

MAR 15 1994

HOUSE FILE 2415
BY COMMITTEE ON APPROPRIATIONS

APPROPRIATIONS CALENDAR

(SUCCESSOR TO LSB 3195HA)

Passed House, Date ^(P.764) 3-18-94 Passed Senate, ^(P.1120) Date 4-8-94
Vote: Ayes 73 Nays 26 Vote: Ayes 40 Nays 5

Approved May 13, 1994
Item returned

A BILL FOR

1 An Act appropriating funds to the department of economic
2 development, the Iowa finance authority, and the Wallace
3 technology transfer foundation, and making statutory changes
4 relating to economic development, and providing effective
5 dates.

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

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HF 2415

1 Section 1. There is appropriated from the general fund of
2 the state and other designated funds to the department of
3 economic development for the fiscal year beginning July 1,
4 1994, and ending June 30, 1995, the following amounts, or so
5 much thereof as is necessary, to be used for the purposes
6 designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 for providing a written report to the joint economic
11 development appropriations subcommittee and the legislative
12 fiscal bureau not later than January 15, 1995, regarding the
13 structure of or plans to implement an advertising sales
14 program:

15	\$	892,883
16	FTEs	22.00

17 b. Primary research and computer center

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

21	\$	326,295
22	FTEs	5.50

23 c. Film office

24 For salaries, support, maintenance, miscellaneous purposes,
25 and for not more than the following full-time equivalent
26 positions:

27	\$	182,664
28	FTEs	2.00

29 2. BUSINESS DEVELOPMENT DIVISION

30 a. Business development operations

31 For salaries, support, maintenance, miscellaneous purposes,
32 and for not more than the following full-time equivalent
33 positions:

34	\$	3,007,840
35	FTEs	16.00

1 b. Small business programs
2 For salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions for the small business program, the small business
5 advisory council, targeted small business program, business
6 incubators, for providing one FTE for the targeted small
7 business compliance officer who shall continue to work jointly
8 with the department of management, and for deaf interpreters
9 funded through the economic development deaf interpreters
10 revolving fund established in section 15.108, subsection 7,
11 paragraph "j":

12 \$ 360,338
13FTEs 6.50

14 The department shall report to the joint economic
15 development appropriations subcommittee and the legislative
16 fiscal bureau regarding the utilization of the deaf
17 interpreters by January 15, 1995, and the department shall
18 coordinate with the division of deaf services in the provision
19 of deaf interpreter services.

20 c. Federal procurement office

21 For salaries, support, maintenance, miscellaneous purposes,
22 and for not more than the following full-time equivalent
23 positions:

24 \$ 98,689
25 FTEs 3.00

26 Notwithstanding section 8.33, moneys remaining unencumbered
27 or unobligated on June 30, 1995, shall not revert and shall be
28 available for expenditure during the fiscal year beginning
29 July 1, 1995, for the same purposes.

30 d. Strategic investment fund

31 For deposit in the strategic investment fund for salaries,
32 support, and for not more than the following full-time
33 equivalent positions:

34 \$ 6,756,086
35 FTEs 10.00

1 e. Insurance economic development

2 There is appropriated from moneys collected by the division
3 of insurance in excess of the anticipated gross revenues under
4 section 505.7, subsection 3, to the department for the fiscal
5 year beginning July 1, 1994, and ending June 30, 1995, the
6 following amount, or so much thereof as is necessary, for
7 insurance economic development and international insurance
8 economic development:

9 \$ 200,000

10 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

11 a. Community assistance

12 For salaries, support, maintenance, miscellaneous purposes,
13 and for not more than the following full-time equivalent
14 positions for administration of the community economic
15 preparedness program, the Iowa community betterment program,
16 and the city development board:

17 \$ 571,025

18 FTEs 7.50

19 b. Main street/rural main street program

20 For salaries and support for not more than the following
21 full-time equivalent positions:

22 \$ 350,484

23 FTEs 3.00

24 Notwithstanding section 8.33, moneys committed to grantees
25 under contract from the general fund of the state that remain
26 unexpended on June 30 of the fiscal year shall not revert to
27 any fund but shall be available for expenditure for purposes
28 of the contract during the succeeding fiscal year.

29 c. Rural development program

30 For salaries, support, maintenance, miscellaneous purposes,
31 for not more than the following full-time equivalent positions
32 for rural resource coordination, rural community leadership,
33 and the rural enterprise fund:

34 \$ 422,883

35 FTEs 4.50

1 There is also appropriated from the rural community 2000
2 program revolving fund established in section 15.287 to the
3 rural development program for the purposes of the program
4 including the rural enterprise fund and collaborative skills
5 development training:

6 \$ 226,338

7 Notwithstanding section 8.33, moneys committed to grantees
8 under contract from the general fund of the state or through
9 transfers from the Iowa community development loan fund or
10 from the rural community 2000 program revolving fund that
11 remain unexpended at the end of the fiscal year shall not
12 revert but shall be available for expenditure for purposes of
13 the contract during the succeeding fiscal year.

14 d. Community development block grant and HOME

15 For administration and related federal housing and urban
16 development grant administration for salaries, support,
17 maintenance, miscellaneous purposes, and for not more than the
18 following full-time equivalent positions:

19 \$ 380,045

20 FTEs 18.75

21 e. Councils of governments

22 There is appropriated from the rural community 2000 program
23 revolving fund established in section 15.287 to provide to
24 Iowa's councils of governments funds for planning and
25 technical assistance funds to assist local governments to
26 develop community development strategies for addressing long-
27 term and short-term community needs:

28 \$ 178,250

29 4. INTERNATIONAL DIVISION

30 a. International trade operations

31 For conducting foreign trade missions on behalf of Iowa
32 businesses, salaries, support, maintenance, miscellaneous
33 purposes, for allocating \$100,000, or so much thereof as is
34 necessary, to fund the United States midwest Japan conference,
35 and for not more than the following full-time equivalent

1 positions:

2 \$ 686,114
3 FTEs 7.00

4 b. Foreign trade offices

5 For salaries, support, maintenance, miscellaneous purposes,
6 and for not more than the following full-time equivalent
7 positions:

8 \$ 585,299

9 c. Export trade assistance program

10 For export trade activities, including a program to
11 encourage and increase participation in trade shows and trade
12 missions by providing financial assistance to businesses for a
13 percentage of their costs of participating in trade shows and
14 trade missions, by providing for the lease/sublease of
15 showcase space in existing world trade centers, by providing
16 temporary office space for foreign buyers, international
17 prospects, and potential reverse investors, and by providing
18 other promotional and assistance activities, provided that the
19 department shall consult with the department of agriculture
20 and land stewardship prior to allocating export trade
21 assistance program moneys, including salaries and support for
22 not more than the following full-time equivalent positions:

23 \$ 317,000
24 FTEs 0.25

25 d. Agricultural product advisory council

26 For support, maintenance, and miscellaneous purposes:

27 \$ 1,330

28 e. For transferring from the department of agriculture and
29 land stewardship and collocating the agriculture international
30 marketing function and its current staff in the international
31 marketing division of the department, for salaries and support
32 for not more than the following full-time equivalent

33 positions:

34 \$ 206,000
35 FTEs 4.00

1 f. For transfer to the partner state program which the
2 department may use to contract with private groups or
3 organizations which are the most appropriate to administer
4 this program and the groups and organizations participating in
5 the program shall, to the fullest extent possible, provide the
6 funds to match the appropriation made in this subsection:

7 \$ 96,000

8 5. TOURISM DIVISION

9 a. Tourism operations

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent
12 positions, provided that the appropriation shall not be used
13 for advertising placements for in-state and out-of-state
14 tourism marketing:

15 \$ 710,176

16 FTEs 17.77

17 b. Tourism advertising

18 For contracting exclusively for tourism advertising for in-
19 state and out-of-state tourism marketing services, tourism
20 promotion programs, electronic media, print media, and printed
21 materials:

22 \$ 2,537,000

23 The department shall not use the moneys appropriated in
24 this lettered paragraph unless the department develops public-
25 private partnerships with Iowa businesses in the tourism
26 industry, Iowa tour groups, Iowa tourism organizations, and
27 political subdivisions in this state to assist in the
28 development of advertising efforts. The department shall, to
29 the fullest extent possible, develop cooperative efforts for
30 advertising with contributions from other sources.

