.

b. The corporation shall not be required to comply with any requirements that apply to a state agency, department, or administrative unit and shall not exercise any sovereign power of the state.

c. The corporation does not have authority to pledge the credit of the state, and the state shall not be liable for the debts or obligations of the corporation. All debts and obligations of the corporation shall be payable solely from the corporation's funds.

3. *a.* The corporation shall be established so that donations and bequests to it qualify as tax deductible under state income tax laws and under section 501(c)(3) of the Internal Revenue Code.

b. The corporation shall be established for the purpose of expanding economic development opportunities in the state of Iowa and for Iowa businesses operating in foreign markets in connection with the public purpose of economic development in Iowa. The corporation may effectuate this purpose by performing certain functions delegated to it by the authority pursuant to section 15.106B.

4. The articles of the corporation shall provide for its governance and its efficient management. In providing for its governance, the articles of the corporation shall address the following:

a. A board of directors to govern the corporation.

(1) The board of directors shall initially be comprised of seven members appointed by the governor to concurrent terms of four years. Two of such members shall be subject to confirmation by the senate.

(2) For appointments subsequent to the initial appointments pursuant to subparagraph (1), two of the members shall be appointed by the governor, subject to confirmation by the senate, to staggered terms of four years each, and the remaining five members shall be selected by a majority vote of the board of directors of the corporation for terms the length of which shall be provided in the articles of the corporation.

(3) The governor and the board of directors of the corporation shall not appoint or select any person who is either the spouse or a relative within the first degree of

consanguinity of a serving member of the board of directors or of the authority board.

b. The appointment of a chief executive officer by the board to manage the corporation's daily operations.

c. The delegation of such powers and responsibilities to the chief executive officer as may be necessary for the corporation's efficient operation.

d. The employment of personnel necessary for the efficient performance of the duties assigned to the corporation. All such personnel shall be considered employees of a private, nonprofit corporation and shall be exempt from the personnel requirements imposed on state agencies, departments, and administrative units.

e. The financial operations of the corporation including the authority to receive and expend funds from public and private sources and to use its property, money, or other resources for the purpose of the corporation.

5. The board of directors of the corporation and the chief executive officer shall act to ensure all of the following:

a. That the corporation review and, at the board's direction, implement the applicable portions of the strategic plan developed by members of the authority pursuant to section 15.105.

b. That the corporation prepares an annual budget that includes funding levels for the corporation's activities and that shows sufficient moneys are available to support those activities.

c. That the corporation annually completes and files an information return as described in section 422.15 and that the information return is submitted to the general assembly.

Sec. 13. NEW SECTION. 15.107A Duties and responsibilities of the corporation.

1. The corporation's board of directors and the chief executive officer shall determine the activities and priorities of the corporation within the general parameters of the duties and responsibilities described in this section and in this subchapter.

2. The corporation shall, to the extent its articles so provide and within its public purpose, do all of the following with the purpose of increasing innovation in Iowa's economy and bringing more innovative businesses to the state:

a. Consult with the Iowa innovation council in the creation of a comprehensive strategic plan as described in section

15.117A, subsection 6, paragraph "a".

b. Act as an innovation intermediary by aligning local technologies, assets, and resources to work together on advancing innovation.

c. Perform any functions delegated by the authority pursuant to section 15.106B, subsection 2, paragraph "d".

(1) In performing such functions, the corporation shall not subcontract the performance of a delegated function except as provided in subparagraph (2).

(2) The corporation may subcontract services under the following conditions:

(a) The services are necessary to accomplish the functions delegated to the corporation.

(b) The contract delegating the function contains a list of the services that may be subcontracted pursuant to this subparagraph (2).

(c) The contract delegating the function requires that any agreement to subcontract a service must be approved by the authority prior to the execution of such an agreement by the corporation.

d. Encourage, stimulate, and support the development and expansion of the state's economy.

e. Develop and implement effective marketing and promotional programs.

f. Provide pertinent information to prospective new businesses.

g. Formulate and pursue programs for encouraging the location of new businesses in the state and for retaining and fostering the growth of existing businesses.

h. Solicit the involvement of the private sector, including support and funding, for economic development initiatives in the state.

i. Coordinate the economic development efforts of other state and local entities in an effort to achieve policy consistency.

j. Collect and maintain any economic data and research that is relevant to the formulation and implementation of effective policies.

k. Cooperate with and provide information to state agencies, local governments, community colleges, and the board of regents on economic development matters, including the areas of workforce development and job training.

