

FILED MAR 8 1988

SENATE FILE 2309  
BY COMMITTEE ON APPROPRIATIONS  
*Approved (p. 692)*

Passed Senate, Date 3/16/88 (p. 846) Passed House, Date 3/30/88 (p. 1248)  
Vote: Ayes 42 Nays 2 Vote: Ayes 93 Nays 0

*Approved*  
*April 13, 1988*

A BILL FOR

1 An Act relating to and making appropriations to the department of  
2 economic development.

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

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SF 2309

1 Section 1. There is appropriated from the general fund of  
2 the state to the department of economic development for the  
3 fiscal year beginning July 1, 1988, and ending June 30, 1989,  
4 the following amounts, or so much thereof as is necessary, to  
5 be used for the purposes designated:

6 1. General administration

7 For salaries and support for not more than twenty-one point  
8 five full-time equivalent positions, maintenance, and other  
9 operational purposes:

10 ..... \$ 246,827

11 2. For tourism and promotion programs, including salaries  
12 and support for not more than fifteen full-time equivalent  
13 positions:

14 ..... \$ 926,533

15 3. For contracting exclusively for advertising for in-  
16 state and out-of-state tourism, tourism marketing, and tourism  
17 promotion programs for electronic media and printed materials:

18 ..... \$ 515,000

19 The department shall develop public-private partnerships  
20 with Iowa businesses in the tourism industry, Iowa tour  
21 groups, Iowa tourism organizations, and political subdivisions  
22 in this state to assist in the development of advertising  
23 efforts and to the fullest extent possible, match on a dollar-  
24 for-dollar basis, contributions from other sources to fund the  
25 advertising contracts.

26 4. For participation in the development, printing, and  
27 distribution of multistate regional tourism materials:

28 ..... \$ 5,000

29 5. For national marketing programs, including salaries and  
30 support for not more than thirteen point seventy-five full-  
31 time equivalent positions:

32 ..... \$ 770,623

33 6. For contracting exclusively for marketing and  
34 advertising contracts for out-of-state national marketing  
35 programs for electronic media and printed materials:

1 ..... \$ 190,000

2 The department shall develop public-private partnerships  
3 with Iowa businesses, Iowa business organizations, Iowa  
4 chambers of commerce, and political subdivisions in this  
5 state, to assist in the development of the marketing efforts  
6 and to the fullest extent possible, match on a dollar-for-  
7 dollar basis, contributions from other sources to fund the  
8 marketing contracts.

9 7. International trade programs

10 For salaries and support for not more than five point zero  
11 full-time equivalent positions, maintenance, and miscellaneous  
12 purposes:

13 ..... \$ 403,669

14 The department shall give attention to using a portion of  
15 these funds to contract and coordinate with international  
16 programs at Iowa colleges and universities to develop a  
17 network of trade contacts overseas through the use of alumni  
18 from Iowa colleges and universities.

19 8. For the operation and maintenance of the West German  
20 trade office, including salaries and support for not more than  
21 one point five full-time equivalent positions:

22 ..... \$ 195,350

23 9. For the operation and maintenance of the Hong Kong  
24 trade office, including salaries and support for not more than  
25 two point zero full-time equivalent positions:

26 ..... \$ 163,939

27 10. For the operation and maintenance of the Asian trade  
28 office, including salaries and support for not more than two  
29 point zero full-time equivalent positions:

30 ..... \$ 290,709

31 11. Agricultural product advisory council

32 For support, maintenance, and miscellaneous purposes:

33 ..... \$ 4,885

34 12. For small business programs, including salaries and  
35 support for not more than six point zero full-time equivalent

1 positions:

2 ..... \$ 342,094

3 13. For community progress programs, including salaries  
4 and support for not more than eight point five full-time  
5 equivalent positions:

6 ..... \$ 426,768

7 14. For additional and supplemental funding for the child  
8 care services program and the displaced homemakers program,  
9 including salaries and support for not more than zero point  
10 seventy-five full-time equivalent positions:

11 ..... \$ 727,272

12 15. Mississippi river parkway commission

13 For support, maintenance, and miscellaneous purposes:

14 ..... \$ 14,535

15 16. Community development block grant administration and  
16 related federal housing and urban development grant  
17 administration

18 For salaries and support for not more than thirteen point  
19 five full-time equivalent positions, maintenance, and  
20 miscellaneous purposes:

21 ..... \$ 55,509

22 17. Job training partnership Act: dislocated workers  
23 For salaries and support for not more than twenty-eight  
24 point five full-time equivalent positions, maintenance, and  
25 miscellaneous purposes:

26 ..... \$ 480,000

27 18. Iowa youth corps and youth services administration

28 For salaries and support for not more than two point zero  
29 full-time equivalent positions, maintenance, and miscellaneous  
30 purposes to develop and administer employment opportunities  
31 for youth:

32 ..... \$ 346,287

33 Sec. 2. 1987 Iowa Acts, chapter 233, section 301,  
34 subsection 9, is amended to read as follows:

35 9. Job training partnership Act: dislocated workers

1 For salaries and support for not more than twenty-eight  
2 point seven full-time equivalent positions, maintenance, and  
3 miscellaneous purposes ..... \$ 960,151

4 Notwithstanding section 8.33, funds appropriated under this  
5 subsection for the fiscal year beginning July 1, 1987, and  
6 ending June 30, 1988, shall not revert to the general fund of  
7 the state but shall remain available for expenditure in the  
8 fiscal year beginning July 1, 1988, and ending July 1, 1989.

9 Sec. 3. NEW SECTION. 15.235 AMBASSADOR'S PROGRAM  
10 ESTABLISHED.

11 The department shall administer, contingent upon the  
12 availability of funds authorized for the program, an  
13 ambassador's program as originally established pursuant to  
14 1986 Iowa Acts, chapter 1246, section 1, subsection 4.  
15 However, notwithstanding that Act, the program shall be  
16 administered to attract capital to be used by the department  
17 to develop a comprehensive national and state marketing  
18 program. Funds appropriated by the general assembly to  
19 support the program shall be matched on a dollar-for-dollar  
20 basis with capital provided by private sources. The program  
21 shall implement a statewide initiative that includes a toll-  
22 free number, billboards, displays in key business locations, a  
23 direct marketing program, a "trade and marketing institute",  
24 and an "invest in Iowa" program. The department shall secure  
25 the necessary private participation from groups and  
26 organizations most appropriate for any particular function.  
27 In-kind expenditures from the private sector may be considered  
28 as a portion of the dollar-for-dollar match.

29 Sec. 4. The department shall honor a contract executed  
30 prior to the effective date of this Act under the ambassador's  
31 program established pursuant to 1986 Iowa Acts, chapter 1246,  
32 section 1, subsection 4, as amended by 1987 Iowa Acts, chapter  
33 233, section 303. However, the department shall not extend  
34 the date that a contract executed under either Act terminates,  
35 if the contract is not allowed under section 15.235, and the

1 department shall not execute a contract or begin or continue  
2 an initiative allowed under either Act but not allowed under  
3 section 15.235, unless discontinuing the initiative involves a  
4 breach of contract.

5 Sec. 5. Notwithstanding section 8.33, funds appropriated  
6 under 1986 Iowa Acts, chapter 1246, section 1, subsection 4,  
7 as amended by 1987 Iowa Acts, chapter 233, section 303, shall  
8 not revert to the general fund of the state but shall remain  
9 available for expenditure by the department to administer  
10 section 15.235 for the fiscal year beginning July 1, 1988, and  
11 ending June 30, 1989.

12 Sec. 6. 1987 Iowa Acts, chapter 233, section 305, is  
13 amended to read as follows:

14 SEC. 305. Notwithstanding section 8.33, moneys  
15 appropriated pursuant to 1986 Iowa Acts, chapter 1246, section  
16 1, subsection 6, not in excess of five hundred thousand  
17 (500,000) dollars to the department of economic development  
18 for the establishment and maintenance of an export finance  
19 program for the fiscal year beginning July 1, 1986, and ending  
20 June 30, 1987, which remain unexpended or unencumbered shall  
21 carry forward to the fiscal year beginning July 1, 1987, and  
22 ending June 30, 1988, to be used for the same purpose as  
23 originally appropriated. On June 30, 1988, the unobligated  
24 funds up to five hundred thousand (500,000) dollars shall be  
25 transferred for the general administration of the department  
26 of economic development as provided in section 1, subsection  
27 1, of this Act.

28 Sec. 7. All federal grants to and federal receipts of the  
29 agencies appropriated under this Act are appropriated for the  
30 purposes set forth in such federal grants and receipts unless  
31 otherwise provided by the general assembly.

32 EXPLANATION

33 The bill appropriates funds to the department of economic  
34 development for the fiscal year beginning July 1, 1988, and  
35 ending June 30, 1989.

SIMILAR TO LSB 8269SC

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LSB 8269SV 72

da/sc/14

SENATE FILE 2309

S-5415

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 1, line 10, by striking the figure
- 3 "246,827" and inserting the following: "746,827".
- 4 2. Page 1, line 18, by striking the figure
- 5 "515,000" and inserting the following: "1,303,000".
- 6 3. Page 2, line 1, by striking the figure
- 7 "190,000" and inserting the following: "1,397,000".
- 8 4. Page 5, by striking lines 12 through 27.
- 9 5. By renumbering as necessary.

S-5415

Filed March 16, 1988

LOST

BY JACK RIFE

~~Adopted~~ 3/16 (p 844)  
~~Lost~~

SENATE FILE 2309

S-5416

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 1, line 30, by striking the word
- 3 "thirteen" and inserting the following: "twelve".
- 4 2. Page 1, line 32, by striking the figure
- 5 "770,623" and inserting the following: "716,623".
- 6 3. Page 1, by inserting after line 32 the
- 7 following:
- 8 "\_\_\_\_\_ For the operation and maintenance of the
- 9 film office, including salaries and support for not
- 10 more than one full-time equivalent position:
- 11 ..... \$ 114,000".
- 12 4. Page 3, line 32, by striking the figure
- 13 "346,287" and inserting the following: "286,287".

S-5416

Filed March 16, 1988

ADOPTED

BY JACK RIFE

SENATE FILE 2309

S-5418

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 1, line 10, by striking the figure
- 3 "246,827" and inserting the following: "266,827".
- 4 2. Page 5, line 24, by striking the words "five
- 5 hundred" and inserting the following: "four hundred
- 6 eighty".
- 7 3. Page 5, line 24, by striking the figure
- 8 "(500,000)" and inserting the following: "(480,000)".