31 c. Welcome center program

32 To implement the recommendations of the statewide long-
33 range plan for developing and operating welcome centers
34 throughout the state, to allocate \$100,000 to the Northwood
35 welcome center, and for planning to construct the next welcome

1 center to be funded at living history farms:
2 \$ 350,000

3 It is the intent of the general assembly that the Northwood
4 welcome center receive an additional \$50,000 in fiscal year
5 1996.

6 Notwithstanding section 8.33, moneys committed to grantees
7 under contract that remain unexpended on June 30 of the fiscal
8 year shall not revert to any fund but shall be available for
9 expenditure for purposes of the contract during the succeeding
10 fiscal year.

11 6. WORKFORCE DEVELOPMENT DIVISION

12 a. Youth workforce programs

13 For purposes of the conservation corps, including salary,
14 support, maintenance, miscellaneous purposes, and for not more
15 than the following full-time equivalent positions:

16 \$ 951,574
17 FTEs 2.40

18 The department may combine for administrative and budget
19 purposes the youth workforce conservation program and the Iowa
20 corps program.

21 Notwithstanding section 8.33, moneys committed to grantees
22 under contract that remain unexpended on June 30 of the fiscal
23 year shall not revert to any fund but shall be available for
24 expenditure for purposes of the contract during the succeeding
25 fiscal year.

26 b. Job retraining program

27 To the community college job training fund created in
28 section 260F.6, including salaries and support for not more
29 than the following full-time equivalent positions:

30 \$ 161,000
31 FTEs 1.30

32 There is appropriated from the rural community 2000 program
33 revolving fund established in section 15.287 to the community
34 college job training fund created in section 260F.6,
35 subsection 1, \$325,000. It is the intent of the general

1 assembly that up to \$100,000 of all funds appropriated to the
2 program and some or all of the FTEs may be used for the
3 administration of the Iowa small business new jobs training
4 Act.

5 c. Workforce investment program

6 For purposes of the workforce investment program, for a
7 competitive grant program by the department in consultation
8 with the state job training coordinating council for projects
9 that increase Iowa's pool of available labor via training and
10 support services with priority given to projects which serve
11 displaced homemakers or welfare recipients, including salaries
12 and support for not more than the following full-time
13 equivalent positions:

14	\$	476,691
15	FTEs	0.90

16 The department shall ensure that the workforce investment
17 program is coordinated with services provided under the
18 federal Job Training Partnership Act and that welfare
19 recipients receive priority for services under both programs.

20 Notwithstanding section 8.33, moneys committed to grantees
21 under contract that remain unexpended at the end of the fiscal
22 year, shall not revert to any fund but shall be available for
23 expenditure for purposes of the contract during the succeeding
24 fiscal year.

25 d. Labor management councils

26 For salaries, support, maintenance, miscellaneous purposes,
27 and for not more than the following full-time equivalent
28 positions:

29	\$	50,467
30	FTEs	0.50

31 The department shall not use moneys appropriated in this
32 lettered paragraph for grants to grantees who do not
33 facilitate the active participation of labor as members of
34 labor management councils or who fail to make a good faith
35 effort to either schedule meetings during nonworking hours or

1 obtain voluntary agreements with employers to allow employees
2 time off to attend labor management council meetings with no
3 loss of pay or other benefits.

4 Notwithstanding section 8.33, moneys committed to grantees
5 under contract that remain unexpended on June 30 of the fiscal
6 year shall not revert to any fund but shall be available for
7 expenditure for purposes of the contract during the succeeding
8 fiscal year.

9 Sec. 2. TARGETED SMALL BUSINESS INCUBATOR. Moneys
10 appropriated for fiscal year 1994 and not expended by June 30,
11 1994, shall not revert but shall be held by the department for
12 funding, with local matching funds, the targeted small
13 business incubator in Des Moines for the fiscal year beginning
14 July 1, 1994, and ending June 30, 1995:

15 There is appropriated from the general fund of the state
16 and other designated funds to the department of economic
17 development for the fiscal year beginning July 1, 1995, and
18 ending June 30, 1996, the following amount, or so much thereof
19 as is necessary to be used for funding, with local matching
20 funds, the targeted small business incubator in Des Moines:

21 \$ 50,000

22 Sec. 3. Notwithstanding section 15E.120, subsections 5, 6,
23 and 7, and section 15.287, there is appropriated from the Iowa
24 community development loan fund from the moneys available
25 during the fiscal year beginning July 1, 1994, and ending June
26 30, 1995, to the department of economic development for the
27 rural development program to be used by the department for the
28 purposes of the program.

29 Sec. 4. Notwithstanding section 15.251, subsection 2,
30 there is appropriated from the job training fund created in
31 the office of the treasurer of state to the department of
32 economic development for the fiscal year beginning July 1,
33 1994, and ending June 30, 1995, the following amounts, or so
34 much thereof as is necessary, to be used for the purposes
35 designated:

1 1. For administration of chapter 260E, including salaries,
2 support, maintenance, miscellaneous purposes, and for not more
3 than the following full-time equivalent positions:

4 \$ 150,000
5 FTEs 2.40

6 2. For the target alliance program:

7 \$ 30,000

8 3. All moneys in the job training fund not appropriated in
9 subsections 1 and 2 shall be used for job training and
10 retraining programs under section 260F.6.

11 Sec. 5. There is appropriated from the general fund of the
12 state to the Wallace technology transfer foundation for the
13 fiscal year beginning July 1, 1994, and ending June 30, 1995,
14 the following amount, or so much thereof as is necessary, to
15 be used for the purposes designated:

16 For salaries, support, maintenance, and other operational
17 purposes, for administering the industrial technology access
18 program, for approving and submitting to the governor and
19 general assembly not later than January 15 an annual report
20 relating to performance goals of and efforts by the foundation
21 to improve the modernization of industrial facilities, for
22 funding the small business innovation research program, for
23 funding activities as provided in section 15E.158, for
24 transferring \$50,000 of the funds appropriated in this section
25 to the Iowa quality coalition for productivity enhancement
26 projects, and for not more than the following full-time
27 equivalent positions:

28 \$ 2,000,000
29 FTEs 4.00

30 Sec. 6. There is appropriated from the general fund of the
31 state to the Iowa seed capital corporation fund established in
32 section 15E.89, for not more than the following full-time
33 equivalent positions:

34 \$ 853,085
35 FTEs 5.00

1 Sec. 7. There is appropriated from the general fund of the
2 state to the Iowa state university of science and technology
3 for the fiscal year beginning July 1, 1994, and ending June
4 30, 1995, the following amounts, or so much thereof as is
5 necessary, to be used for the purposes designated:

6 1. For funding and maintaining in their current locations
7 the existing small business development centers, and for not
8 more than the following full-time equivalent positions:
9 \$ 1,079,389

10 2. For funding the institute for physical research and
11 technology, and for not more than the following full-time
12 equivalent positions:
13 \$ 3,899,863

14 Sec. 8. There is appropriated from the general fund of the
15 state to the state university of Iowa for the fiscal year
16 beginning July 1, 1994, and ending June 30, 1995, the
17 following amount, or so much thereof as is necessary, to be
18 used for the purpose designated:

19 For funding the advanced drug development program at the
20 Oakdale research park, and for not more than the following
21 full-time equivalent positions:
22 \$ 491,389

23 The board of regents shall submit a report on the progress
24 of regents institutions in meeting the strategic plan for
25 technology transfer and economic development to the
26 chairpersons of the joint appropriations subcommittee on
27 economic development, the joint appropriations subcommittee on
28 education, the majority leader, and minority leaders of the
29 senate, the majority and minority leaders of the house of
30 representatives, the secretary of the senate, the chief clerk
31 of the house of representatives, and the legislative fiscal
32 bureau by November 1, 1994.