Sec. 14. NEW SECTION. 15.107B Annual reporting

requirements.

1. On or before January 31 of each year, the director shall submit to the authority board a report that describes the activities of the authority during the preceding fiscal year. The report may include such information as the director deems necessary or as otherwise required by law.

2. The report submitted pursuant to subsection 1 shall at a minimum include the following:

a. A summary of the report filed by December 1 of each year by the department of administrative services with the authority regarding targeted small business procurement activities conducted during the previous fiscal year.

b. A summary of the report filed by December 1 of each year by the department of inspections and appeals with the authority regarding certifications of targeted small businesses. At a minimum, the summary shall include the number of certified targeted small businesses for the previous year, the increase or decrease in that number during the previous fiscal year compared to the prior fiscal year, and the number of targeted small businesses that have been decertified in the previous fiscal year.

c. A summary of the internal report compiled by December 1 of each year by the authority regarding the targeted small business financial assistance program. At a minimum, the summary shall contain the number of loans, loan guarantees, and grants distributed during the previous fiscal year, the individual amounts provided to targeted small businesses during the previous fiscal year, and how many financial assistance awards to targeted small businesses were the subject of repayment or collection activity during the previous fiscal year.

d. A list of the procurement goals established pursuant to section 73.16, subsection 2, and compiled by the authority's targeted small business marketing and compliance manager and the performance of each agency in meeting the goals. The performance of each agency shall be determined based upon the reports required pursuant to section 73.16, subsection 2.

e. An assessment of economic development efforts in the state as measured by the goals and metrics contained in the strategic plan developed by the members of the authority pursuant to section 15.105.

Sec. 15. NEW SECTION. 15.107C Oversight of corporation.

1. In performing delegated functions pursuant to section

15.107A or when engaged in activities that utilize public funding, the corporation shall comply with the provisions of this section.

2. *a.* The corporation shall submit an annual report to the governor, general assembly, and the auditor of state by January 15. The report shall include the corporation's operations and activities during the prior fiscal year to the extent that such operations and activities pertain to the functions delegated to the corporation by the authority, as provided in sections 15.106B and 15.107A.

b. The report shall describe how the operations and activities serve the interests of the state and further economic development.

c. An annual audit of the corporation performed by a certified public accountant in accordance with generally accepted accounting principles shall be filed with the office of auditor of state and made available to the public.

3. The deliberations or meetings of the board of directors of the corporation that pertain to the performance of delegated functions or activities that utilize public funding shall be conducted in accordance with chapter 21.

4. All of the following shall be subject to chapter 22:

a. Minutes of the meetings conducted in accordance with subsection 3.

b. All records pertaining to the performance by the corporation of delegated functions or activities that utilize public funding.

5. Notwithstanding other provisions of this section to the contrary, if the corporation receives confidential information from the authority under the process described in section 15.118, the corporation shall comply with the provisions of section 15.118 in the same manner as the authority.

Sec. 16. Section 15.117A, subsection 6, paragraph a, Code 2011, is amended to read as follows:

a. Create a comprehensive strategic plan for implementing specific policies that further the purpose of the council as described in subsection 5. In creating the plan and implementing such policies, the council may consult with the corporation established pursuant to section 15.107.

Sec. 17. **AUTHORITY MERGER STUDY.** The economic development authority and the Iowa finance authority shall study the issue of merging the two authorities into a single authority. The authorities shall prepare a report analyzing the advantages and

disadvantages of such a merger and assessing whether such a merger is feasible. The authorities shall submit the report to the governor and the general assembly on or before December 1, 2011.

Sec. 18. CONTINUING VALIDITY OF DEPARTMENT RULES.

1. All rules promulgated by the department of economic development shall be valid and enforceable after the elimination of the department as rules promulgated by the economic development authority.

2. As soon as practicable, the authority shall adopt revised rules issued under its own rulemaking authority.

Sec. 19. TRANSITION OF EMPLOYEES.

1. All employees of the department of economic development shall be considered employees of the economic development authority upon the elimination of the former and creation of the latter. If an employee of the department is an employee covered under the collective bargaining provisions of chapter 20, then that employee shall also be covered under chapter 20 upon employment with the authority.

2. Such employees shall suffer no loss in years served, sick leave and vacation time accrued, or other benefits of their current employment upon transition to employment with the authority.