S-5418

Filed March 16, 1988

ADOPTED

BY LEONARD BOSWELL

Adopted 3/16 (p 844)



SENATE FILE 2309

S 5395

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 1, line 18, by striking the figure
- 3 "515,000" and inserting the figure "510,000".
- 4 2. Page 3, line 14, by striking the figure
- 5 "14,535" and inserting the figure "19,535".

S-5395

Filed March 16, 1988

LOST

BY EDGAR H. HOLDEN

~~adopted~~ 3/16 (p844)  
LOST

SENATE FILE 2309

S-5401

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 1, line 25, by inserting after the word
- 3 "contracts." the following: "A contracted
- 4 advertisement shall not directly refer to or contain
- 5 the personal appearance or representation of any
- 6 elected state official."
- 7 2. Page 2, line 8, by inserting after the word
- 8 "contracts." the following: "An advertisement under
- 9 the marketing contract shall not directly refer to or
- 10 contain the personal appearance or representation of
- 11 any elected state official."
- 12 3. Page 4, line 24, by inserting after the word
- 13 "program." the following: "An advertisement or
- 14 display shall not directly refer to or contain the
- 15 personal appearance or representation of any elected
- 16 state official."

S-5401

Filed March 16, 1988

ADOPTED

BY MICHAEL E. GRONSTAL

adopted 3/16 (p845)

SENATE FILE 2309

S-5411

- 1 Amend Senate File 2309 as follows:
- 2 1. Page 5, line 24, by striking the words "five
- 3 hundred" and inserting the following: "four hundred
- 4 eighty".
- 5 2. Page 5, line 24, by striking the figure
- 6 "(500,000)" and inserting the following: "(480,000)".

S-5411

Filed March 16, 1988

OUT OF ORDER

BY LEONARD BOSWELL

subd o/o 3/16 (p846)



1 Section 1. There is appropriated from the general fund of  
2 the state to the department of economic development for the  
3 fiscal year beginning July 1, 1988, and ending June 30, 1989,  
4 the following amounts, or so much thereof as is necessary, to  
5 be used for the purposes designated:

6 1. General administration

7 For salaries and support for not more than twenty-one point  
8 five full-time equivalent positions, maintenance, and other  
9 operational purposes:

10 ..... \$ 266,827

11 2. For tourism and promotion programs, including salaries  
12 and support for not more than fifteen full-time equivalent  
13 positions:

14 ..... \$ 926,533

15 3. For contracting exclusively for advertising for in-  
16 state and out-of-state tourism, tourism marketing, and tourism  
17 promotion programs for electronic media and printed materials:

18 ..... \$ 515,000

19 The department shall develop public-private partnerships  
20 with Iowa businesses in the tourism industry, Iowa tour  
21 groups, Iowa tourism organizations, and political subdivisions  
22 in this state to assist in the development of advertising  
23 efforts and to the fullest extent possible, match on a dollar-  
24 for-dollar basis, contributions from other sources to fund the  
25 advertising contracts. A contracted advertisement shall not  
26 directly refer to or contain the personal appearance or  
27 representation of any elected state official.

28 4. For participation in the development, printing, and  
29 distribution of multistate regional tourism materials:

30 ..... \$ 5,000

31 5. For national marketing programs, including salaries and  
32 support for not more than twelve point seventy-five full-time  
33 equivalent positions:

34 ..... \$ 715,623

35 6. For the operation and maintenance of the

1 film office, including salaries and support for not  
2 more than one full-time equivalent position:

3 ..... \$ 114,000

4 7. For contracting exclusively for marketing and  
5 advertising contracts for out-of-state national marketing  
6 programs for electronic media and printed materials:

7 ..... \$ 190,000

8 The department shall develop public-private partnerships  
9 with Iowa businesses, Iowa business organizations, Iowa  
10 chambers of commerce, and political subdivisions in this  
11 state, to assist in the development of the marketing efforts  
12 and to the fullest extent possible, match on a dollar-for-  
13 dollar basis, contributions from other sources to fund the  
14 marketing contracts. An advertisement under the marketing  
15 contract shall not directly refer to or contain the personal  
16 appearance or representation of any elected state official.

17 8. International trade programs

18 For salaries and support for not more than five point zero  
19 full-time equivalent positions, maintenance, and miscellaneous  
20 purposes:

21 ..... \$ 403,669

22 The department shall give attention to using a portion of  
23 these funds to contract and coordinate with international  
24 programs at Iowa colleges and universities to develop a  
25 network of trade contacts overseas through the use of alumni  
26 from Iowa colleges and universities.

27 9. For the operation and maintenance of the West German  
28 trade office, including salaries and support for not more than  
29 one point five full-time equivalent positions:

30 ..... \$ 195,350

31 10. For the operation and maintenance of the Hong Kong  
32 trade office, including salaries and support for not more than  
33 two point zero full-time equivalent positions:

34 ..... \$ 163,939

35 11. For the operation and maintenance of the Asian trade

1 office, including salaries and support for not more than two  
2 point zero full-time equivalent positions:  
3 ..... \$ 290,769  
4 12. Agricultural product advisory council  
5 For support, maintenance, and miscellaneous purposes:  
6 ..... \$ 4,885  
7 13. For small business programs, including salaries and  
8 support for not more than six point zero full-time equivalent  
9 positions:  
10 ..... \$ 342,094  
11 14. For community progress programs, including salaries  
12 and support for not more than eight point five full-time  
13 equivalent positions:  
14 ..... \$ 426,768  
15 15. For additional and supplemental funding for the child  
16 care services program and the displaced homemakers program,  
17 including salaries and support for not more than zero point  
18 seventy-five full-time equivalent positions:  
19 ..... \$ 727,272  
20 16. Mississippi river parkway commission  
21 For support, maintenance, and miscellaneous purposes:  
22 ..... \$ 14,535  
23 17. Community development block grant administration and  
24 related federal housing and urban development grant  
25 administration  
26 For salaries and support for not more than thirteen point  
27 five full-time equivalent positions, maintenance, and  
28 miscellaneous purposes:  
29 ..... \$ 55,509  
30 18. Job training partnership Act: dislocated workers  
31 For salaries and support for not more than twenty-eight  
32 point five full-time equivalent positions, maintenance, and  
33 miscellaneous purposes:  
34 ..... \$ 480,000  
35 19. Iowa youth corps and youth services administration

1 For salaries and support for not more than two point zero  
2 full-time equivalent positions, maintenance, and miscellaneous  
3 purposes to develop and administer employment opportunities  
4 for youth:

5 ..... \$ 286,287

6 Sec. 2. 1987 Iowa Acts, chapter 233, section 301,  
7 subsection 9, is amended to read as follows:

8 9. Job training partnership Act: dislocated workers

9 For salaries and support for not more than twenty-eight  
10 point seven full-time equivalent positions, maintenance, and  
11 miscellaneous purposes ..... \$ 960,151

12 Notwithstanding section 8.33, funds appropriated under this  
13 subsection for the fiscal year beginning July 1, 1987, and  
14 ending June 30, 1988, shall not revert to the general fund of  
15 the state but shall remain available for expenditure in the  
16 fiscal year beginning July 1, 1988, and ending July 1, 1989.

17 Sec. 3. NEW SECTION. 15.235 AMBASSADOR'S PROGRAM  
18 ESTABLISHED.

19 The department shall administer, contingent upon the  
20 availability of funds authorized for the program, an  
21 ambassador's program as originally established pursuant to  
22 1986 Iowa Acts, chapter 1246, section 1, subsection 4.  
23 However, notwithstanding that Act, the program shall be  
24 administered to attract capital to be used by the department  
25 to develop a comprehensive national and state marketing  
26 program. Funds appropriated by the general assembly to  
27 support the program shall be matched on a dollar-for-dollar  
28 basis with capital provided by private sources. The program  
29 shall implement a statewide initiative that includes a toll-  
30 free number, billboards, displays in key business locations, a  
31 direct marketing program, a "trade and marketing institute",  
32 and an "invest in Iowa" program. An advertisement or display  
33 shall not directly refer to or contain the personal appearance  
or representation of any elected state official. The  
34 department shall secure the necessary private participation

1 from groups and organizations most appropriate for any  
2 particular function. In-kind expenditures from the private  
3 sector may be considered as a portion of the dollar-for-dollar  
4 match.

5 Sec. 4. The department shall honor a contract executed  
6 prior to the effective date of this Act under the ambassador's  
7 program established pursuant to 1986 Iowa Acts, chapter 1246,  
8 section 1, subsection 4, as amended by 1987 Iowa Acts, chapter  
9 233, section 303. However, the department shall not extend  
10 the date that a contract executed under either Act terminates,  
11 if the contract is not allowed under section 15.235, and the  
12 department shall not execute a contract or begin or continue  
13 an initiative allowed under either Act but not allowed under  
14 section 15.235, unless discontinuing the initiative involves a  
15 breach of contract.

16 Sec. 5. Notwithstanding section 8.33, funds appropriated  
17 under 1986 Iowa Acts, chapter 1246, section 1, subsection 4,  
18 as amended by 1987 Iowa Acts, chapter 233, section 303, shall  
19 not revert to the general fund of the state but shall remain  
20 available for expenditure by the department to administer  
21 section 15.235 for the fiscal year beginning July 1, 1988, and  
22 ending June 30, 1989.

23 Sec. 6. 1987 Iowa Acts, chapter 233, section 305, is  
24 amended to read as follows:

25 SEC. 305. Notwithstanding section 8.33, moneys  
26 appropriated pursuant to 1986 Iowa Acts, chapter 1246, section  
27 1, subsection 6, not in excess of five hundred thousand  
28 (500,000) dollars to the department of economic development  
29 for the establishment and maintenance of an export finance  
30 program for the fiscal year beginning July 1, 1986, and ending  
31 June 30, 1987, which remain unexpended or unencumbered shall  
32 carry forward to the fiscal year beginning July 1, 1987, and  
33 ending June 30, 1988, to be used for the same purpose as  
34 originally appropriated. On June 30, 1988, the unobligated  
35 funds up to four hundred eighty thousand (480,000) dollars

1 shall be transferred for the general administration of the  
2 department of economic development as provided in section 1,  
3 subsection 1, of this Act.

4 Sec. 7. All federal grants to and federal receipts of the  
5 agencies appropriated under this Act are appropriated for the  
6 purposes set forth in such federal grants and receipts unless  
7 otherwise provided by the general assembly.