33 Sec. 9. Not later than July 1, 1995, the department of
34 economic development, with consultation and input from the
35 general assembly, and representatives from business, labor,

1 and education shall study and present recommendations to the
2 general assembly which shall include but not be limited to the
3 privatization and decentralization of Iowa's economic
4 development efforts, the identification of areas appropriate
5 to statewide economic development efforts and areas
6 appropriate for regional economic development efforts,
7 benchmark budgeting for statewide and regional efforts, the
8 deregulation of economic development activities, and
9 collaboration between public and private entities.

10 Sec. 10. 1993 Iowa Acts, chapter 167, section 3,
11 subsection 3, is amended to read as follows:

12 3. For the workforce coordinator:
13 \$ 73,000
14 FTEs 1.00

15 Any funds allocated for salary and benefits for the
16 workforce coordinator, and not expended on June 30, 1994,
17 shall not revert, notwithstanding section 8.33, but shall
18 remain in the fund for expenditure for purposes of the fund
19 during the succeeding year.

20 Sec. 11. RURAL COMMUNITY 2000 TRANSFER. Notwithstanding
21 the provisions in section 15.287, 16.100, or other provision
22 of law providing that moneys in the fund shall remain in the
23 rural community 2000 revolving fund of the state, not more
24 than \$310,000 of the moneys in the revolving fund which remain
25 unencumbered on July 1, 1993, shall be transferred and
26 credited to the general fund of the state.

27 Sec. 12. LOTTERY TRANSFER. Notwithstanding the
28 requirement in section 99E.10, subsection 1, to transfer
29 lottery revenue remaining after expenses are deducted,
30 notwithstanding the requirement under section 99E.20,
31 subsection 2, for the commissioner to certify and transfer a
32 portion of the lottery fund to the CLEAN fund, and
33 notwithstanding the appropriations and allocations in section
34 99E.34, all lottery revenues received during the fiscal year
35 beginning July 1, 1994, and ending June 30, 1995, after

1 deductions as provided in section 99E.10, subsection 1, and as
2 appropriated under any Act of the Seventy-fifth General
3 Assembly, 1994 Session, shall not be transferred to and
4 deposited into the CLEAN fund but shall be transferred and
5 credited to the general fund of the state.

6 Sec. 13. IOWA PLAN FUND TRANSFER OF ACCOUNTS. Not-
7 withstanding any provision to the contrary, all unencumbered
8 or unobligated moneys in the jobs now capitals, jobs now,
9 education and agriculture research and development, and
10 surplus accounts of the Iowa plan fund under chapter 99E for
11 economic development on the effective date of this Act shall
12 be transferred to the general fund of the state to be used for
13 any purposes for which appropriated by the general assembly
14 notwithstanding the moneys in those accounts may have been
15 previously appropriated for specific purposes.

16 Sec. 14. COMMUNITY COLLEGE JOB TRAINING FUND TRANSFER.
17 Notwithstanding the provisions of section 260F.6, 260F.8, or
18 any other provision of law providing for retention of moneys
19 in the community college job training fund, not more than
20 \$40,000 of the moneys in the training fund which remain
21 unencumbered on July 1, 1993, shall be transferred and
22 credited to the general fund of the state.

23 Sec. 15. There is appropriated from the state's share of
24 the receipts collected pursuant to section 428A.1, prior to
25 deposit in the general fund of the state under section 428A.8,
26 to the Iowa finance authority for the fiscal year beginning
27 July 1, 1994, and ending June 30, 1995, the following amount,
28 or so much thereof as is necessary, to be used for the purpose
29 designated:

30 For deposit in the housing improvement fund created in
31 section 16.100 for purposes of the fund:
32 \$ 300,000

33 Sec. 16. There is appropriated from the deaf interpreters
34 revolving fund established in section 15.108, subsection 7,
35 paragraph "j", to the strategic investment fund for the fiscal

1 year beginning July 1, 1994, and ending June 30, 1995, the
2 following amount:

3 \$ 40,000

4 Sec. 17. Section 15.108, subsection 1, paragraph e, Code
5 Supplement 1993, is amended by striking the paragraph.

6 Sec. 18. Section 15.251, subsection 3, Code Supplement
7 1993, is amended by striking the subsection.

8 Sec. 19. Section 15.308, subsection 2, paragraph a, Code
9 1993, is amended by striking the paragraph.

10 Sec. 20. Section 15E.81, Code 1993, is amended to read as
11 follows:

12 15E.81 TITLE.

13 This division may be cited as the "Iowa Product-Development
14 Seed Capital Corporation Act".

15 Sec. 21. Section 15E.82, subsections 1, 2, and 5, Code
16 1993, are amended to read as follows:

17 1. "Board" means the board of directors of the Iowa
18 product-development seed capital corporation.

19 2. "Corporation" means the Iowa product-development seed
20 capital corporation.

21 5. "President" means the president of the Iowa product
22 development seed capital corporation.

23 Sec. 22. Section 15E.83, Code 1993, is amended to read as
24 follows:

25 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION.

26 ~~1. There is created a corporate body called the "Iowa~~
27 ~~product-development corporation". The corporation is a quasi-~~
28 ~~public instrumentality and the exercise of the powers granted~~
29 ~~to the corporation in this division is an essential~~

30 governmental function. The Iowa seed capital corporation
31 shall be incorporated under chapter 504A. The corporation
32 shall not be regarded as a state agency, except for purposes
33 of chapters 17A and 69, and a member of the board is not
34 considered a state employee, except for purposes of chapter
35 669. An individual employed by the corporation is a state

1 employee for purposes of the Iowa public employee's retirement
2 system, state health and dental plans, and other state
3 employee benefit plans and chapter 669. Chapters 8, 18, 19A,
4 and 20 and other provisions of law that relate to requirements
5 or restrictions dealing with state personnel or state funds do
6 not apply to the corporation and any employees of the board or
7 corporation except to the extent provided in this division.
8 Chapters 21 and 22 shall apply to activities of the
9 corporation and to employees of the board or corporation
10 except to the extent provided in this division.

11 2. The corporation shall be governed by a board of seven
12 directors who shall serve a term of four years. Each term
13 ~~shall begin and end as provided in section 69:19. No more~~
14 ~~than a simple majority of the members of the board shall~~
15 ~~belong to the same political party as provided in section~~
16 ~~69:16.~~ At least one director shall be chosen from the
17 accounting profession, at least one director shall have local
18 economic development experience, and at least two directors
19 shall be chosen from businesses with fewer than one hundred
20 employees. Each director shall serve at the pleasure of the
21 governor and shall be appointed by the governor, subject to
22 confirmation by the senate pursuant to section 2.32. A
23 director is eligible for reappointment. A vacancy on the
24 board of directors shall be filled in the same manner as an
25 original appointment. ~~For the initial appointments to the~~
26 ~~board of directors, the governor shall appoint three members~~
27 ~~whose terms shall commence upon appointment and shall expire~~
28 ~~April 30, 1985, and four members whose terms shall commence~~
29 ~~upon appointment and shall expire April 30, 1987.~~

30 3. The board of directors shall annually elect one member
31 as chairperson and one member as secretary. The board may
32 elect other officers of the corporation as necessary. Members
33 shall be reimbursed for necessary expenses incurred in the
34 performance of duties from funds appropriated to the Iowa
35 department of economic development corporation.

1 4. Each director of the corporation shall take an oath of
2 office and the record of each oath shall be filed in the
3 office of the secretary of state.

4 5. The corporation shall receive information and cooperate
5 with other agencies of the state and the political
6 subdivisions of the state.