3. All employees of the department transitioning to employment with the authority shall be considered employees for purposes of chapter 97B.

4. Notwithstanding any provisions to the contrary in chapter 68B or in this Act, and subject to the approval of the director of the economic development authority, the corporation established pursuant to section 15.107 may employ not more than two individuals who were employed by the department of economic development on or before November 1, 2010.

Sec. 20. CONTINUATION OF FINANCIAL ASSISTANCE.

1. Any moneys remaining in any account or fund under the control of the department of economic development on the effective date of this Act and relating to the provisions of this Act shall be transferred to a comparable fund or account under the control of the economic development authority for such purposes. Notwithstanding section 8.33, the moneys transferred in accordance with this subsection shall not revert to the account or fund from which appropriated or transferred.

2. Any license, permit, or contract issued or entered into by the department of economic development relating to the

provisions of this Act in effect on the effective date of this Act shall continue in full force and effect pending transfer of such licenses, permits, or contracts to the economic development authority.

3. Financial assistance awards made or provided for in agreements entered into under the Iowa values fund and financial assistance program pursuant to the provisions of chapter 15G prior to the effective date of this Act shall continue as provided in such agreements. Such agreements shall be administered by the economic development authority according to the provisions of chapter 15G.

4. Federal funds utilized by the director of the department of economic development prior to the effective date of this Act to employ personnel necessary for the administration of the department's programs shall be applied to and be available for the transfer of such personnel from the department of economic development to the economic development authority.

Sec. 21. ECONOMIC DEVELOPMENT AUTHORITY BOARD — TRANSITION PROVISION. Notwithstanding any provision of section 15.105, as amended by this Act, to the contrary, the initial board of the economic development authority shall consist of the members of the Iowa economic development board serving on the effective date of this Act and eight voting members of the initial board shall constitute a quorum. Said board members shall serve as members and fulfill the duties of the economic development authority board as created by this Act until such time as members of the economic development authority board are appointed as provided by section 15.105, as amended by this Act.

DIVISION II

MISCELLANEOUS PROGRAM CHANGES

Sec. 22. Section 10B.5, subsection 2, Code 2011, is amended to read as follows:

2. Information provided in reports required in this chapter is a confidential record as provided in section 22.7. The attorney general may have access to the reports, and may use information in the reports in any action to enforce state law, including but not limited to chapters 9H~~7~~ and 9I~~7~~ and ~~10C~~. The reports shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent that agricultural land is held in this state by corporations and other business and foreign entities and the effect of such land ownership upon the

economy of this state. The secretary of state shall assist any committee of the general assembly studying these issues.

Sec. 23. Section 15E.52, subsection 7, paragraph a, if enacted by 2011 Iowa Acts, Senate File 517, is amended to read as follows:

a. The fund is organized for the purposes of making investments in promising early-stage companies which have a principal place of business in the state ~~and for using the profits from such investments to fund further investments.~~

Sec. 24. Section 15G.101, subsection 10, Code 2011, is amended to read as follows:

10. "*Fund*" means the ~~grow Iowa values~~ economic development fund created in section 15G.111.

Sec. 25. Section 15G.111, subsection 1, unnumbered paragraph 1, Code 2011, is amended to read as follows:

~~A grow Iowa values~~ An economic development fund is created in the state treasury under the control of the ~~department of economic development~~ authority consisting of the following:

Sec. 26. Section 15G.112, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. The department shall establish and administer a ~~grow Iowa values~~ an economic development financial assistance program for purposes of providing financial assistance from the fund to applicants. The financial assistance shall be provided from moneys credited to the ~~grow Iowa values~~ economic development fund and not otherwise obligated or allocated pursuant to section 15G.111.

Sec. 27. NEW SECTION. 15H.1A Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "*Authority*" means the economic development authority created in section 15.105.

2. "*Director*" means the director of the authority.

Sec. 28. Section 15H.2, subsections 1 and 2, Code 2011, are amended to read as follows:

1. ~~The governor shall establish the Iowa commission on volunteer service which shall be part of the governor's office~~ is created within the authority. The governor shall appoint the commission's members. The director may employ personnel as necessary to carry out the duties and responsibilities of the commission.