8 SIMILAR TO LSB 8269SC

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SENATE FILE 2309

H-5953

1 Amend the Committee amendment, H-5842, to Senate  
2 File 2309, as amended, passed, and reprinted by the  
3 Senate, as follows:  
4 1. Page 1, by inserting after line 26 the  
5 following:  
6 "\_\_\_\_. Page 6, by inserting after line 3 the  
7 following:  
8 "Sec. \_\_\_\_\_. 1987 Iowa Acts, chapter 233, section  
9 309, is amended to read as follows:  
10 SEC. 309. Notwithstanding section 28.120,  
11 subsection 6, twenty percent of the loan repayments  
12 received by the department of economic development  
13 under that section shall be deposited in the revolving  
14 loan fund to operate the self-employment loan program  
15 as established in section 15.241. Not more than  
16 twenty-five percent of the funds may be used to  
17 administer the program, and not less than fifty  
18 percent of the grants or loans provided under the  
19 program shall go to targeted small businesses as  
20 defined in section 15.102. It is the intent of the  
21 general assembly that the department of economic  
22 development coordinate the activity of the self-  
23 employment loan program with the small business  
24 development centers, satellite centers, area community  
25 colleges, and other technical assistance providers,  
26 and with the self-sufficiency programs established in  
27 1987 Iowa Acts, House File 671, under the department  
28 of human rights and the department of human services.  
29 The department of economic development may use up to  
30 fifty thousand dollars from the self-employment loan  
31 program revolving fund for purposes of the case  
32 management assistance program established pursuant to  
33 House File 2416, if enacted."

By CONNOLLY of Dubuque

H-5953 FILED MARCH 28, 1988

*w/d 3/30 (p. 1235)*

SENATE FILE 2309

H-6032

1 Amend Senate File 2309, as amended, passed, and re-  
2 printed by the Senate, as follows:  
3 1. Page 2, by inserting after line 21 the  
4 following:  
5 "Of the amount appropriated by this subsection, the  
6 department may provide to small businesses, as defined  
7 by the United States small business administration,  
8 financial assistance to defray costs incurred by the  
9 businesses participating in foreign trade shows,  
10 missions, seminars, or related activities sponsored by  
11 the United States department of commerce or by the  
12 department of economic development."

By RUNNING of Linn

H-6032 FILED MARCH 29, 1988

*Adopted as amended by 6060  
3/30 (p. 1234)*

REFORMATTED

SENATE FILE 2309

H-5842

1 Amend Senate File 2309 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 18, the  
4 following:

5 "Of the funds appropriated in this subsection  
6 thirty thousand (30,000) dollars shall be used for the  
7 promotion of state-owned historic attractions and  
8 thirty thousand (30,000) dollars shall be used for the  
9 promotion of other cultural attractions as determined  
10 by the department of cultural affairs."

11 2. Page 1, by striking lines 25 through 27 and  
12 inserting the following: "advertising contracts."

13 3. Page 2, by striking lines 14 through 16 and  
14 inserting the following: "marketing contracts."

15 4. Page 4, by inserting after line 5, the  
16 following:

17 "20. Iowa finance authority.

18 For the housing trust fund program, to be deposited  
19 in the housing trust fund and to be used for the grant  
20 program for the homeless for the construction,  
21 rehabilitation, or expansion of group home shelter for  
22 the homeless:

23 ..... \$ 100,000".

24 5. Page 4, by striking lines 32 through 34 and  
25 inserting the following: "and an "invest in Iowa"  
26 program. The".

By COMMITTEE ON APPROPRIATIONS  
JOCHUM of Dubuque, Chairperson

H-5842 FILED MARCH 23, 1988

*Adopted 3/30/88 (p. 1232)*

SENATE FILE 2309

H-5989

1 Amend Senate File 2309, as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 4, by inserting before line 6 the  
4 following:

5 "\_\_\_\_. Iowa promotion

6 For advertising and promotional marketing:

7 ..... \$ 3,000,000".

By CORBETT of Linn

H-5989 FILED MARCH 28, 1988

*Lost 3/30 (p. 1235)*

SENATE FILE 2309

H-5990

1 Amend Senate File 2309, as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 4, by inserting before line 6 the  
4 following:

5 "\_\_\_\_. Iowa promotion

6 For advertising and promotional marketing:

7 ..... \$2,000,000".

By LUNDBY of Linn

H-5990 FILED MARCH 28, 1988

*Lost 3/30 (p. 1235)*

## SENATE FILE 2309

H-6046

1 Amend Senate File 2309, as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 4, by inserting after line 16 the  
4 following:

5 "Sec. \_\_\_\_\_. Section 10A.104, Code 1987, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. 8. Establish by rule standards  
8 and procedures for certifying that targeted small  
9 businesses are eligible to participate in the  
10 procurement set-aside program established in sections  
11 73.15 through 73.21. The procedure for determination  
12 of eligibility shall not include self-certification by  
13 a business. Rules and guidelines adopted pursuant to  
14 this subsection are subject to review and approval by  
15 the director of the department of management. The  
16 director shall maintain a current directory of  
17 targeted small businesses which have been certified  
18 pursuant to this subsection.

19 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
20 c, subparagraph (4), Code Supplement 1987, is amended  
21 by striking the subparagraph.

22 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
23 g, subparagraph (1), Code Supplement 1987, is amended  
24 to read as follows:

25 (1) Developing a uniform small business vendor  
26 application form which can be adopted by all agencies  
27 and departments of state government to identify small  
28 businesses and targeted small businesses which desire  
29 to sell goods and services to the state. This form  
30 shall also contain information which can be used to  
31 determine certification as a targeted small business  
32 pursuant to ~~paragraph "e", subparagraph (4)~~ section  
33 10A.104, subsection 8.

34 Sec. \_\_\_\_\_. Section 15.110, Code Supplement 1987, is  
35 amended to read as follows:

36 15.110 TARGETED SMALL BUSINESS LOAN AND EQUITY  
37 GRANT PROGRAM.

38 A targeted small business loan and equity grant  
39 program is established within the Iowa department of  
40 economic development. The director shall adopt rules  
41 establishing the standards and procedures for  
42 distributing grants, providing loans, buying down the  
43 interest on loans, or buying down the principal on  
44 loans for newly created small businesses. The total  
45 amount of assistance to any one business shall not  
46 exceed five thousand dollars. Standards shall give  
47 top priority to applicants who establish targeted  
48 small businesses in industries or fields for which no  
49 targeted small business has been certified pursuant to  
50 ~~section 15.108, subsection 7, paragraph "e",~~

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1 subparagraph-(4) 10A.104, subsection 8.  
 2 Sec. \_\_\_\_\_. Section 73.16, subsection 2, Code 1987,  
 3 is amended to read as follows:  
 4 2. The director of each agency or department of  
 5 state government having purchasing authority shall  
 6 designate and set aside for awarding to certified  
 7 targeted small businesses identified pursuant to  
 8 section ~~15.108, subsection 7, paragraph "e"~~ 10A.104,  
 9 subsection 8, at least two percent, and should set a  
 10 goal of up to ten percent, of the value of anticipated  
 11 procurements of goods and services, including  
 12 construction, but not including utility services, each  
 13 fiscal year. The director of each department and  
 14 agency of state government shall cooperate with the  
 15 director of the department of inspections and appeals,  
 16 the director of the department of economic development  
 17 and the director of the department of management and  
 18 do all acts necessary to carry out the provisions of  
 19 this division.

20 Sec. \_\_\_\_\_. Section 73.18, Code 1987, is amended to  
 21 read as follows:

22 73.18 NOTICE OF SOLICITATION FOR BIDS --  
 23 IDENTIFICATION OF TARGETED SMALL BUSINESSES.

24 The director of each agency or department releasing  
 25 a solicitation for bids or request for proposal under  
 26 the set-aside program shall notify the director of the  
 27 department of economic development prior to or upon  
 28 release of the solicitation. The director of the  
 29 department of economic development shall notify the  
 30 soliciting agency or department of any targeted small  
 31 businesses which have been certified pursuant to  
 32 section ~~15.108, subsection 7, paragraph "c"~~,  
 33 subparagraph-(4) 10A.104, subsection 8, and which may  
 34 be qualified to bid."

35 2. Page 6, by inserting after line 3 the  
 36 following:

37 "Sec. \_\_\_\_\_. The director of the department of  
 38 inspections and appeals shall maintain the directory  
 39 of targeted small businesses which have been certified  
 40 prior to the effective date of this Act pursuant to  
 41 section 15.108, subsection 7, paragraph "c", subpara-  
 42 graph (4). Businesses certified by the department of  
 43 economic development prior to the effective date of  
 44 this Act shall remain certified unless decertified."

45 3. Title page, line 2, by inserting after the  
 46 word "development" the following: "and providing for  
 47 the transfer of certain duties".

48 4. By renumbering as necessary.

By BRAMMER of Linn

## SENATE FILE 2309

H-6048

1 Amend Senate File 2309, as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 4, by inserting after line 5 the  
4 following:

5 "Sec. \_\_\_\_\_. Notwithstanding section 8.33, moneys  
6 credited to the loan reserve account and  
7 administrative account established under section  
8 220.111 shall not revert to the general fund of the  
9 state but shall be appropriated for the fiscal year  
10 beginning July 1, 1988, and ending June 30, 1989, to  
11 the department of economic development to provide case  
12 management assistance to low-income persons for the  
13 purpose of establishing or expanding small business  
14 ventures."

15 2. Page 4, by inserting after line 16 the fol-  
16 lowing:

17 "Sec. \_\_\_\_\_. Section 12.43, subsection 1, Code  
18 Supplement 1987, is amended to read as follows:

19 1. "Targeted small business" means a business as  
20 defined in section ~~220.111~~ 15.111, subsection 1.

21 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
22 c, unnumbered paragraph 1; subparagraph (2); and  
23 subparagraph (5), unnumbered paragraph 1, Code  
24 Supplement 1987, are amended to read as follows:

25 Aid in the development and implementation of the  
26 Iowa targeted small business procurement Act  
27 established in sections 73.15 through 73.21 and the  
28 targeted small business loan guarantee program of the  
29 Iowa finance authority established in section ~~220.111~~  
30 15.111. The duties of the director under this  
31 paragraph include the following:

32 (2) The director, in conjunction with the director  
33 of the department of management, shall publicize the  
34 loan guarantee program ~~of the Iowa finance authority~~  
35 established in section 15.111 to targeted small  
36 businesses.

37 (5) The director shall submit an annual report to  
38 the governor and the general assembly relating  
39 progress toward realizing the goals and objectives of  
40 the procurement set-aside program and the loan  
41 guarantee program ~~of the Iowa finance authority~~  
42 established in section 15.111 during the preceding  
43 fiscal year. The ~~Iowa finance authority and the~~  
44 director of the department of management shall assist  
45 in compiling the data to be included in the report.  
46 The report shall include the following information:

47 Sec. \_\_\_\_\_. NEW SECTION. 15.111 TARGETED SMALL  
48 BUSINESS LOAN GUARANTEE PROGRAM.

49 1. As used in this section, "small business" and  
50 "targeted small business" means the same as defined in

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Page 2

1 section 15.102, subsections 4 and 5.