7 ~~6--The corporation shall be a part of the Iowa department
8 of economic development which shall provide all staff and
9 administrative assistance--The corporation shall submit to
10 the department for its approval all plans, programs,
11 initiatives and budgets--~~

12 Sec. 23. Section 15E.86, Code 1993, is amended to read as
13 follows:

14 15E.86 PRESIDENT.

15 The ~~director of the department of economic development~~
16 board shall ~~appoint~~ employ a president of the corporation who
17 shall serve at the pleasure of the ~~director~~ board and shall
18 receive the compensation determined by the ~~director~~ board.
19 ~~The president is a state employee--~~ The president shall not be
20 a member of the board of directors. The president is the
21 chief administrative and operational officer of the
22 corporation and shall direct and supervise the administrative
23 affairs and the general management of the corporation subject
24 to the direction and oversight of the ~~director~~ board. The
25 president may employ other employees as designated by the
26 board. The president shall provide copies of all minutes,
27 documents, and other records of the corporation and shall
28 provide a certificate which attests to truthfulness of the
29 copies, if requested. Persons dealing with the corporation
30 may rely upon the certificates. The president shall keep a
31 record of all proceedings, documents, and papers filed with
32 the corporation.

33 Sec. 24. Section 15E.87, subsection 1, Code 1993, is
34 amended to read as follows:

35 1. To have perpetual succession as a corporate body and to

1 adopt bylaws, policies, and procedures for the regulation of
2 its affairs and conduct of its business consistent with the
3 purposes of this division. The Iowa seed capital corporation
4 shall be the legal successor entity to the Iowa product
5 development corporation and shall assume all property, assets,
6 and liabilities of the Iowa product development corporation.

7 Sec. 25. Section 15E.87, subsection 4, Code 1993, is
8 amended by striking the subsection.

9 Sec. 26. Section 15E.87, subsection 7, Code 1993, is
10 amended to read as follows:

11 7. To employ assistants, agents, and other employees who
12 ~~shall be state employees~~ and to engage consultants, attorneys,
13 and appraisers as necessary or desirable to carry out the
14 purposes of the corporation.

15 Sec. 27. Section 15E.88, Code 1993, is amended to read as
16 follows:

17 15E.88 APPLICATIONS FOR FINANCIAL AID.

18 ~~1.--Applications for financial aid shall be forwarded,~~
19 ~~together with an application fee prescribed by the~~
20 ~~corporation, to the president of the corporation.--The~~
21 ~~president, after preparing the necessary records for the~~
22 ~~corporation, shall forward each application to the staff of~~
23 ~~the corporation for an investigation and report concerning~~
24 ~~the advisability of approving the financial aid for the~~
25 ~~company and concerning any other factors found relevant by the~~
26 ~~corporation.--The investigation and report shall include but~~
27 ~~are not limited to the following:~~

28 a.--The history of the applicant, its wage standards, job
29 opportunities, and stability of employment.

30 b.--The extent of the applicant's dependence on
31 agriculture.

32 c.--The applicant's past, present, and future financial
33 condition and structure.

34 d.--The applicant's pro forma income statements.

35 e.--The present and future market prospects for the

1 product:

2 f.--The feasibility of the proposed project or invention to
3 be given financial aid and the integrity of management:

4 g.--The state of the project's development:

5 2.--After receipt and consideration of the report and any
6 other action the corporation finds necessary, the corporation
7 shall approve or deny the application.--The president shall
8 promptly notify an applicant by certified mail of the
9 disposition of its application.--The corporation shall give
10 priority to those applicants whose business is agriculture
11 related or whose business is located in an area which the
12 corporation determines has been severely adversely affected by
13 depressed agricultural prices and whose proposed product or
14 invention is to be used to convert all or a portion of the
15 business to nonagriculture related industrial or commercial
16 activity or to create a new nonagriculture related industrial
17 or commercial business:

18 1. Applications for financial aid shall be received and
19 considered by the corporation pursuant to rules adopted by the
20 board pursuant to chapter 17A.

21 3 2. Notwithstanding the requirements of chapter 21,
22 relating to open meetings, and chapter 22, relating to
23 examination of public records, the corporation shall keep as
24 confidential those items on the application for financial aid
25 that the applicant has specifically requested to be held in
26 confidence. These items shall remain confidential until the
27 applicant says otherwise or the corporation determines the
28 items no longer need to be held confidential.

29 Sec. 28. Section 15E.89, Code Supplement 1993, is amended
30 to read as follows:

31 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION
32 FUND.

33 1. There is created an "Iowa product-development seed
34 capital corporation fund". All funds of the corporation
35 including the proceeds from the issuance of notes or sale of

1 bonds under this division, any funds appropriated to the
2 corporation, and income derived from other sources from the
3 exercise of powers granted to the corporation under this
4 division shall be paid into the Iowa product-development seed
5 capital corporation fund notwithstanding section 12.10. The
6 money in the Iowa product-development seed capital corporation
7 fund, except moneys held by a trustee or a depository pursuant
8 to a bond resolution or indenture relating to the issuance of
9 bonds or notes pursuant to section 15E.90 or 15E.91, shall be
10 paid out on the order of the person authorized by the
11 corporation. The money in the Iowa product-development seed
12 capital corporation fund shall be used for repayment of notes
13 and bonds issued under this division and the extension of
14 financial aid granted by the corporation under this division,
15 and the amount remaining may be used for the payment of the
16 administrative and overhead costs of the corporation to the
17 extent required. ~~There is also created in the Iowa product~~
18 ~~development corporation fund an Iowa technology assistance~~
19 ~~program account, which shall provide seed capital for the~~
20 ~~commercialization of products, or the development of processes~~
21 ~~or materials through research at Iowa colleges and~~
22 ~~universities or by private industry.~~

23 2. Notwithstanding section 8.33, no part of the Iowa
24 product-development corporation this fund shall revert at or
25 after the close of a fiscal year unless otherwise provided by
26 the general assembly, but shall remain in the fund and
27 appropriated for the purposes of this division. The board
28 shall seek to repay the state for appropriations by
29 recommending to the general assembly reversions from income
30 received from successful ventures. The board shall recommend
31 such action at any time when the revenue available to the
32 board is deemed sufficient to continue existing operations.

33 3. Upon dissolution of the corporation, all remaining
34 moneys in the Iowa seed capital corporation fund, as well as
35 the net proceeds realized by the corporation through the

1 liquidation of the assets of the corporation, shall revert to
2 the state.

3 Sec. 29. Section 15E.90, Code 1993, is amended to read as
4 follows:

5 15E.90 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION NOTES.

6 The corporation may issue Iowa product-development seed
7 capital corporation fund notes, the principal and interest of
8 which shall be payable solely from the Iowa product
9 development seed capital corporation fund established by this
10 division. The fund notes of each issue shall be dated, shall
11 mature at such times and may be made redeemable before
12 maturity, at prices and under terms and conditions as
13 determined by the corporation. The corporation shall
14 determine the form and manner of execution of the fund notes,
15 including any interest coupons to be attached, and shall fix
16 the denominations and the places of payment of principal and
17 interest, which may be any financial institution within or
18 without the state or any agent, including the lender. If an
19 officer whose signature or a facsimile of whose signature
20 appears on fund notes or coupons ceases to be that officer
21 before the delivery of the notes or coupons, the signature or
22 facsimile is valid and sufficient for all purposes the same as
23 if the officer had remained in office until delivery. The
24 fund notes may be issued in coupon or in registered form, or
25 both, as the corporation determines, and provision may be made
26 for the registration of coupon fund notes as to principal
27 alone and also as to both principal and interest, and for the
28 conversion into coupon fund notes of any fund notes registered
29 as to both principal and interest, and for the interchange of
30 registered and coupon fund notes. Fund notes shall bear
31 interest at rates as determined by the corporation and may be
32 sold in a manner, either at public or private sale, and for a
33 price as the corporation determines to be best to effectuate
34 the purposes of the Iowa product-development seed capital
35 corporation fund. The proceeds of fund notes shall be used

1 solely for the purposes for which issued and shall be
2 disbursed in a manner and under restrictions as provided in
3 this division and in the resolution of the corporation
4 providing for their issuance. The corporation may provide for
5 the replacement of fund notes which become mutilated or are
6 destroyed or lost.