2. The mission of the commission is to advise and assist in the development and implementation of a comprehensive,

statewide plan for promoting volunteer involvement and citizen participation in Iowa, as well as to serve as the state's liaison to national and state organizations which support the commission's mission. The commission shall also carry out any duties and responsibilities described in the National Community Service Trust Act of 1993 or any related state or federal legislation.

Sec. 29. Section 15H.3, subsection 1, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. *k.* Additional ex officio members selected by the commission to the extent that they are not in conflict with the provisions of the National Community Service Trust Act of 1993 or any related state or federal legislation.

Sec. 30. Section 15H.3, subsection 6, Code 2011, is amended to read as follows:

6. The chairperson of the commission shall be selected by the ~~governor and serve at the governor's discretion~~ members of the commission.

Sec. 31. Section 15H.4, subsection 1, Code 2011, is amended to read as follows:

1. The ~~governor's office~~ authority shall serve as the lead agency for administration of the commission. The authority may consult with the department of education, the state board of regents, and the department of workforce development, ~~and the department of economic development shall provide for any~~ additional administrative support as necessary to fulfill the duties of the commission. All other state agencies, at the request of the authority, shall provide assistance to the commission to ensure a fully coordinated state effort for promoting national and community service.

Sec. 32. Section 175.37, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. Be a person who may acquire or otherwise obtain or lease agricultural land in this state pursuant to chapter 9H or 9I. However, the taxpayer must not be a person who may acquire or otherwise obtain or lease agricultural land exclusively because of an exception provided in one of those chapters or in a provision of another chapter of this Code including but not limited to chapter 10, ~~10C,~~ 10D, or 501, or section 15E.207.

Sec. 33. Section 476C.1, subsection 6, paragraph f, as enacted by 2011 Iowa Acts, House File 672, section 4, is amended to read as follows:

f. For applications filed on or after July 1, 2011, except

for wind energy conversion facilities, is a facility of no greater than ~~five~~ sixty megawatts of nameplate generating capacity or the energy production capacity equivalent.

Sec. 34. Section 476C.3, subsection 4, paragraph b, as enacted by 2011 Iowa Acts, House File 672, section 9, is amended to read as follows:

b. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of fifty-three megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, no more than ten megawatts of nameplate generating capacity or energy production capacity equivalent shall be allocated to any one facility. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for eligible renewable energy facilities incorporated within or associated with an ethanol cogeneration plant engaged in the sale of ethanol to states to meet a low carbon fuel standard.

Sec. 35. REPEAL. Chapter 10C, Code 2011, is repealed.

Sec. 36. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to January 1, 2011, for tax years beginning and investments made on or after that date:

1. The section of this Act amending section 15E.52.

DIVISION III

OFFICE OF ENERGY INDEPENDENCE TRANSFERRED

Sec. 37. Section 11.5B, subsection 15, Code 2011, is amended by striking the subsection.

Sec. 38. Section 15H.6, subsection 1, Code 2011, is amended

to read as follows:

1. The Iowa commission on volunteer service, in collaboration with the department of natural resources, the department of workforce development, ~~the office of energy independence,~~ and the utilities board of the department of commerce, shall establish an Iowa green corps program. The commission shall work with the collaborating agencies and nonprofit agencies in developing a strategy for attracting additional financial resources for the program from other sources which may include but are not limited to utilities, private sector, and local, state, and federal government funding sources. The financial resources received shall be credited to the community programs account created pursuant to section 15H.5.

Sec. 39. Section 22.7, subsection 60, Code 2011, is amended by striking the subsection.

Sec. 40. Section 103A.8B, Code 2011, is amended to read as follows:

103A.8B Sustainable design or green building standards.

The commissioner, after consulting with and receiving recommendations from the department of natural resources ~~and the office of energy independence,~~ shall adopt rules pursuant to chapter 17A specifying standards and requirements for sustainable design and construction based upon or incorporating nationally recognized ratings, certifications, or classification systems, and procedures relating to documentation of compliance. The standards and requirements shall be incorporated into the state building code established in section 103A.7, but in lieu of general applicability shall apply to construction projects only if such applicability is expressly authorized by statute, or as established by another state agency by rule.

Sec. 41. Section 268.6, subsection 2, Code 2011, is amended to read as follows:

2. The university is encouraged to cooperate with agricultural and energy efficiency advocates and governmental entities in administering the program, ~~including the office of energy independence established pursuant to section 469.2.~~

Sec. 42. Section 470.1, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

Sec. 43. Section 470.1, subsection 2, Code 2011, is amended

to read as follows:

2. "*Director*" means the director of the ~~office of energy independence~~ economic development authority.