2 2. The department shall operate, contingent upon  
3 the availability of funds authorized for the program,  
4 the targeted small business loan guarantee program  
5 originally established by the housing finance  
6 authority, to provide for guarantees with respect to  
7 loans made to beginning and existing targeted small  
8 businesses. The program shall provide guarantees not  
9 to exceed seventy-five percent for loans made by  
10 qualified lenders. The department shall establish a  
11 loan reserve account from funds provided for this  
12 program, from which any default on a guaranteed loan  
13 under this section shall be paid. In administering  
14 the program the department shall not guarantee loan  
15 values in excess of the amount credited to the reserve  
16 account and only moneys set aside in the loan reserve  
17 account may be used for the payment of a default.

18 3. All moneys designated for the targeted small  
19 business loan guarantee program shall be credited to  
20 the loan reserve account. The department shall also  
21 establish an administrative account from which the  
22 operating costs of the program shall be paid. The  
23 department may transfer moneys between the reserve and  
24 the administrative accounts. The department shall  
25 determine what is the actuarially sound reserve  
26 requirement for the amount of guaranteed loans  
27 outstanding.

28 4. A default is not eligible for payment until the  
29 lender has satisfied all administrative and legal  
30 remedies for settlement of the loan and the loan has  
31 been reduced to judgment by the lender. After the  
32 default has been reduced to judgment and the guarantee  
33 paid from the loan reserve account, the department, on  
34 behalf of the state, is entitled to an assignment of  
35 the judgment. The attorney general shall take all  
36 appropriate action to enforce the judgment or may  
37 enter into an agreement with the lender to provide for  
38 enforcement. Upon collection of the amount  
39 guaranteed, any excess collected shall be paid to the  
40 lender.

41 5. The director, in conjunction with the director  
42 of the department of management, may organize one or  
43 more advisory groups composed of representatives of  
44 women, minority persons, the business and financial  
45 community, and others interested in the loan guarantee  
46 program to serve on a volunteer basis in advising the  
47 department concerning the implementation of this  
48 section. The department shall consult with the  
49 director of the department of management to determine  
50 whether targeted small businesses which have expressed

1 an interest in doing business with agencies of state  
2 government under the provisions of sections 73.15  
3 through 73.21 should be considered for application for  
4 guarantees under this section.

5 6. The department may require an applicant for a  
6 loan guarantee under this section to consult with a  
7 designated small business assistance program as  
8 described in section 15.108, subsection 7, paragraph  
9 "c", subparagraph (3), prior to approval of the loan  
10 guarantee.

11 7. The department shall adopt rules as necessary  
12 for the administration of the loan guarantee program  
13 under this section. Rules and guidelines adopted  
14 pursuant to this section are subject to review and  
15 approval by the director of the department of  
16 management.

17 8. The general assembly is not obligated to  
18 appropriate any moneys to pay for any defaults or to  
19 appropriate any moneys to be credited to the loan  
20 reserve account. The loan guarantee program does not  
21 obligate the state except to the extent provided in  
22 this section, and the department in administering the  
23 program shall not give or lend the credit of the state  
24 of Iowa.

25 9. Notwithstanding any other provision, the  
26 department may use uncommitted moneys in the loan  
27 reserve account and the administrative account for  
28 purposes of the case management assistance program  
29 established pursuant to House File 2416, if enacted by  
30 the Seventy-second General Assembly, 1988 Session."

31 3. Page 6, inserting after line 7 the following:  
32 "Sec. \_\_\_\_ . Section 220.111, Code 1987, is  
33 repealed.

34 Sec. \_\_\_\_ . The targeted small business loan  
35 guarantee program in operation under section 220.111  
36 prior to that section's repeal shall be transferred to  
37 the department of economic development upon repeal of  
38 section 220.111. Any rules, regulation, order, or  
39 guideline established by the Iowa finance authority  
40 pursuant to section 220.111 and in effect on the  
41 effective date of this Act shall continue in full  
42 force and effect until amended, repealed, or  
43 supplemented by affirmative action of the department  
44 of economic development. All guarantees made under  
45 section 220.111 shall be maintained by the department  
46 of economic development under the transferred program  
47 under section 15.111."

48 4. Title page, line 2, by inserting after the  
49 word "development" the following: ", transferring  
50 administration of a program, and providing an

1 effective date".

2 5. By renumbering as necessary.

By NEUHAUSER of Johnson  
SWARTZ of Marshall

## SENATE FILE 2309

H-6037

1 Amend Senate File 2309, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, by inserting after line 14 the  
4 following:  
5 "The department shall evaluate the feasibility of  
6 providing financial and nonfinancial assistance to  
7 local and regional tourism organizations to promote  
8 local and regional tourism and recreational  
9 attractions and sites at the Iowa state fair, and to  
10 educate residents of this state and out-of-state  
11 visitors about the significant number of tourism and  
12 recreational attractions and sites within the state.  
13 The department shall consult with regional tourism  
14 councils and local tourism organizations to evaluate  
15 the type, extent, and effectiveness of providing  
16 financial and nonfinancial assistance programs. The  
17 department shall report the recommendations, findings,  
18 and conclusions resulting from the evaluation to the  
19 governor's office and the general assembly on or  
20 before February 15, 1989."

By RUNNING of Linn

H-6037 FILED MARCH 29, 1988

*Adopted 3/30 (S. 1233)*

## SENATE FILE 2309

H-6043

1 Amend Senate File 2309, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 12, by inserting after the word  
4 "fifteen" the following: "point five".

By CORBETT of Linn

H-6043 FILED MARCH 29, 1988



## SENATE FILE 2309

H-6118

1 Amend the amendment, H-6048, to Senate File 2309,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by inserting after line 2, the  
5 following:

6 "\_\_\_\_. Page 3, line 8, by striking the word "six"  
7 and inserting the following: "five".

8 \_\_\_\_\_. Page 3, by inserting after line 10, the  
9 following:

10 "Of this amount thirty-three thousand (33,000)  
11 dollars shall be transferred to the department of  
12 inspections and appeals to support not more than one  
13 full-time equivalent position for the purpose of  
14 certifying targeted small businesses established  
15 pursuant to section 10A.104, subsection 8, as enacted  
16 by this Act."

17 2. Page 1, by striking lines 3 through 14.

18 3. Page 1, line 22, by striking the figure "1;"  
19 and inserting the following: "1,".

20 4. Page 1, line 22, by striking the figure "(2);"  
21 and inserting the following: "(2),".

22 5. Page 1, line 28, by striking the words "loan  
23 guarantee" and inserting the following: "~~loan~~  
24 guarantee financial assistance".

25 6. Page 1, line 34, by striking the words "loan  
26 guarantee" and inserting the following: "~~loan~~  
27 guarantee financial assistance".

28 7. Page 1, lines 40 and 41, by striking the words  
29 "loan guarantee" and inserting the following: "~~loan~~  
30 guarantee financial assistance".

31 8. By striking page 1, line 47 through page 3,  
32 line 30, and inserting the following:

33 "Sec. \_\_\_\_\_. Section 12.43, subsections 1 and 2,  
34 Code Supplement 1987, are amended to read as follows:

35 1. "Targeted small business" means a business as  
36 defined in section ~~220-111~~ 15.102, subsection ~~1~~ 5.

37 2. A linked deposit shall only be approved in  
38 connection with a loan application for a targeted  
39 small business which has been certified pursuant to  
40 section ~~15-108~~ 10A.104, subsection ~~7~~ 8-paragraph-"c",  
41 subparagraph-(4).

42 Sec. \_\_\_\_\_. NEW SECTION. 15.111 TARGETED SMALL  
43 BUSINESS FINANCIAL ASSISTANCE PROGRAM.

44 1. As used in this section, "small business" and  
45 "targeted small business" mean the same as defined in  
46 section 15.102, subsections 4 and 5.

47 2. The department shall establish, contingent upon  
48 the availability of funds authorized for the program,  
49 a targeted small business financial assistance  
50 program, to provide for loans, loan guarantees, or

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Page Two

1 grants to targeted small businesses. A targeted small  
2 business in any year shall receive under this program  
3 not more than twenty-five thousand dollars in a loan  
4 or grant, and not more than forty thousand dollars in  
5 a guarantee, or a combination of loans, grants, or  
6 guarantees. The program shall provide guarantees not  
7 to exceed seventy-five percent for loans made by  
8 qualified lenders. The department shall establish a  
9 financial assistance reserve account from funds  
10 provided for this program, from which any default on a  
11 guaranteed loan under this section shall be paid. In  
12 administering the program the department shall not  
13 guarantee loan values in excess of the amount credited  
14 to the reserve account and only moneys set aside in  
15 the loan reserve account may be used for the payment  
16 of a default.

17 2. All moneys designated for the targeted small  
18 business financial assistance program shall be  
19 credited to the financial assistance reserve account.  
20 The department shall also establish an administrative  
21 account from which the operating costs of the program  
22 shall be paid. The department may transfer moneys  
23 between the reserve and the administrative accounts  
24 except that not more than twenty-five percent of the  
25 funds, pursuant to section 15.241, shall be used to  
26 administer the fund. The department shall determine  
27 what is the actuarially sound reserve requirement for  
28 the amount of guaranteed loans outstanding.

29 3. The department shall adopt rules as necessary  
30 for the administration of the financial assistance  
31 program under this section.

32 4. The general assembly is not obligated to  
33 appropriate moneys to pay for any defaults or to  
34 appropriate moneys to be credited to the loan reserve  
35 account. The loan guarantee program does not obligate  
36 the state except to the extent provided in this  
37 section, and the department in administering the  
38 program shall not give or lend the credit of the state  
39 of Iowa.

40 Sec. \_\_\_\_ . Section 10A.104, Code 1987, is amended  
41 by adding the following new subsection:

42 NEW SUBSECTION. 8. Establish by rule standards  
43 and procedures for certifying that targeted small  
44 businesses are eligible to participate in the  
45 procurement set-aside program established in sections  
46 73.15 through 73.21. The procedure for determination  
47 of eligibility shall not include self-certification by  
48 a business. Rules and guidelines adopted pursuant to  
49 this subsection are subject to review and approval by  
50 the director of the department of management. The

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Page Three

1 director shall maintain a current directory of  
2 targeted small businesses which have been certified  
3 pursuant to this subsection.