7 Sec. 30. Section 15E.92, Code Supplement 1993, is amended
8 to read as follows:

9 15E.92 REPORTING AND FUND SOLVENCY.

10 The chairperson of the corporation on or before December 31
11 of each fiscal year shall make and deliver a report to the
12 governor and the legislative fiscal committee. The report
13 shall include all transactions conducted by the corporation in
14 the preceding fiscal year. The report shall also include a
15 balance sheet outlining the financial solvency of the Iowa
16 ~~product-development~~ seed capital corporation fund, a certified
17 copy of any audits of the corporation conducted in the
18 preceding fiscal year, and other information requested by the
19 governor or the legislative fiscal committee.

20 Sec. 31. Section 15E.152, Code Supplement 1993, is amended
21 by adding the following new subsection:

22 NEW SUBSECTION. 7. Establishment of a seed capital fund
23 which shall be administered by the board to provide seed
24 capital for the commercialization of product, or the
25 development of processes or materials through research at Iowa
26 colleges and universities or by private industry.

27 Sec. 32. Section 428A.8, unnumbered paragraph 1, Code
28 1993, is amended to read as follows:

29 On or before the tenth day of each month the county
30 recorder shall determine and pay to the treasurer of state
31 eighty-two and three-fourths percent of the receipts from the
32 real estate transfer tax collected during the preceding month
33 and the treasurer of state shall deposit ninety-five percent
34 of the receipts in the general fund of the state and transfer
35 five percent of the receipts to the Iowa finance authority for

1 deposit in the housing improvement fund created in section
2 16.100.

3 Sec. 33. Sections 99E.31, 99E.32, and 99E.33, Code 1993,
4 are repealed effective June 30, 1994.

5 Sec. 34. BUDGET UNIT DESIGNATIONS. The department of
6 management shall, prior to January 15, 1995, conform all
7 budget unit designations to the designations used in the Code.

8 Sec. 35. EFFECTIVE DATES.

9 1. Sections 11 through 16, being deemed of immediate
10 importance, take effect upon enactment.

11 2. Section 32 of this Act takes effect July 1, 1995.

12

EXPLANATION

13 This bill makes appropriations and transfers from the
14 general fund and other funds to the department of economic
15 development, the Wallace technology transfer foundation, the
16 Iowa seed capital corporation, the Iowa finance authority, and
17 the general fund.

18 The bill also transfers the agriculture international
19 marketing function from the department of agriculture and land
20 stewardship to the department of economic development and
21 collocates it with the international trade division of the
22 department.

23 The bill also changes the name of the Iowa product
24 development corporation to the Iowa seed capital corporation
25 and transfers administration of the seed capital fund back to
26 the Wallace technology transfer foundation. In addition, the
27 bill provides that the Iowa seed capital corporation shall be
28 incorporated as a nonprofit corporation under chapter 504A.
29 The bill provides that the corporation is not a state agency
30 and its employees are not to be considered state employees
31 except in certain circumstances.

32 Also, the bill repeals sections 99E.31, 99E.32, and 99E.33
33 regarding disposition of lottery proceeds in fiscal years 1986
34 through 1990 effective June 30, 1994, and makes conforming
35 changes in chapter 15.

1 Certain provisions of the bill take effect upon enactment.
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HOUSE FILE 2415

H-5476

1 Amend House File 2415, as follows:

2 1. Page 2, line 34, by striking the figure

A 3 "6,756,086" and inserting the following: "6,475,086".

4 2. Page 11, by striking lines 11 and 12 and

5 inserting the following: "technology, provided that

6 \$281,000 shall be allocated to the institute for

B 7 physical research and technology industrial incentive

8 program in accordance with the legislative intent of

9 this section:"

A 10 3. Page 11, line 13, by striking the figure

11 "3,899,863" and inserting the following: "4,180,863".

12 4. Page 11, by inserting after line 13, the

13 following:

14 "It is the intent of the general assembly that the

15 incentive program focus on Iowa industrial sectors and

16 seek contributions and in-kind donations from

17 businesses, industrial foundations, and trade

18 associations and that moneys for the institute for

19 physical research and technology industrial incentive

20 program shall only be allocated for projects which are

21 matched by private sector moneys for directed contract

22 research or for nondirected research. The match

23 required of small businesses as defined in section

24 15.102, subsection 4, for directed contract research

25 or for nondirected research shall be \$1 for each \$3 of

26 state funds. The match required for other businesses

27 for directed contract research or for nondirected

28 research shall be \$1 for each \$1 of state funds. The

29 match required of industrial foundations or trade

30 associations shall be \$1 for each \$1 of state funds.

31 Iowa state university shall report annually to the

C 32 joint economic development subcommittee of the senate

33 and house appropriations committees the total amounts

34 of private contributions, the proportion of

B 35 contributions from small businesses and other

36 businesses, and the proportion for directed contract

37 research and nondirected research of benefit to Iowa

38 businesses and industrial sectors.

39 Notwithstanding section 8.33, moneys appropriated

40 for any fiscal year which remain unobligated and

41 unexpended at the end of the fiscal year shall not

42 revert but shall be available for expenditure the

43 following fiscal year and the appropriation for the

44 incentive program for the following year shall be

45 reduced by an equal amount."

By WISE of Lee

GILL of Woodbury

H-5476 FILED MARCH 17, 1994

A. Withdrawn 3-18-94 (P. 754)

B. Withdrawn 3-18-94

C. Adopted 3-18-94 (P. 762)

HOUSE FILE 2415

H-5475

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
 3 "6,756,086" and inserting the following: "5,234,086".
 4 2. Page 7, line 30, by striking the figure
 5 "161,000" and inserting the following: "1,683,000".
 A. *Lost 3-18-94* By WISE of Lee
 B. *With drawn 3-18-94* BAKER of Polk
 SHOULTZ of Black Hawk

H-5475 FILED MARCH 17, 1994

HOUSE FILE 2415

H-5438

- 1 Amend House File 2415 as follows:
 2 1. Page 14, by inserting after line 5 the
 3 following:
 4 "Sec. ____ . Section 15.108, subsection 9, Code
 5 Supplement 1993, is amended by adding the following
 6 new paragraph:
 7 NEW PARAGRAPH. ____ . Coordinate the sale of
 8 advertising in state publications. Receipts from the
 9 sale of advertising shall be retained by the
 10 department and distributed to the agency responsible
 11 for a publication in which advertising is offered.
 12 However, the department of economic development shall
 13 first retain sufficient receipts from the sale of
 14 advertising to offset the costs of an advertising
 15 sales position. Additionally, the department may
 16 retain up to eight percent of the gross advertising
 17 receipts to offset indirect costs incurred by the
 18 department to support the activity."
 19 2. By renumbering as necessary.

H-5438 FILED MARCH 17, 1994

By METCALF of Polk

WITHDRAWN

3-18-94 (p.748)

HOUSE FILE 2415

H-5481

- 1 Amend House File 2415 as follows:
 2 1. Page 13, line 32, by striking the figure
 3 "200,000" and inserting the following: "500,000".

By WISE of Lee

JOCHUM of Dubuque

BRAND of Benton

H-5481 FILED MARCH 17, 1994

Lost 3-18-94 (p.748)

HOUSE FILE 2415

H-5494

1 Amend House File 2415 as follows:

2 1. Page 21, by inserting after line 26 the
3 following:

4 "Sec. ____ . Section 364.17, subsection 5, Code
5 1993, is amended to read as follows:

6 5. Cities may establish reasonable fees for
7 inspection and enforcement procedures. Cities may
8 also assess additional fees for inspection and
9 enforcement procedures, if the additional fees are
10 deposited into a housing trust fund as defined in
11 section 384.6A.