Sec. 44. Section 470.1, subsection 8, Code 2011, is amended by striking the subsection.

Sec. 45. Section 473.1, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "*Authority*" means the economic development authority created in section 15.105.

Sec. 46. Section 473.1, subsection 3, Code 2011, is amended to read as follows:

3. "*Director*" means the director of the ~~office~~ authority or a designee.

Sec. 47. Section 473.1, subsection 5, Code 2011, is amended by striking the subsection.

Sec. 48. REPEAL. Section 455B.851, Code 2011, is repealed.

Sec. 49. REPEAL. Chapter 469, Code 2011, is repealed.

Sec. 50. CODE EDITOR DIRECTIVE.

1. The Code editor is directed to change the words "office of energy independence" to "economic development authority" in Code sections 7D.34, 7D.35, 8A.362, 72.5, 103A.8, 103A.27, 159A.3, 159A.6B, 266.39C, 272C.2, 279.44, 323A.2, 441.21, 476.6, and 476.63.

2. The Code editor is directed to change the word "office" to "authority" in Code sections 470.3, 470.7, 473.7, 473.8, 473.10, 473.13A, 473.15, 473.19, 473.19A, 473.20, 473.20A, and 473.41.

Sec. 51. TRANSITION PROVISIONS — CONTINUATION OF GRANTS.

1. Any moneys remaining in any account or fund under the control of the office of energy independence on the effective date of this Act relative to the provisions of this Act shall be transferred to a comparable fund or account under the control of the economic development authority for such purposes. The board, as defined by section 15.102, may allocate an amount of repayments and recaptures for purposes of financial assistance or administrative costs of the economic development authority. Notwithstanding section 8.33, the moneys transferred in accordance with this subsection shall not revert to the account or fund from which appropriated or transferred.

2. Any license, permit, or contract issued or entered into by the office of energy independence relating to the provisions of this Act in effect on the effective date of this Act shall

continue in full force and effect pending transfer of such licenses, permits, or contracts to the authority.

3. Grants or loans awarded from the Iowa power fund pursuant to section 469.9 prior to the effective date of this Act shall continue as provided by the terms of the grants or loans and shall be administered by the authority.

4. Federal funds utilized by the director of the office of energy independence prior to the effective date of this Act to administer the provisions of a federal grant under the provisions of this Act shall be applicable to the authority for the same purposes.

5. If an employee of the office of energy independence is an employee covered under the collective bargaining provisions of chapter 20, then that employee shall also be covered under chapter 20 for purposes of employment with the authority.

Sec. 52. TRANSITION PROVISIONS — EMERGENCY

RULEMAKING. Not later than July 1, 2011, the economic development authority shall adopt administrative rules previously adopted by the office of energy independence relative to the provisions of this Act in existence on the effective date of this Act by emergency rulemaking pursuant to section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b". The rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4. Any rule, regulation, form, order, or directive promulgated by the office relative to the provisions of this Act shall continue in full force and effect until such emergency rules are adopted.

Sec. 53. EFFECTIVE UPON ENACTMENT. The sections of this division of this Act providing for emergency rulemaking, and repealing section 455B.851, being deemed of immediate importance, take effect upon enactment.

DIVISION IV

CONFORMING CHANGES

Sec. 54. Section 7E.5, subsection 1, paragraph g, Code 2011, is amended to read as follows:

g. The ~~Iowa department of economic development authority~~, created in section 15.105, which has primary responsibility for ~~programs for carrying out~~ ensuring that the economic development policies of the state are effectively and efficiently carried out.

Sec. 55. Section 15.327, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

Sec. 56. Section 15.327, subsection 5, Code 2011, is amended by striking the subsection.

Sec. 57. Section 15E.1, Code 2011, is amended to read as follows:

15E.1 Definition.

As used in this chapter, unless the context otherwise requires, ~~"department"~~ "authority" means the ~~Iowa department of economic development~~ authority created in section 15.105.

Sec. 58. Section 15E.64, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. The chairperson of the ~~Iowa economic development board~~ authority or a designee of the chairperson.