4 Sec. \_\_\_\_\_. Section 12.44, unnumbered paragraphs 1  
5 and 2, Code Supplement 1987, are amended to read as  
6 follows:

7 Agencies of state government shall be required to  
8 waive the requirement of satisfaction or performance  
9 bonds for targeted small businesses which are able to  
10 demonstrate the inability of securing such a bond  
11 because of a lack of experience. This waiver shall  
12 not apply to businesses with a record of repeated  
13 failure of substantial performance or material breach  
14 of contract in prior circumstances. The waiver shall  
15 be applied only to a project or individual transaction  
16 amounting to fifty thousand dollars or less,  
17 notwithstanding section 573.2. In order to qualify,  
18 the targeted small business shall provide written  
19 evidence to the department of ~~economic-development~~  
20 inspections and appeals that the bond would otherwise  
21 be denied the business. The granting of the waiver  
22 shall in no way relieve the business from its  
23 contractual obligations and shall not preclude the  
24 state agency from pursuing any remedies under law upon  
25 default or breach of contract.

26 The department of ~~economic-development~~ inspections  
27 and appeals shall certify targeted small businesses  
28 for eligibility and participation in this program and  
29 shall make this information available to other state  
30 agencies.

31 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
32 c, subparagraph (4), Code Supplement 1987, is amended  
33 by striking the subparagraph.

34 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
35 g, subparagraph (1), Code Supplement 1987, is amended  
36 to read as follows:

37 (1) Developing a uniform small business vendor  
38 application form which can be adopted by all agencies  
39 and departments of state government to identify small  
40 businesses and targeted small businesses which desire  
41 to sell goods and services to the state. This form  
42 shall also contain information which can be used to  
43 determine certification as a targeted small business  
44 pursuant to ~~paragraph "c", subparagraph (4)~~ section  
45 10A.104, subsection 8.

46 Sec. \_\_\_\_\_. Section 73.16, subsection 2, Code 1987,  
47 is amended to read as follows:

48 2. The director of each agency or department of  
49 state government having purchasing authority shall  
50 designate and set aside for awarding to certified

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Page Four

1 targeted small businesses identified pursuant to  
 2 section ~~15.108, subsection 7, paragraph "c"~~ 10A.104,  
 3 subsection 8, at least two percent, and should set a  
 4 goal of up to ten percent, of the value of anticipated  
 5 procurements of goods and services, including  
 6 construction, but not including utility services, each  
 7 fiscal year. The director of each department and  
 8 agency of state government shall cooperate with the  
 9 director of the department of inspections and appeals,  
 10 the director of the department of economic development  
 11 and the director of the department of management and  
 12 do all acts necessary to carry out the provisions of  
 13 this division.

14 Sec. \_\_\_\_ . Section 73.18, Code 1987, is amended to  
 15 read as follows:

16 73.18 NOTICE OF SOLICITATION FOR BIDS --  
 17 IDENTIFICATION OF TARGETED SMALL BUSINESSES.

18 The director of each agency or department releasing  
 19 a solicitation for bids or request for proposal under  
 20 the set-aside program shall notify the director of the  
 21 department of ~~economic development~~ inspections and  
 22 appeals prior to or upon release of the solicitation.  
 23 The director of the department of ~~economic development~~  
 24 inspections and appeals shall notify the soliciting  
 25 agency or department of any targeted small businesses  
 26 which have been certified pursuant to section ~~15.108,~~  
 27 ~~subsection 7, paragraph "c", subparagraph (4)~~ 10A.104,  
 28 subsection 8, and which may be qualified to bid."

29 9. Page 3, by inserting after line 30, the  
 30 following:

31 " \_\_\_\_ . Page 6, by inserting after line 3 the  
 32 following:

33 "Sec. \_\_\_\_ . The director of the department of  
 34 inspections and appeals shall maintain the directory  
 35 of targeted small businesses which have been certified  
 36 prior to the effective date of this Act pursuant to  
 37 section 15.108, subsection 7, paragraph "c", subpara-  
 38 graph (4). Businesses certified by the department of  
 39 economic development prior to the effective date of  
 40 this Act shall remain certified unless decertified."

41 10. Page 3, by striking lines 32 and 33 and  
 42 inserting the following:

43 "Sec. \_\_\_\_ . REPEALS.

44 1. Section 15.110, Code Supplement 1987, is re-  
 45 pealed.

46 2. Section 220.111, Code 1987, is repealed."

47 11. Page 3, by striking lines 34 through 47 and  
 48 inserting the following:

49 "Sec. \_\_\_\_ . Moneys credited to the loan reserve  
 50 account and administrative account established under

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Page Five

1 section 220.111 shall be transferred to the department  
 of economic development prior to that section's  
 repeal. The department may use uncommitted moneys in  
 4 the loan reserve account and the administrative  
 5 account for purposes of the case management assistance  
 6 program established pursuant to House File 2416, if  
 7 enacted by the Seventy-second General Assembly, 1988  
 8 Session. The department shall make a good faith  
 9 effort to serve clients of the self-employment loan  
 10 program, clients that meet the definition of a  
 11 targeted small business, or clients that qualify under  
 12 the unemployment insurance demonstration project if  
 13 authorized by the federal government.

14 Sec. \_\_\_\_\_. The department of economic development  
 15 and not the Iowa finance authority shall administer  
 16 any guarantee and may enforce any agreement or collect  
 17 any loan made pursuant to section 15.110 or 220.111 to  
 18 the same extent the department did or the Iowa finance  
 19 authority did prior to the repeal of those sections.  
 20 Any rule, regulation, order, or guideline established  
 21 by the department of economic development pursuant to  
 22 section 15.110 or by the Iowa finance authority  
 23 pursuant to section 220.111 and in effect on the  
 24 effective date of this Act shall continue in full  
 25 force and effect until amended, repealed, or  
 26 supplemented by affirmative action of the department  
 of economic development. All guarantees made under  
 28 section 15.110 or 220.111 shall be maintained by the  
 29 department of economic development."

30 12. Page 3, line 49, by inserting before the word  
 31 "transferring" the following: "providing for the  
 32 creation and repeal of programs, and".

33 13. By striking page 3, line 50 through page 4,  
 34 line 1, and inserting the following: "administration  
 35 of a program."

36 14. By renumbering as necessary.

BY NEUHAUSER of Johnson  
 BRAMMER of Linn  
 H-6118 FILED MARCH 30, 1988  
 ADOPTED (p. 1247)

CONNOLLY of Dubuque  
 SWARTZ of Marshall

## SENATE FILE 2309

H-6060

1 Amend the amendment, H-6032, to Senate File 2309,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:

4 1. Page 1, by inserting after line 2 the  
 5 following:

6 "\_\_\_\_\_. Page 2, line 18, by striking the word  
 7 "five" and inserting the following: "six"."

BY CORBETT of Linn  
 BRANSTAD of Winnebago  
 RUNNING of Linn

H-6060 FILED MARCH 30, 1988  
 ADOPTED (p. 1334)

HOUSE AMENDMENT TO  
SENATE FILE 2309

53

1 Amend Senate File 2309, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 14 the  
4 following:

5 "The department shall evaluate the feasibility of  
6 providing financial and nonfinancial assistance to  
7 local and regional tourism organizations to promote  
8 local and regional tourism and recreational  
9 attractions and sites at the Iowa state fair, and to  
10 educate residents of this state and out-of-state  
11 visitors about the significant number of tourism and  
12 recreational attractions and sites within the state.  
13 The department shall consult with regional tourism  
14 councils and local tourism organizations to evaluate  
15 the type, extent, and effectiveness of providing  
16 financial and nonfinancial assistance programs. The  
17 department shall report the recommendations, findings,  
18 and conclusions resulting from the evaluation to the  
19 governor's office and the general assembly on or  
20 before February 15, 1989."

21 2. Page 1, by inserting after line 18, the  
22 following:

23 "Of the funds appropriated in this subsection  
24 thirty thousand (30,000) dollars shall be used for the  
25 promotion of state-owned historic attractions and  
26 thirty thousand (30,000) dollars shall be used for the  
27 promotion of other cultural attractions as determined  
28 by the department of cultural affairs."

29 3. Page 1, by striking lines 25 through 27 and  
30 inserting the following: "advertising contracts."

31 4. Page 2, by striking lines 14 through 16 and  
32 inserting the following: "marketing contracts."

33 5. Page 2, line 18, by striking the word "five"  
34 and inserting the following: "six".

35 6. Page 2, by inserting after line 21 the  
36 following:

37 "Of the amount appropriated by this subsection, the  
38 department may provide to small businesses, as defined  
39 by the United States small business administration,  
40 financial assistance to defray costs incurred by the  
41 businesses participating in foreign trade shows,  
42 missions, seminars, or related activities sponsored by  
43 the United States department of commerce or by the  
44 department of economic development."

45 7. Page 3, line 8, by striking the word "six" and  
46 inserting the following: "five".

47 8. Page 3, by inserting after line 10, the  
48 following:

49 "Of this amount thirty-three thousand (33,000)  
50 dollars shall be transferred to the department of

1 inspections and appeals to support not more than one  
2 full-time equivalent position for the purpose of  
3 certifying targeted small businesses established  
4 pursuant to section 10A.104, subsection 8, as enacted  
5 by this Act."

6 9. Page 4, by inserting after line 5, the  
7 following:

8 "20. Iowa finance authority.

9 For the housing trust fund program, to be deposited  
10 in the housing trust fund and to be used for the grant  
11 program for the homeless for the construction,  
12 rehabilitation, or expansion of group home shelter for  
13 the homeless:

14 ..... \$ 100,000".

15 10. Page 4, by inserting after line 16 the fol-  
16 lowing:

17 "Sec. \_\_\_\_ . Section 12.43, subsection 1, Code  
18 Supplement 1987, is amended to read as follows:

19 1. "Targeted small business" means a business as  
20 defined in section ~~220.111~~ 15.111, subsection 1.

21 Sec. \_\_\_\_ . Section 15.108, subsection 7, paragraph  
22 c, unnumbered paragraph 1, subparagraph (2), and  
23 subparagraph (5), unnumbered paragraph 1, Code  
24 Supplement 1987, are amended to read as follows:

25 Aid in the development and implementation of the  
26 Iowa targeted small business procurement Act  
27 established in sections 73.15 through 73.21 and the  
28 targeted small business loan-guarantee financial  
29 assistance program of the Iowa finance authority  
30 established in section ~~220.111~~ 15.111. The duties of  
31 the director under this paragraph include the  
32 following:

33 (2) The director, in conjunction with the director  
34 of the department of management, shall publicize the  
35 loan-guarantee financial assistance program of the  
36 Iowa finance authority established in section 15.111  
37 to targeted small businesses.