12 Sec. ____ . NEW SECTION. 384.6A HOUSING TRUST
13 FUND.

14 A city may establish a housing trust fund which may
15 accept funds provided by ordinance appropriation,
16 gift, or other source.

17 For purposes of this section, "housing trust fund"
18 means a revolving fund established by a city through
19 ordinance for the purpose of meeting the housing needs
20 of low or moderate income families. For purposes of
21 this section, "low or moderate income families" means
22 as defined in section 16.1 or as defined by a
23 comprehensive housing affordability strategy conducted
24 by the city to comply with the federal Cranston-
25 Gonzales National Affordable Housing Act of 1990, Pub.
26 L. No. 101-625. Housing trust fund moneys may be used
27 for any of the purposes described in section 16.100 or
28 for other types of programs to meet needs identified
29 by the comprehensive housing affordability strategy.
30 All moneys in the fund, appropriated or dedicated to
31 the fund, and interest or earnings on moneys in the
32 fund shall be used solely for these purposes.

33 Sec. ____ . Section 428A.1, unnumbered paragraph 1,
34 Code 1993, is amended to read as follows:

35 There is imposed on each deed, instrument, or
36 writing by which any lands, tenements, or other realty
37 in this state are granted, assigned, transferred, or
38 otherwise conveyed, a tax consisting of the state tax
39 and any city tax determined in the following manner:
40 When there is no consideration or when the deed
41 instrument or writing is executed and tendered for
42 recording as an instrument corrective of title, and so
43 states, there is no tax. When there is consideration
44 and the actual market value of the real property
45 transferred is in excess of five hundred dollars, the
46 tax is eighty cents plus the applicable city tax, if
47 any, for each five hundred dollars or fractional part
48 of five hundred dollars in excess of five hundred
49 dollars. The term "consideration", as used in this
50 chapter, means the full amount of the actual sale

H-5494

H-5494

Page 2

1 price of the real property involved, paid or to be
2 paid, including the amount of an encumbrance or lien
3 on the property, whether assumed or not by the
4 grantee. It is presumed that the sale price so stated
5 includes the value of all personal property
6 transferred as part of the sale unless the dollar
7 value of personal property is stated on the instrument
8 of conveyance. When the dollar value of the personal
9 property included in the sale is so stated, it shall
10 be deducted from the consideration shown on the
11 instrument for the purpose of determining the tax.

12 Sec. ____ . NEW SECTION. 428A.1A CITY TAX.

13 The governing body of a city may impose by
14 ordinance a city real estate transfer tax. Revenues
15 from the tax shall only be deposited in a housing
16 trust fund to be used for purposes of the fund as
17 provided in section 384.6A and the ordinance shall so
18 state. The city real estate transfer tax shall be
19 imposed and collected in the same manner and at the
20 same time as the state real estate transfer tax.
21 Transfers exempt from the state tax are exempt from
22 the city tax. The rate of the tax shall not exceed
23 fifty cents per five hundred dollars of market value."

24 2. By striking page 21, line 27, through page 22,
25 line 2, and inserting the following:

26 Sec. ____ . Section 428A.8, Code 1993, is amended to
27 read as follows:

28 428A.8 REMITTANCE TO STATE OR CITY TREASURER --
29 PORTION RETAINED IN COUNTY.

30 On or before the tenth day of each month the county
31 recorder shall determine and pay to the treasurer of
32 state eighty-two and three-fourths percent of the
33 receipts from the state real estate transfer tax
34 collected during the preceding month and the treasurer
35 of state shall deposit ninety-five percent of the
36 receipts amounts received by the treasurer of state in
37 the general fund of the state and transfer five
38 percent of the amounts received to the Iowa finance
39 authority for deposit in the housing improvement fund
40 created in section 16.100. At the time of remittance
41 of the state tax receipts, the county recorder shall
42 remit to the Iowa finance authority each city's tax
43 receipts collected during the previous month, if one
44 is imposed. The Iowa finance authority shall remit
45 the amounts collected from each city imposing a city
46 tax by the first day of the second month of the
47 quarter following the quarter in which the tax was
48 collected.

49 The county recorder shall deposit the remaining
50 seventeen and one-fourth percent of the state receipts

H-5494

-2-

H-5494

Page 3

- 1 in the county general fund.
 2 The county recorder shall keep records and take
 3 reports with respect to the real estate transfer tax
 4 as the director of revenue and finance prescribes."
 5 3. Title page, line 4, by inserting after the
 6 word "development" the following: ", including
 7 authorizing a city to impose a real estate transfer
 8 tax".
 9 4. By numbering, renumbering, and correcting
 10 internal references.

Not Hermon 3-18-94 (p. 75)
 H-5494 FILED MARCH 17, 1994

By WISE of Lee
 JOCHUM of Dubuque

HOUSE FILE 2415

H-5500

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
 3 "6,756,086" and inserting the following: "6,101,660".
 4 2. Page 7, line 16, by striking the figure
 5 "951,574" and inserting the following: "1,000,000".
 6 3. Page 7, line 30, by striking the figure
 7 "161,000" and inserting the following: "767,000".
 By MORELAND of Wapello

H-5500 FILED MARCH 17, 1994

WITHDRAWN
 3-18-94 (p. 75-7)

HOUSE FILE 2415

H-5501

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
 3 "6,756,086" and inserting the following: "4,922,000".
 By GILL of Woodbury

H-5501 FILED MARCH 17, 1994

WITHDRAWN
 3-18-94

HOUSE FILE 2415

H-5502

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
 3 "6,756,086" and inserting the following: "6,706,570".
 4 2. Page 3, line 22, by striking the figure
 5 "350,484" and inserting the following: "400,000".
 By MORELAND of Wapello

H-5502 FILED MARCH 17, 1994

WITHDRAWN
 3-18-94
 (p. 758)

HOUSE FILE 2415

H-5477

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
A 3 "6,756,086" and inserting the following: "6,632,532".
 4 2. Page 8, line 29, by striking the figure
B 5 "50,467" and inserting the following: "174,000".
 By SHOULTZ of Black Hawk RUNNING of Linn
 BAKER of Polk MURPHY of Dubuque
 DICKINSON of Jackson

H-5477 FILED MARCH 17, 1994

A. *Withdrawn 3/18/94*
 B. *Withdrawn*

HOUSE FILE 2415

H-5478

- 1 Amend House File 2415 as follows:
 2 1. Page 2, line 34, by striking the figure
A 3 "6,756,086" and inserting the following: "6,602,626".
 4 2. Page 3, line 22, by striking the figure
B 5 "350,484" and inserting the following: "503,944".
 By NELSON of Pottawattamie BLACK of Jasper
 HENDERSON of Scott MORELAND of Wapello
 KOENIGS of Mitchell WISE of Lee
 BRAND of Tama MCKINNEY of Dallas
 BELL of Jasper KREIMAN of Davis

H-5478 FILED MARCH 17, 1994

A. *Withdrawn 3-18-94*
 B. *Withdrawn 3-18-94*

HOUSE FILE 2415

H-5479

- 1 Amend House 2415 as follows:
 2 1. Page 11, by striking lines 7 and 8 and
 3 inserting the following: "the existing small business
 4 development centers:"
 5 2. Page 11, by striking lines 11 and 12 and
 6 inserting the following: "technology:"
 7 3. Page 11, by striking lines 20 and 21 and
 8 inserting the following: "Oakdale research park:"
 By METCALF of Polk

H-5479 FILED MARCH 17, 1994

adopted 3-18-94 (p. 747)

HOUSE FILE 2415

H-5480

- 1 Amend House File 2415 as follows:
 2 1. Page 12, by striking line 18 and inserting the
 3 following: "be carried forward and be available for
 4 use for the workforce coordinator".