Sec. 59. Section 15E.64, subsection 3, Code 2011, is amended to read as follows:

3. After incorporation, the initial board of directors shall be elected by the members of an appointment committee. The members of the appointment committee shall be appointed by the ~~Iowa economic development board~~ authority. The initial board of directors shall consist of five members. The persons elected to the initial board of directors by the appointment committee shall include persons who have an expertise in the areas of the selection and supervision of investment managers or in the fiduciary management of investment funds, and other areas of expertise as deemed appropriate by the appointment committee. After the election of the initial board of directors, vacancies in the board of directors of the corporation shall be elected by the remaining directors of the corporation. Members of the board of directors shall be subject to any restrictions on conflicts of interest specified in the organizational documents and shall have no interest in any venture capital investment fund allocation manager selected by the corporation pursuant to the provisions of this division or in any investments made by the Iowa fund of funds.

Sec. 60. Section 15E.120, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 6. On the effective date of this Act, the economic development authority shall assume responsibility for the administration of this section.

Sec. 61. Section 15E.202, subsection 9, Code 2011, is

amended by striking the subsection.

Sec. 62. Section 15E.202, subsection 10, Code 2011, is amended to read as follows:

10. "Economic development board authority" or "authority" means the economic development ~~board~~ authority created pursuant to section ~~15.103~~ 15.105.

Sec. 63. Section 15E.206, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. ~~The chairperson~~ A member of the economic development ~~board~~ authority chosen by the members of the authority or a designee of the ~~chairperson~~ member.

Sec. 64. Section 15E.206, subsection 3, paragraphs a and d, Code 2011, are amended to read as follows:

a. After incorporation, such a corporation shall be organized by an initial board of directors as provided in chapter 490, division II. The initial board of directors shall be elected by the members of an appointment committee. The members of the appointment committee shall be appointed by the economic development ~~board~~ authority. The initial board of directors shall consist of seven members. The members of the appointment committee shall include persons who have an expertise in areas of banking, agricultural lending, business development, agricultural production and processing, seed and venture capital investment, and other areas of expertise as deemed appropriate by the interim board of directors.

d. The department shall assist the incorporators and the appointment committee in any manner determined necessary and appropriate by the economic development ~~board~~ authority and the director of the ~~department~~ authority in order to administer this section.

Sec. 65. Section 15E.208, subsection 3, paragraph b, subparagraph (2), subparagraph division (d), Code 2011, is amended to read as follows:

(d) Notwithstanding any provision of this division to the contrary, the corporation shall repay the department of economic development, or its successor entity, the principal balance of the Iowa agricultural industry finance loan beginning on October 1, 2007. The principal balance of the loan equals twenty-one million five hundred seventeen thousand two hundred thirty-nine dollars. The corporation shall repay the department of economic development, or its successor entity, five hundred seventeen thousand two hundred thirty-nine dollars by October 1, 2007, and for each subsequent

year the corporation shall repay the department, or its successor entity, at least one million dollars by October 1 until the total principal balance of the loan is repaid. This subparagraph ~~division~~ shall not be construed to limit the ~~department's~~ authority of the department of economic development, or its successor entity, to negotiate the payment of interest accruing on the principal balance which shall be paid ~~to the department~~ as provided by an agreement executed by the department of economic development and the corporation.

Sec. 66. Section 15E.208, subsection 4, paragraph c, Code 2011, is amended to read as follows:

c. A member of the economic development ~~board~~ authority, an employee of the ~~department of economic development~~ authority, an elected state official, or any director or other officer or an employee of the corporation.

Sec. 67. Section 15E.351, subsection 1, Code 2011, is amended to read as follows:

1. The ~~department~~ economic development authority shall establish and administer a business accelerator program to provide financial assistance for the establishment and operation of a business accelerator for technology-based, value-added agricultural, information solutions, alternative and renewable energy including the alternative and renewable energy sectors listed in section 476.42, subsection 1, paragraph "a", or advanced manufacturing start-up businesses or for a satellite of an existing business accelerator. The program shall be designed to foster the accelerated growth of new and existing businesses through the provision of technical assistance. The ~~department, subject to the approval of the economic development board,~~ authority may provide financial assistance under this section from moneys allocated for regional financial assistance pursuant to section 15G.111, subsection 9.

Sec. 68. Section 15F.101, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

Sec. 69. Section 15F.101, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 70. Section 15G.101, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

Sec. 71. Section 15G.101, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 72. Section 15G.101, subsection 6, Code 2011, is amended by striking the subsection.

Sec. 73. Section 15G.115, subsection 2, paragraph a, Code 2011, is amended by striking the paragraph.