38 (5) The director shall submit an annual report to  
39 the governor and the general assembly relating  
40 progress toward realizing the goals and objectives of  
41 the procurement set-aside program and the loan  
42 guarantee financial assistance program of the Iowa  
43 finance authority established in section 15.111 during  
44 the preceding fiscal year. The Iowa finance authority  
45 and the director of the department of management shall  
46 assist in compiling the data to be included in the  
47 report. The report shall include the following  
48 information:

49 Sec. \_\_\_\_ . Section 12.43, subsections 1 and 2, Code  
50 Supplement 1987, are amended to read as follows:

1 1. "Targeted small business" means a business as  
2 defined in section ~~220-111~~ 15.102, subsection ~~1~~ 5.

3 2. A linked deposit shall only be approved in  
4 connection with a loan application for a targeted  
5 small business which has been certified pursuant to  
6 section ~~15-100~~ 10A.104, subsection ~~7~~ 8, paragraph "c",  
7 subparagraph (4).

8 Sec. . NEW SECTION. 15.111 TARGETED SMALL  
9 BUSINESS FINANCIAL ASSISTANCE PROGRAM.

10 1. As used in this section, "small business" and  
11 "targeted small business" mean the same as defined in  
12 section 15.102, subsections 4 and 5.

13 2. The department shall establish, contingent upon  
14 the availability of funds authorized for the program,  
15 a targeted small business financial assistance  
16 program, to provide for loans, loan guarantees, or  
17 grants to targeted small businesses. A targeted small  
18 business in any year shall receive under this program  
19 not more than twenty-five thousand dollars in a loan  
20 or grant, and not more than forty thousand dollars in  
21 a guarantee, or a combination of loans, grants, or  
22 guarantees. The program shall provide guarantees not  
23 to exceed seventy-five percent for loans made by  
24 qualified lenders. The department shall establish a  
25 financial assistance reserve account from funds  
26 provided for this program, from which any default on a  
27 guaranteed loan under this section shall be paid. In  
28 administering the program the department shall not  
29 guarantee loan values in excess of the amount credited  
30 to the reserve account and only moneys set aside in  
31 the loan reserve account may be used for the payment  
32 of a default.

33 2. All moneys designated for the targeted small  
34 business financial assistance program shall be  
35 credited to the financial assistance reserve account.  
36 The department shall also establish an administrative  
37 account from which the operating costs of the program  
38 shall be paid. The department may transfer moneys  
39 between the reserve and the administrative accounts  
40 except that not more than twenty-five percent of the  
41 funds, pursuant to section 15.241, shall be used to  
42 administer the fund. The department shall determine  
43 what is the actuarially sound reserve requirement for  
44 the amount of guaranteed loans outstanding.

45 3. The department shall adopt rules as necessary  
46 for the administration of the financial assistance  
47 program under this section.

48 4. The general assembly is not obligated to  
49 appropriate moneys to pay for any defaults or to  
50 appropriate moneys to be credited to the loan reserve



1 account. The loan guarantee program does not obligate  
2 the state except to the extent provided in this  
3 section, and the department in administering the  
4 program shall not give or lend the credit of the state  
5 of Iowa.

6 Sec. \_\_\_\_\_. Section 10A.104, Code 1987, is amended  
7 by adding the following new subsection:

8 NEW SUBSECTION. 8. Establish by rule standards  
9 and procedures for certifying that targeted small  
10 businesses are eligible to participate in the  
11 procurement set-aside program established in sections  
12 73.15 through 73.21. The procedure for determination  
13 of eligibility shall not include self-certification by  
14 a business. Rules and guidelines adopted pursuant to  
15 this subsection are subject to review and approval by  
16 the director of the department of management. The  
17 director shall maintain a current directory of  
18 targeted small businesses which have been certified  
19 pursuant to this subsection.

20 Sec. \_\_\_\_\_. Section 12.44, unnumbered paragraphs 1  
21 and 2, Code Supplement 1987, are amended to read as  
22 follows:

23 Agencies of state government shall be required to  
24 waive the requirement of satisfaction or performance  
25 bonds for targeted small businesses which are able to  
26 demonstrate the inability of securing such a bond  
27 because of a lack of experience. This waiver shall  
28 not apply to businesses with a record of repeated  
29 failure of substantial performance or material breach  
30 of contract in prior circumstances. The waiver shall  
31 be applied only to a project or individual transaction  
32 amounting to fifty thousand dollars or less,  
33 notwithstanding section 573.2. In order to qualify,  
34 the targeted small business shall provide written  
35 evidence to the department of economic-development  
36 inspections and appeals that the bond would otherwise  
37 be denied the business. The granting of the waiver  
38 shall in no way relieve the business from its  
39 contractual obligations and shall not preclude the  
40 state agency from pursuing any remedies under law upon  
41 default or breach of contract.

42 The department of economic-development inspections  
43 and appeals shall certify targeted small businesses  
44 for eligibility and participation in this program and  
45 shall make this information available to other state  
46 agencies.

47 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
48 c, subparagraph (4), Code Supplement 1987, is amended  
49 by striking the subparagraph.

50 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph

1 g, subparagraph (1), Code Supplement 1987, is amended  
2 to read as follows:

3 (1) Developing a uniform small business vendor  
4 application form which can be adopted by all agencies  
5 and departments of state government to identify small  
6 businesses and targeted small businesses which desire  
7 to sell goods and services to the state. This form  
8 shall also contain information which can be used to  
9 determine certification as a targeted small business  
10 pursuant to ~~paragraph-"c",-subparagraph-(4)~~ section  
11 10A.104, subsection 8.

12 Sec. \_\_\_\_. Section 73.16, subsection 2, Code 1987,  
13 is amended to read as follows:

14 2. The director of each agency or department of  
15 state government having purchasing authority shall  
16 designate and set aside for awarding to certified  
17 targeted small businesses identified pursuant to  
18 ~~section 15.108,-subsection-7,-paragraph-"c"~~ 10A.104,  
19 subsection 8, at least two percent, and should set a  
20 goal of up to ten percent, of the value of anticipated  
21 procurements of goods and services, including  
22 construction, but not including utility services, each  
23 fiscal year. The director of each department and  
24 agency of state government shall cooperate with the  
25 director of the department of inspections and appeals,  
26 the director of the department of economic development  
27 and the director of the department of management and  
28 do all acts necessary to carry out the provisions of  
29 this division.

30 Sec. \_\_\_\_. Section 73.18, Code 1987, is amended to  
31 read as follows:

32 73.18 NOTICE OF SOLICITATION FOR BIDS --  
33 IDENTIFICATION OF TARGETED SMALL BUSINESSES.

34 The director of each agency or department releasing  
35 a solicitation for bids or request for proposal under  
36 the set-aside program shall notify the director of the  
37 department of economic-development inspections and  
38 appeals prior to or upon release of the solicitation.  
39 The director of the department of economic-development  
40 inspections and appeals shall notify the soliciting  
41 agency or department of any targeted small businesses  
42 which have been certified pursuant to section 15.108,  
43 subsection-7,-paragraph-"c",-subparagraph-(4) 10A.104,  
44 subsection 8, and which may be qualified to bid."

45 11. Page 4, by striking lines 32 through 34 and  
46 inserting the following: "and an "invest in Iowa"  
47 program. The".

48 12. Page 6, by inserting after line 3 the  
49 following:

50 "Sec. \_\_\_\_ . The director of the department of

1 inspections and appeals shall maintain the directory  
2 of targeted small businesses which have been certified  
3 prior to the effective date of this Act pursuant to  
4 section 15.108, subsection 7, paragraph "c", subpara-  
5 graph (4). Businesses certified by the department of  
6 economic development prior to the effective date of  
7 this Act shall remain certified unless decertified."

8 13. Page 6, inserting after line 7 the following:

9 "Sec. \_\_\_\_ . REPEALS.

10 1. Section 15.110, Code Supplement 1987, is re-  
11 pealed.

12 2. Section 220.111, Code 1987, is repealed.

13 Sec. \_\_\_\_ . Moneys credited to the loan reserve  
14 account and administrative account established under  
15 section 220.111 shall be transferred to the department  
16 of economic development prior to that section's  
17 repeal. The department may use uncommitted moneys in  
18 the loan reserve account and the administrative  
19 account for purposes of the case management assistance  
20 program established pursuant to House File 2416, if  
21 enacted by the Seventy-second General Assembly, 1988  
22 Session. The department shall make a good faith  
23 effort to serve clients of the self-employment loan  
24 program, clients that meet the definition of a  
25 targeted small business, or clients that qualify under  
26 the unemployment insurance demonstration project if  
27 authorized by the federal government.

28 Sec. \_\_\_\_ . The department of economic development  
29 and not the Iowa finance authority shall administer  
30 any guarantee and may enforce any agreement or collect  
31 any loan made pursuant to section 15.110 or 220.111 to  
32 the same extent the department did or the Iowa finance  
33 authority did prior to the repeal of those sections.  
34 Any rule, regulation, order, or guideline established  
35 by the department of economic development pursuant to  
36 section 15.110 or by the Iowa finance authority  
37 pursuant to section 220.111 and in effect on the  
38 effective date of this Act shall continue in full  
39 force and effect until amended, repealed, or  
40 supplemented by affirmative action of the department  
41 of economic development. All guarantees made under  
42 section 15.110 or 220.111 shall be maintained by the  
43 department of economic development."

44 14. Title page, line 2, by inserting after the  
45 word "development" the following: ", providing for  
46 the creation and repeal of programs, and transferring  
47 administration of a program".

48 15. By renumbering, relettering, or redesignating  
49 and correcting internal references as necessary.

SENATE FILE 2309

S-5780

1 Amend the House amendment, S-5753, to Senate File  
 2 2309 as amended, passed and reprinted by the Senate as  
 3 follows:  
 4 1. Page 2, by inserting after line 5 the  
 5 following:  
 6 " Page 3, line 22, by striking the figure  
 7 "14,535" and inserting the following: "19,535".