By METCALF of Polk

H-5480 FILED MARCH 17, 1994

adopted 3-18-94 (p. 747)

HOUSE FILE 2415

H-5503

- 1 Amend House File 2415 as follows:
- 2 1. Page 2, line 34, by striking the figure
- 3 "6,756,086" and inserting the following: "6,656,086".
- 4 2. Page 10, line 28, by striking the figure
- 5 "2,000,000" and inserting the following: "2,100,000".

By GILL of Woodbury

H-5503 FILED MARCH 17, 1994

WITHDRAWN
3-18-94

HOUSE FILE 2415

H-5504

- 1 Amend House File 2415 as follows:
- 2 1. Page 2, line 34, by striking the figure
- 3 "6,756,086" and inserting the following: "6,256,086".
- 4 2. Page 13, by striking lines 23 through 22 and
- 5 inserting the following:
- 6 "Sec. ____ . There is appropriated from the general
- 7 fund of the state to the Iowa finance authority for
- 8 the fiscal year beginning July 1, 1994, and ending
- 9 June 30, 1995, the following amount, or so much
- 10 thereof as is necessary, to be used for the purpose
- 11 designated:
- 12 For deposit in the housing improvement fund created
- 13 in section 16.100 for the purposes of the fund:
- 14 \$ 500,000".

17
18 GILL of Woodbury

RECEIVED FROM THE SENATE

H-5504 FILED MARCH 17, 1994

WITHDRAWN
3-18-94

HOUSE FILE 2415

H-5505

- 1 Amend House File 2415 as follows:
- 2 1. Page 5, by striking lines 28 through 35.
- 3 2. By relettering as necessary.

By GILL of Woodbury

H-5505 FILED MARCH 17, 1994

Lost 3/18/94 (p. 747)

HOUSE FILE 2415

H-5509

1 Amend House File 2415 as follows:

2 1. Page 2, line 34, by striking the figure
3 "6,756,086" and inserting the following: "6,460,086".

4 2. Page 4, line 34, by inserting after the word
5 "conference," the following: "for allocating \$40,000
6 for Canadian marketing and \$50,000 for Mexican
7 trade,".

8 3. Page 5, line 2, by striking the figure
9 "686,114" and inserting the following: "776,114".

10 4. Page 6, by striking lines 1 through 7 and
11 inserting the following:

12 "_____. For transfer to the partner state program
13 which the department may use to contract with private
14 groups or organizations which are the most appropriate
15 to administer this program and the groups and
16 organizations participating in the program shall, to
17 the fullest extent possible, provide the funds to
18 match the appropriation made in this paragraph of the
19 funds transferred, and \$10,000 shall be used only to
20 establish a partner state program with Vietnam:

21 \$ 106,000

22 "_____. For transfer to the Iowa peace institute for
23 the purpose of continuing to expand conflict
24 resolution and negotiation efforts in Iowa's schools
25 and communities and reporting to the joint
26 appropriations subcommittee on economic development by
27 January 15, 1995, on all such activities undertaken:

28 \$ 96,000

29 "_____. For transfer to the international development
30 foundation for the purposes of the foundation and
31 reporting to the joint appropriations subcommittee on
32 economic development by January 15, 1995, regarding
33 actual and planned expenditures for fiscal year 1995:

34 \$ 100,000".

35 5. By relettering as necessary.

By CATALDO of Polk

H-5509 FILED MARCH 17, 1994

WITHDRAWN
3-18-94

HOUSE FILE 2415

H-5510

1 Amend House File 2415 as follows:

2 1. Page 13, line 5, by inserting after the word
3 "state." the following: "However, \$200,000 of the
4 lottery revenues shall not be deposited in the general
5 fund of the state but shall be deposited in the rural
6 enterprise fund."

By BRAND of Benton

H-5510 FILED MARCH 17, 1994

Last 3-18-94 (p. 748)

HOUSE FILE 2415

H-5508

1 Amend House File 2415 as follows:
 2 1. Page 14, by inserting after line 3 the
 3 following:
 4 "Sec. ____ . Section 12.43, subsection 4, Code 1993,
 5 is amended to read as follows:
 6 4. The maximum size of a targeted small business
 7 loan is ~~two-hundred-fifty~~ one hundred thousand dollars
 8 per borrower.
 9 Sec. ____ . Section 12.43, Code 1993, is amended by
 10 adding the following new subsection:
 11 NEW SUBSECTION. 5. A preference shall be given to
 12 those persons who are less able than other persons to
 13 secure funds for targeted small business without
 14 participation in the targeted small business linked
 15 investment program."

By METCALF of Polk

H-5508 FILED MARCH 17, 1994

*Adopted 3-18-94
(A763)*

HOUSE FILE 2415

H-5511

1 Amend the amendment, H-5504, to House File 2415 as
 2 follows:
 3 1. Page 1, by striking lines 2 through 14 and
 4 inserting the following:
 5 " ____ . Page 13, line 32, by striking the figure
 6 "300,000" and inserting the following: "500,000".
 7 2. By renumbering as necessary.

By GILL of Woodbury

H-5511 FILED MARCH 18, 1994
OUT OF ORDER

HOUSE FILE 2415

H-5512

1 Amend the amendment, H-5508, to House File 2415 as
 2 follows:
 3 1. Page 1, line 13, by inserting after the word
 4 "for" the following: "a".

By METCALF of Polk

H-5512 FILED MARCH 18, 1994
ADOPTED

Substituted for
SF 2312
4-6-94
(P. 1059)

HOUSE FILE 2415
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO LSB 3195HA)

(As Amended and Passed by the House March 18, 1994)

Passed House, Date ^{p.764} 3-18-94 Passed Senate, Date ^(P. 1120) 4-8-94
Vote: Ayes 73 Nays 26 Vote: Ayes 40 Nays 5

Approved Item Vetoes May 13, 1994
Passed 4-20-94#
Vote 92-6
(P. 1997) A BILL FOR
Approved 4-20-94#
Vote 46-3 (P. 1398)

1 An Act appropriating funds to the department of economic
2 development, the Iowa finance authority, and the Wallace
3 technology transfer foundation, and making statutory changes
4 relating to economic development, and providing effective
5 dates.

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

7
8 Senate Conf. Comm. 4-18-94 House Conf. Comm. 4/8/94
P. 1346 (P. 1381)
9 House Amendments _____
10 Biggnano Metcalf
11 Riordan Corbett
12 Husak Ronte
13 Borlaug Sell
14 Kersten Woulond

15 4-19-94
16 REVISED APPOINTMENT OF CONFERENCE COMMITTEE

17 The Chair announced the following revised conference
18 committee on House File 2415 on the part of the Senate: Senators
19 Bisignano, Chair; Riordan, Murphy, Borlaug and Kersten.

1 Section 1. There is appropriated from the general fund of
2 the state and other designated funds to the department of
3 economic development for the fiscal year beginning July 1,
4 1994, and ending June 30, 1995, the following amounts, or so
5 much thereof as is necessary, to be used for the purposes
6 designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 for providing a written report to the joint economic
11 development appropriations subcommittee and the legislative
12 fiscal bureau not later than January 15, 1995, regarding the
13 structure of or plans to implement an advertising sales
14 program:

15 \$ 892,883

16 FTEs 22.00

17 b. Primary research and computer center

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

21 \$ 326,295

22 FTEs 5.50

23 c. Film office

24 For salaries, support, maintenance, miscellaneous purposes,
25 and for not more than the following full-time equivalent
26 positions:

27 \$ 182,664

28 FTEs 2.00

29 2. BUSINESS DEVELOPMENT DIVISION

30 a. Business development operations

31 For salaries, support, maintenance, miscellaneous purposes,
32 and for not more than the following full-time equivalent
33 positions:

34 \$ 3,007,840

35 FTEs 16.00

1 b. Small business programs

2 For salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions for the small business program, the small business
5 advisory council, targeted small business program, business
6 incubators, for providing one FTE for the targeted small
7 business compliance officer who shall continue to work jointly
8 with the department of management, and for deaf interpreters
9 funded through the economic development deaf interpreters
10 revolving fund established in section 15.108, subsection 7,
11 paragraph "j":

12	\$	360,338
13	FTEs	6.50

14 The department shall report to the joint economic
15 development appropriations subcommittee and the legislative
16 fiscal bureau regarding the utilization of the deaf
17 interpreters by January 15, 1995, and the department shall
18 coordinate with the division of deaf services in the provision
19 of deaf interpreter services.