Sec. 74. Section 15G.201, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105.

Sec. 75. Section 15G.201, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 76. Section 97B.1A, subsection 8, paragraph a, Code 2011, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (12) Persons employed by the economic development authority on or after July 1, 2011.

Sec. 77. Section 260F.2, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Authority" means the economic development authority created in section 15.105.

Sec. 78. Section 260F.2, subsection 4, Code 2011, is amended by striking the subsection.

Sec. 79. Section 260G.4C, Code 2011, is amended to read as follows:

260G.4C Facilitator.

The ~~department of~~ economic development authority shall administer the statewide allocations of program job credits to accelerated career education programs. The ~~department authority~~ shall provide information about the accelerated career education programs in accordance with its annual reporting requirements in section ~~15.104, subsection 8~~ 15.107B.

Sec. 80. Section 260G.6, subsection 4, Code 2011, is amended to read as follows:

4. In order to receive moneys pursuant to this section, a program agreement approved by the community college board of directors shall be in place, program capital cost requests shall be approved by the ~~Iowa economic development board~~ authority created in section ~~15.103~~ 15.105, program capital cost requests shall be approved or denied not later than sixty days following receipt of the request by the ~~department of~~ economic development authority, and employer contributions toward program capital costs shall be certified and agreed to in the agreement.

Sec. 81. Section 403.19A, subsection 2, Code 2011, is amended to read as follows:

2. *a.* An eligible city may apply ~~to the department of economic development to be designated~~ for designation as a pilot project city pursuant to this subsection. An eligible city is a city that contains three or more census tracts and is located in a county meeting one of the following requirements:

- (1) A county that borders Nebraska.
- (2) A county that borders South Dakota.
- (3) A county that borders a state other than Nebraska or South Dakota.

b. (1) The department of economic development shall approve four eligible cities as pilot project cities, one pursuant to paragraph "a", subparagraph (1), one pursuant to paragraph "a", subparagraph (2), and two pursuant to paragraph "a", subparagraph (3). If two eligible cities are approved which are located in the same county and the county has a population of less than forty-five thousand, the two approved eligible cities shall be considered one pilot project city. If more than two cities meeting the requirements of paragraph "a", subparagraph (3), apply to be designated as a pilot project city, the department of economic development shall determine which two cities hold the most potential to create new jobs or generate the greatest capital within their areas. Applications from eligible cities filed on or after October 1, 2006, shall not be considered.

(2) If a pilot project city does not enter into a withholding agreement within one year of its approval as a pilot project city, the city shall lose its status as a pilot project city. If two pilot project cities are located in the same county, the loss of status by one pilot project city shall not cause the second pilot project city in the county to lose its status as a pilot project city. Upon such occurrence, the department of economic development shall take applications from other eligible cities to replace that city. Another city shall be designated within six months.

(3) On the effective date of this Act, the economic development authority shall assume responsibility for the administration of this subsection.

Sec. 82. Section 496B.2, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Authority" means the economic development authority created in section 15.105, or any entity

which succeeds to the functions of the authority.

Sec. 83. Section 496B.2, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 84. CODE EDITOR DIRECTIVE. Sections 15.116, 15.247, 15.293A, 15.294, 15.335A, 15E.64, 15E.206, 15E.351, 15G.101, 68B.35, and 308.1, Code 2011, are amended as follows:

1. By striking from the sections the words "economic development board" and inserting in lieu thereof the words "economic development authority".

2. By striking from the sections the word "board", when referring to the economic development board, and inserting in lieu thereof the word "authority".