S-5780

Filed April 5, 1988

BY EDGAR H. HOLDEN

*Adopted 4/7 (p. 1335)*

SENATE FILE 2309

S-5824

1 Amend the House amendment S-5753, to Senate File  
 2 2309, as amended, passed, and reprinted by the Senate,  
 3 as follows:  
 4 1. Page 1, by striking lines 35 through 44.  
 5 2. Page 1, by inserting after line 44 the  
 6 following:  
 7 " Page 2, by inserting after line 26 the  
 8 following:  
 9 " Export trade activities.  
 10 For the establishment of international trade  
 11 activities including a program to encourage and  
 12 increase participation in trade shows and trade  
 13 missions by providing financial assistance to  
 14 businesses for a percentage of their costs of  
 15 participating in trade shows and trade missions,  
 16 lease/sublease showcase space in existing world trade  
 17 centers, provide temporary office space for foreign  
 18 buyers, international prospects, and potential reverse  
 19 investors, development of an Iowa export trading  
 20 company, and other promotional and assistance  
 21 activities.  
 22 ..... \$ 400,000".  
 23 3. Page 2, by striking lines 17 through 20.  
 24 4. Page 2, line 21, by striking the word "Sec."  
 25 and inserting the following: ""Sec."  
 26 5. Page 2, line 38, by striking the figure "(5)".  
 27 6. By renumbering as necessary.

S-5824

Filed April 6, 1988

BY JOE WELSH

LEONARD BOSWELL

*Adopted 4/7 (p. 1335)*

SENATE FILE 2309

S-5846

1 Amend the House amendment, S-5753, to Senate File  
2 2309, as amended, passed, and reprinted by the Senate,  
3 as follows:

- 4 1. Page 1, by inserting after line 20, the
- 5 following:
- 6 " . Page 1, line 18, by striking the figure
- 7 "515,000" and inserting the following: "915,000".
- 8 2. Page 1, by inserting after line 30, the
- 9 following:
- 10 " . Page 2, line 7, by striking the figure
- 11 "190,000" and inserting the following: "790,000".

S-5846

Filed April 7, 1988, DIV A - ADOPTED BY LEONARD L. BOSWELL  
*B. Adopted 4/8 (p. 1277)* *(p. 1331)*

SENATE FILE 2309

S-5849

- 1 Amend the House amendment, S-5753, to Senate File
- 2 2309, as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, by inserting after line 46 the
- 5 following:
- 6 " . Page 3, line 10, by striking the figure
- 7 "342,094" and inserting the following: "302,094".
- 8 2. By striking page 1, line 47 through page 2,
- 9 line 5.
- 10 3. By renumbering as necessary.

S-5849

Filed April 7, 1988 ADOPTED BY LEONARD BOSWELL  
*(p. 1337)* JOE WELSH

SENATE FILE 2309

S-5859

- 1 Amend the amendment, S-5753, to Senate File 2309,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, by inserting after line 2 the
- 5 following:
- 6 " . Page 1, line 14, by striking the figure
- 7 "926,533" and inserting the following: "1,126,533".
- 8 2. Page 1, by inserting after line 20 the
- 9 following:
- 10 "2A. To the bureau of tourism to allocate among
- 11 the regional coordinating councils for the purpose of
- 12 assisting local tourism organizations and political
- 13 subdivisions in this state to encourage tourism in
- 14 local areas.
- 15 ..... \$ 300,000".
- 16 3. By renumbering as necessary.

S-5859

Filed April 7, 1988 BY ROBERT CARR  
*w/d 4/8 (p. 1277)*

SENATE AMENDMENT TO HOUSE AMENDMENT TO  
SENATE FILE 2309

H-6349

1 Amend the House amendment, S-5753, to Senate File  
2 2309, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by inserting after line 20, the  
5 following:

6 " . Page 1, line 18, by striking the figure  
7 "515,000" and inserting the following: "915,000"."

8 2. Page 1, by inserting after line 30, the  
9 following:

10 " . Page 2, line 7, by striking the figure  
11 "190,000" and inserting the following: "790,000"."

12 3. Page 1, by striking lines 35 through 44.

13 4. Page 1, by inserting after line 44 the  
14 following:

15 " . Page 2, by inserting after line 26 the  
16 following:

17 " . Export trade activities.

18 For the establishment of international trade  
19 activities including a program to encourage and  
20 increase participation in trade shows and trade  
21 missions by providing financial assistance to  
22 businesses for a percentage of their costs of  
23 participating in trade shows and trade missions,  
24 lease/sublease showcase space in existing world trade  
25 centers, provide temporary office space for foreign  
26 buyers, international prospects, and potential reverse  
27 investors, development of an Iowa export trading  
28 company, and other promotional and assistance  
29 activities.

30 ..... \$ 400,000"."

31 5. Page 1, by inserting after line 46 the  
32 following:

33 " . Page 3, line 10, by striking the figure  
34 "342,094" and inserting the following: "302,094"."

35 6. By striking page 1, line 47 through page 2,  
36 line 5.

37 7. Page 2, by inserting after line 5 the  
38 following:

39 " . Page 3, line 22, by striking the figure  
40 "14,535" and inserting the following: "19,535"."

41 8. Page 2, by striking lines 17 through 20.

42 9. Page 2, line 21, by striking the word "Sec."  
43 and inserting the following: ""Sec."

44 10. Page 2, line 38, by striking the figure  
45 "(5)".

46 11. By renumbering, relettering, or redesignating  
47 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-6349 FILED APRIL 11, 1988

CONCURRED (p 1675)

SENATE FILE 2309

S-5884

1 Amend amendment, S-5846, to House amendment, S-  
2 5753, to Senate File 2309, as amended, passed and  
3 reprinted by the Senate, as follows:

4 1. Page 1, by inserting after line 11 the  
5 following:

6 " . Page 2, by inserting after line 7 the  
7 following:

8 "Of this amount the sum of three hundred thousand  
9 (300,000) dollars shall be transferred to the bureau  
10 of tourism and visitors to contract with the tourism  
11 regions for the purpose of assisting local tourism  
12 organizations and political subdivisions in this state  
13 to encourage tourism in local areas.""

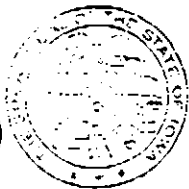
S-5884

Filed April 8, 1988

LOST

4/13/88

BY ROBERT CARR



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-521

TERRY E. BRANSTAD  
GOVERNOR

April 13, 1988

The Honorable Jo Ann Zimmerman  
President of the Senate  
State Capitol Building  
L O C A L

Dear Madam President:

I hereby transmit Senate File 2309, an act relating to and making appropriations to the department of economic development, providing for the creation and repeal of programs, and transferring administration of a program.

Senate File 2309 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as that portion of Section 15, which reads as follows:

Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, not in excess of five hundred thousand (500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986, and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987, and ending June 30, 1988, to be used for the same purpose as originally appropriated.

It is clear that the intent of Section 15 in Senate File 2309 is to allow \$480,000 of carryover funds from the Export Finance Program to be used for the general administration of the Department of Economic Development. I approve of this utilization of these funds since they are needed to maintain the necessary operations of this important department. A portion of Section 15 authorizes the use of those carryover Export Finance Funds for that purpose.



The Honorable Jo Ann Zimmerman  
April 13, 1988  
Page 2

However, a separate item in Section 15 inadvertently prevents that carryover from being fully utilized. In fact, a drafting error in this section would, if allowed to stand, reduce the operating budget for the Department of Economic Development by \$220,000.

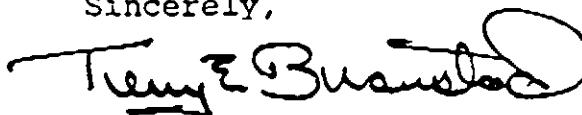
The vetoed language limits the amount of funds from the Export Finance Program that are allowed to be carried over by the department from fiscal year 1987 to fiscal year 1988 to \$500,000. In fact, \$720,000 was carried over during that time.

Thus, retroactively capping the allowable carryover to \$500,000 would effectively reduce the available funds for the department's general administration budget by \$220,000.

It is my understanding that the Economic Development Appropriation Subcommittee Chairpersons have been notified of this drafting error and approve of my action to item veto this restrictive carryover language.

For the above reasons, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in Senate File 2309 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2309

AN ACT  
RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF  
ECONOMIC DEVELOPMENT, PROVIDING FOR THE CREATION AND REPEAL  
OF PROGRAMS, AND TRANSFERRING ADMINISTRATION OF A PROGRAM.

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

Section 1. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. General administration

For salaries and support for not more than twenty-one point five full-time equivalent positions, maintenance, and other operational purposes:

..... \$ 266,827

2. For tourism and promotion programs, including salaries and support for not more than fifteen full-time equivalent positions:

..... \$ 926,533

The department shall evaluate the feasibility of providing financial and nonfinancial assistance to local and regional tourism organizations to promote local and regional tourism and recreational attractions and sites at the Iowa state fair, and to educate residents of this state and out-of-state visitors about the significant number of tourism and

recreational attractions and sites within the state. The department shall consult with regional tourism councils and local tourism organizations to evaluate the type, extent, and effectiveness of providing financial and nonfinancial assistance programs. The department shall report the recommendations, findings, and conclusions resulting from the evaluation to the governor's office and the general assembly on or before February 15, 1989.

3. For contracting exclusively for advertising for in-state and out-of-state tourism, tourism marketing, and tourism promotion programs for electronic media and printed materials:

..... \$ 915,000

Of the funds appropriated in this subsection thirty thousand (30,000) dollars shall be used for the promotion of state-owned historic attractions and thirty thousand (30,000) dollars shall be used for the promotion of other cultural attractions as determined by the department of cultural affairs.

The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contracts.

4. For participation in the development, printing, and distribution of multistate regional tourism materials:

..... \$ 5,000

5. For national marketing programs, including salaries and support for not more than twelve point seventy-five full-time equivalent positions:

..... \$ 716,623

6. For the operation and maintenance of the film office, including salaries and support for not more than one full-time equivalent position:

Vetoed portion of Sec. 15

..... \$ 114,000

7. For contracting exclusively for marketing and advertising contracts for out-of-state national marketing programs for electronic media and printed materials:

..... \$ 790,000

The department shall develop public-private partnerships with Iowa businesses, Iowa business organizations, Iowa chambers of commerce, and political subdivisions in this state, to assist in the development of the marketing efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the marketing contracts.

8. International trade programs

For salaries and support for not more than six point zero full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 403,669

The department shall give attention to using a portion of these funds to contract and coordinate with international programs at Iowa colleges and universities to develop a network of trade contacts overseas through the use of alumni from Iowa colleges and universities.

9. Export trade activities.

For the establishment of international trade activities including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, lease/sublease showcase space in existing world trade centers, provide temporary office space for foreign buyers, international prospects, and potential reverse investors, development of an Iowa export trading company, and other promotional and assistance activities.