Sec. 85. CODE EDITOR DIRECTIVE. Sections 7C.4A, 7E.5, 8.6, 8.31, 12.38, 12.73, 15.108, 15.109, 15.115, 15.117A, 15.247, 15.273, 15.274, 15.293A, 15.294, 15.295, 15.313, 15.333, 15.335A, 15.393, 15.411, 15.421, 15A.9, 15E.17, 15E.19, 15E.64, 15E.116, 15E.117, 15E.192, 15E.193, 15E.193B, 15E.194, 15E.195, 15E.196, 15E.197, 15E.206, 15E.208, 15E.311, 15E.351, 15F.102, 15G.101, 15G.109, 15G.110, 15G.111, 15H.5, 15H.6, 16.100A, 16.135, 16.191, 19B.7, 22.7, 28I.8, 28J.28, 28L.1, 28N.2, 28N.3, 73.16, 73.17, 73.18, 73.19, 73.20, 84A.1A, 84A.5, 84A.6, 99F.6, 99F.11, 123.143, 123.183, 159.18, 159.20, 159A.3, 159A.6B, 184.6, 185.3, 185C.10, 231.51, 239B.8, 239B.17, 256.31, 256.39, 256.40, 260C.18A, 260F.6, 260F.6B, 260F.7, 260G.3, 260G.4B, 260G.4C, 260G.6, 262.34A, 262B.3, 268.4, 303.3B, 303.3C, 306D.2, 307.49, 307C.3, 321.19, 321.252, 335.8, 352.4, 368.9, 403.19A, 403.21, 403.22, 404A.4, 422.16A, 422.33, 427B.1, 455B.199B, 455B.433, 455E.11, 455J.6, 461A.79, 461A.80, 465A.2, 465B.3, 466B.3, 483A.24, 496B.3, 496B.6, 496B.12, 496B.17, Code 2011, are amendede as follows:

1. By striking from the sections the words "department of economic development" and inserting in lieu thereof the words "economic development authority".

2. By striking from the sections the words "Iowa department of economic development" and inserting in lieu thereof the words "economic development authority".

3. By striking from the sections the word "department", when referring to the department of economic development, and inserting in lieu thereof the word "authority".

Sec. 86. CODE EDITOR DIRECTIVE. Sections 15E.231, 15E.232, 15E.233, 15G.110, 15G.111, 15G.114, 15G.115, 159A.6B, 266.19, 455B.104, and 455B.433, Code 2011, are amended as follows:

1. By striking from the sections the words "grow Iowa

values fund" and inserting in lieu thereof the words "economic development fund".

2. By striking from the sections the words "grow Iowa values financial assistance program" and inserting in lieu thereof the words "economic development financial assistance program".

Sec. 87. CODE EDITOR DIRECTIVE.

1. To the extent not amended or identified by the provisions of this Act, the Code editor is directed to correct all internal references to the economic development board, the department of economic development, the director of the department of economic development, the grow Iowa values fund, and the grow Iowa values financial assistance program by replacing such references with references to the economic development authority, the director of the economic development authority, the economic development fund, and the economic development financial assistance program, as is appropriate to the context and to the extent that such corrections are in conformance with the intent of this Act.

2. The Code editor is also directed to correct in the same manner all similar references in any enacted Iowa Acts as necessary.

DIVISION V

INDUSTRIAL NEW JOBS TRAINING

Sec. 88. Section 260E.7, Code 2011, is amended to read as follows:

260E.7 ~~Department of economic development~~ Program review by economic development authority.

1. The ~~Iowa department of~~ economic development authority, in consultation with the department of education, the department of revenue, and the department of workforce development, shall coordinate and review the new jobs training program. The ~~Iowa department of~~ economic development authority shall adopt, amend, and repeal rules under chapter 17A that the community college will use in developing projects with new and expanding industrial new jobs training proposals and that the economic development authority shall use to review and report on the new jobs training program as required in this section.

2. a. The authority, in consultation with the community colleges participating in the new jobs training program pursuant to this chapter, shall identify the information necessary to effectively coordinate and review the program, and the community colleges shall provide such information to the authority. Using the information provided, the authority, in

consultation with the community colleges, shall issue a report on the effectiveness of the program.

b. In coordinating and reviewing the program, due regard shall be given to the confidentiality of certain information provided by the community colleges, and the authority shall comply with the provisions of section 15.118 to the extent that such provisions are applicable to the new jobs training program.

3. The ~~department~~ authority is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication.

DIVISION VI

CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

Sec. 89. EFFECTIVE DATE AND RETROACTIVE

APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2011, takes effect upon enactment and applies retroactively to July 1, 2011.



KRAIG PAULSEN

Speaker of the House



JOHN P. KIBBIE

President of the Senate

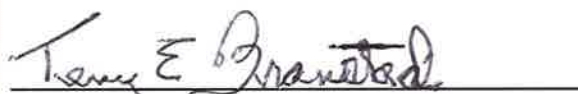
I hereby certify that this bill originated in the House and is known as House File 590, Eighty-fourth General Assembly.



W. CHARLES SMITHSON

Chief Clerk of the House

Approved July 18, 2011



TERRY E. BRANSTAD

Governor