..... \$ 400,000

10. For the operation and maintenance of the West German trade office, including salaries and support for not more than one point five full-time equivalent positions:

..... \$ 195,350

11. For the operation and maintenance of the Hong Kong trade office, including salaries and support for not more than two point zero full-time equivalent positions:

..... \$ 163,939

12. For the operation and maintenance of the Asian trade office, including salaries and support for not more than two point zero full-time equivalent positions:

..... \$ 290,709

13. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

..... \$ 4,885

14. For small business programs, including salaries and support for not more than five point zero full-time equivalent positions:

..... \$ 302,094

15. For community progress programs, including salaries and support for not more than eight point five full-time equivalent positions:

..... \$ 426,768

16. For additional and supplemental funding for the child care services program and the displaced homemakers program, including salaries and support for not more than zero point seventy-five full-time equivalent positions:

..... \$ 727,272

17. Mississippi river parkway commission

For support, maintenance, and miscellaneous purposes:

..... \$ 19,535

18. Community development block grant administration and related federal housing and urban development grant administration

For salaries and support for not more than thirteen point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 55,509

19. Job training partnership Act: dislocated workers

For salaries and support for not more than twenty-eight point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 480,000

20. Iowa youth corps and youth services administration

For salaries and support for not more than two point zero full-time equivalent positions, maintenance, and miscellaneous purposes to develop and administer employment opportunities for youth:

..... \$ 286,287

21. Iowa finance authority.

For the housing trust fund program, to be deposited in the housing trust fund and to be used for the grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless:

..... \$ 100,000

Sec. 2. 1987 Iowa Acts, chapter 233, section 301, subsection 9, is amended to read as follows:

9. Job training partnership Act: dislocated workers

For salaries and support for not more than twenty-eight point seven full-time equivalent positions, maintenance, and miscellaneous purposes ..... \$ 960,151

Notwithstanding section 8.33, funds appropriated under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1988, and ending July 1, 1989.

Sec. 3. Section 10A.104, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement set-aside program established in sections 73.15 through 73.21. The procedure for determination of eligibility shall not include self-certification by a business. Rules and guidelines adopted pursuant to this subsection are subject to review and approval by the director of the department of management. The director shall maintain a current directory of targeted small businesses which have been certified pursuant to this subsection.

Sec. 4. Section 12.43, subsections 1 and 2, Code Supplement 1987, are amended to read as follows:

1. "Targeted small business" means a business as defined in section ~~220-111~~ 15.102, subsection 1 5.

2. A linked deposit shall only be approved in connection with a loan application for a targeted small business which has been certified pursuant to section ~~15-100~~ 10A.104, subsection 7 ~~87-paragraph "c"7-subparagraph (4)~~.

Sec. 5. Section 12.44, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Agencies of state government shall be required to waive the requirement of satisfaction or performance bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of economic-development inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and

shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of economic-development inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Sec. 6. Section 15.108, subsection 7, paragraph c, unnumbered paragraph 1, subparagraph (2), and subparagraph (5), unnumbered paragraph 1, Code Supplement 1987, are amended to read as follows:

Aid in the development and implementation of the Iowa targeted small business procurement Act established in sections 73.15 through 73.21 and the targeted small business loan-guarantee financial assistance program of the Iowa finance-authority established in section 229-~~211~~ 15.111. The duties of the director under this paragraph include the following:

(2) The director, in conjunction with the director of the department of management, shall publicize the loan-guarantee financial assistance program of the Iowa finance-authority established in section 15.111 to targeted small businesses.

The director shall submit an annual report to the governor and the general assembly relating progress toward realizing the goals and objectives of the procurement set-aside program and the loan-guarantee financial assistance program of the Iowa finance-authority established in section 15.111 during the preceding fiscal year. The Iowa finance-authority and the director of the department of management shall assist in compiling the data to be included in the report. The report shall include the following information:

Sec. 7. Section 15.108, subsection 7, paragraph c, subparagraph (4), Code Supplement 1987, is amended by striking the subparagraph.

Sec. 8. Section 15.108, subsection 7, paragraph g, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) Developing a uniform small business vendor application form which can be adopted by all agencies and departments of state government to identify small businesses and targeted small businesses which desire to sell goods and services to the state. This form shall also contain information which can be used to determine certification as a targeted small business pursuant to ~~paragraph-c-subparagraph-f4~~ section 10A.104, subsection 8.

Sec. 9. NEW SECTION. 15.111 TARGETED SMALL BUSINESS FINANCIAL ASSISTANCE PROGRAM.

1. As used in this section, "small business" and "targeted small business" mean the same as defined in section 15.102, subsections 4 and 5.

2. The department shall establish, contingent upon the availability of funds authorized for the program, a targeted small business financial assistance program, to provide for loans, loan guarantees, or grants to targeted small businesses. A targeted small business in any year shall receive under this program not more than twenty-five thousand dollars in a loan or grant, and not more than forty thousand dollars in a guarantee, or a combination of loans, grants, or guarantees. The program shall provide guarantees not to exceed seventy-five percent for loans made by qualified lenders. The department shall establish a financial assistance reserve account from funds provided for this program, from which any default on a guaranteed loan under this section shall be paid. In administering the program the department shall not guarantee loan values in excess of the amount credited to the reserve account and only moneys set aside in the loan reserve account may be used for the payment of a default.

3. All moneys designated for the targeted small business financial assistance program shall be credited to the financial assistance reserve account. The department shall also establish an administrative account from which the

operating costs of the program shall be paid. The department may transfer moneys between the reserve and the administrative accounts except that not more than twenty-five percent of the funds, pursuant to section 15.241, shall be used to administer the fund. The department shall determine what is the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.

4. The department shall adopt rules as necessary for the administration of the financial assistance program under this section.

5. The general assembly is not obligated to appropriate moneys to pay for any defaults or to appropriate moneys to be credited to the loan reserve account. The loan guarantee program does not obligate the state except to the extent provided in this section, and the department in administering the program shall not give or lend the credit of the state of Iowa.

**Sec. 10. NEW SECTION. 15.235 AMBASSADOR'S PROGRAM ESTABLISHED.**

The department shall administer, contingent upon the availability of funds authorized for the program, an ambassador's program as originally established pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 4. However, notwithstanding that Act, the program shall be administered to attract capital to be used by the department to develop a comprehensive national and state marketing program. Funds appropriated by the general assembly to support the program shall be matched on a dollar-for-dollar basis with capital provided by private sources. The program shall implement a statewide initiative that includes a toll-free number, billboards, displays in key business locations, a direct marketing program, a "trade and marketing institute", and an "invest in Iowa" program. The department shall secure the necessary private participation from groups and organizations most appropriate for any particular function.

In-kind expenditures from the private sector may be considered as a portion of the dollar-for-dollar match.

Sec. 11. Section 73.16, subsection 2, Code 1987, is amended to read as follows:

2. The director of each agency or department of state government having purchasing authority shall designate and set aside for awarding to certified targeted small businesses identified pursuant to section ~~15:108; subsection 7; paragraph "c"~~ 10A.104, subsection 8, at least two percent, and should set a goal of up to ten percent, of the value of anticipated procurements of goods and services, including construction, but not including utility services, each fiscal year. The director of each department and agency of state government shall cooperate with the director of the department of inspections and appeals, the director of the department of economic development and the director of the department of management and do all acts necessary to carry out the provisions of this division.

Sec. 12. Section 73.18, Code 1987, is amended to read as follows:

**73.18 NOTICE OF SOLICITATION FOR BIDS -- IDENTIFICATION OF TARGETED SMALL BUSINESSES.**

The director of each agency or department releasing a solicitation for bids or request for proposal under the set-aside program shall notify the director of the department of economic development inspections and appeals prior to or upon release of the solicitation. The director of the department of economic development inspections and appeals shall notify the soliciting agency or department of any targeted small businesses which have been certified pursuant to section ~~15:108; subsection 7; paragraph "c"; subparagraph (4)~~ 10A.104, subsection 8, and which may be qualified to bid.

Sec. 13. The department shall honor a contract executed prior to the effective date of this Act under the ambassador's program established pursuant to 1986 Iowa Acts, chapter 1246,

section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303. However, the department shall not extend the date that a contract executed under either Act terminates, if the contract is not allowed under section 15.235, and the department shall not execute a contract or begin or continue an initiative allowed under either Act but not allowed under section 15.235, unless discontinuing the initiative involves a breach of contract.

Sec. 14. Notwithstanding section 8.33, funds appropriated under 1986 Iowa Acts, chapter 1246, section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303, shall not revert to the general fund of the state but shall remain available for expenditure by the department to administer section 15.235 for the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 15. 1987 Iowa Acts, chapter 233, section 305, is amended to read as follows:

SEC. 305. Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, not in excess of five hundred thousand (\$500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986, and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987, and ending June 30, 1988, to be used for the same purpose as originally appropriated. On June 30, 1988, the unobligated funds up to four hundred eighty thousand (\$480,000) dollars shall be transferred for the general administration of the department of economic development as provided in section 1, subsection 1, of this Act.

Sec. 16. The director of the department of inspections and appeals shall maintain the directory of targeted small businesses which have been certified prior to the effective date of this Act pursuant to section 15.108, subsection 7,

paragraph "c", subparagraph (4). Businesses certified by the department of economic development prior to the effective date of this Act shall remain certified unless decertified.

Sec. 17. All federal grants to and federal receipts of the agencies appropriated under this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

Sec. 18. REPEALS.

1. Section 15.110, Code Supplement 1987, is repealed.

2. Section 220.111, Code 1987, is repealed.

Sec. 19. Moneys credited to the loan reserve account and administrative account established under section 220.111 shall be transferred to the department of economic development prior to that section's repeal. The department may use uncommitted moneys in the loan reserve account and the administrative account for purposes of the case management assistance program established pursuant to House File 2416, if enacted by the Seventy-second General Assembly, 1988 Session. The department shall make a good faith effort to serve clients of the self-employment loan program, clients that meet the definition of a targeted small business, or clients that qualify under the unemployment insurance demonstration project if authorized by the federal government.

Sec. 20. The department of economic development and not the Iowa finance authority shall administer any guarantee and may enforce any agreement or collect any loan made pursuant to section 15.110 or 220.111 to the same extent the department did or the Iowa finance authority did prior to the repeal of those sections. Any rule, regulation, order, or guideline established by the department of economic development pursuant to section 15.110 or by the Iowa finance authority pursuant to section 220.111 and in effect on the effective date of this Act shall continue in full force and effect until amended, repealed, or supplemented by affirmative action of the department of economic development. All guarantees made under

section 15.110 or 220.111 shall be maintained by the department of economic development.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2309, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

*Item veto*  
Approved April 13, 1988

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TERRY E. BRANSTAD  
Governor

**SF 2309**