20 c. Federal procurement office

21 For salaries, support, maintenance, miscellaneous purposes,
22 and for not more than the following full-time equivalent
23 positions:

24	\$	98,689
25	FTEs	3.00

26 Notwithstanding section 8.33, moneys remaining unencumbered
27 or unobligated on June 30, 1995, shall not revert and shall be
28 available for expenditure during the fiscal year beginning
29 July 1, 1995, for the same purposes.

30 d. Strategic investment fund

31 For deposit in the strategic investment fund for salaries,
32 support, and for not more than the following full-time
33 equivalent positions:

34	\$	6,756,086
35	FTEs	10.00

1 e. Insurance economic development

2 There is appropriated from moneys collected by the division
3 of insurance in excess of the anticipated gross revenues under
4 section 505.7, subsection 3, to the department for the fiscal
5 year beginning July 1, 1994, and ending June 30, 1995, the
6 following amount, or so much thereof as is necessary, for
7 insurance economic development and international insurance
8 economic development:

9 \$ 200,000

10 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

11 a. Community assistance

12 For salaries, support, maintenance, miscellaneous purposes,
13 and for not more than the following full-time equivalent
14 positions for administration of the community economic
15 preparedness program, the Iowa community betterment program,
16 and the city development board:

17 \$ 571,025

18 FTEs 7.50

19 b. Main street/rural main street program

20 For salaries and support for not more than the following
21 full-time equivalent positions:

22 \$ 350,484

23 FTEs 3.00

24 Notwithstanding section 8.33, moneys committed to grantees
25 under contract from the general fund of the state that remain
26 unexpended on June 30 of the fiscal year shall not revert to
27 any fund but shall be available for expenditure for purposes
28 of the contract during the succeeding fiscal year.

29 c. Rural development program

30 For salaries, support, maintenance, miscellaneous purposes,
31 for not more than the following full-time equivalent positions
32 for rural resource coordination, rural community leadership,
33 and the rural enterprise fund:

34 \$ 422,883

35 FTEs 4.50

1 There is also appropriated from the rural community 2000
2 program revolving fund established in section 15.287 to the
3 rural development program for the purposes of the program
4 including the rural enterprise fund and collaborative skills
5 development training:

6 \$ 226,338

7 Notwithstanding section 8.33, moneys committed to grantees
8 under contract from the general fund of the state or through
9 transfers from the Iowa community development loan fund or
10 from the rural community 2000 program revolving fund that
11 remain unexpended at the end of the fiscal year shall not
12 revert but shall be available for expenditure for purposes of
13 the contract during the succeeding fiscal year.

14 d. Community development block grant and HOME

15 For administration and related federal housing and urban
16 development grant administration for salaries, support,
17 maintenance, miscellaneous purposes, and for not more than the
18 following full-time equivalent positions:

19 \$ 380,045

20 FTEs 18.75

21 e. Councils of governments

22 There is appropriated from the rural community 2000 program
23 revolving fund established in section 15.287 to provide to
24 Iowa's councils of governments funds for planning and
25 technical assistance funds to assist local governments to
26 develop community development strategies for addressing long-
27 term and short-term community needs:

28 \$ 178,250

29 4. INTERNATIONAL DIVISION

30 a. International trade operations

31 For conducting foreign trade missions on behalf of Iowa
32 businesses, salaries, support, maintenance, miscellaneous
33 purposes, for allocating \$100,000, or so much thereof as is
34 necessary, to fund the United States midwest Japan conference,
35 and for not more than the following full-time equivalent

1 positions:

2 \$ 686,114

3 FTEs 7.00

4 b. Foreign trade offices

5 For salaries, support, maintenance, miscellaneous purposes,
6 and for not more than the following full-time equivalent

7 positions:

8 \$ 585,299

9 c. Export trade assistance program

10 For export trade activities, including a program to
11 encourage and increase participation in trade shows and trade
12 missions by providing financial assistance to businesses for a
13 percentage of their costs of participating in trade shows and
14 trade missions, by providing for the lease/sublease of
15 showcase space in existing world trade centers, by providing
16 temporary office space for foreign buyers, international
17 prospects, and potential reverse investors, and by providing
18 other promotional and assistance activities, provided that the
19 department shall consult with the department of agriculture
20 and land stewardship prior to allocating export trade
21 assistance program moneys, including salaries and support for
22 not more than the following full-time equivalent positions:

23 \$ 317,000

24 FTEs 0.25

25 d. Agricultural product advisory council

26 For support, maintenance, and miscellaneous purposes:

27 \$ 1,330

28 e. For transferring from the department of agriculture and
29 land stewardship and colocating the agriculture international
30 marketing function and its current staff in the international
31 marketing division of the department, for salaries and support
32 for not more than the following full-time equivalent

33 positions:

34 \$ 206,000

35 FTEs 4.00

1 f. For transfer to the partner state program which the
2 department may use to contract with private groups or
3 organizations which are the most appropriate to administer
4 this program and the groups and organizations participating in
5 the program shall, to the fullest extent possible, provide the
6 funds to match the appropriation made in this subsection:

7 \$ 96,000

8 5. TOURISM DIVISION

9 a. Tourism operations

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent
12 positions, provided that the appropriation shall not be used
13 for advertising placements for in-state and out-of-state
14 tourism marketing:

15 \$ 710,176

16 FTEs 17.77

17 b. Tourism advertising

18 For contracting exclusively for tourism advertising for in-
19 state and out-of-state tourism marketing services, tourism
20 promotion programs, electronic media, print media, and printed
21 materials:

22 \$ 2,537,000

23 The department shall not use the moneys appropriated in
24 this lettered paragraph unless the department develops public-
25 private partnerships with Iowa businesses in the tourism
26 industry, Iowa tour groups, Iowa tourism organizations, and
27 political subdivisions in this state to assist in the
28 development of advertising efforts. The department shall, to
29 the fullest extent possible, develop cooperative efforts for
30 advertising with contributions from other sources.

31 c. Welcome center program

32 To implement the recommendations of the statewide long-
33 range plan for developing and operating welcome centers
34 throughout the state, to allocate \$100,000 to the Northwood
35 welcome center, and for planning to construct the next welcome

1 center to be funded at living history farms:

2 \$ 350,000

3 It is the intent of the general assembly that the Northwood
4 welcome center receive an additional \$50,000 in fiscal year
5 1996.

6 Notwithstanding section 8.33, moneys committed to grantees
7 under contract that remain unexpended on June 30 of the fiscal
8 year shall not revert to any fund but shall be available for
9 expenditure for purposes of the contract during the succeeding
10 fiscal year.

11 6. WORKFORCE DEVELOPMENT DIVISION

12 a. Youth workforce programs

13 For purposes of the conservation corps, including salary,
14 support, maintenance, miscellaneous purposes, and for not more
15 than the following full-time equivalent positions:

16 \$ 951,574

17 FTEs 2.40

18 The department may combine for administrative and budget
19 purposes the youth workforce conservation program and the Iowa
20 corps program.

21 Notwithstanding section 8.33, moneys committed to grantees
22 under contract that remain unexpended on June 30 of the fiscal
23 year shall not revert to any fund but shall be available for
24 expenditure for purposes of the contract during the succeeding
25 fiscal year.

26 b. Job retraining program

27 To the community college job training fund created in
28 section 260F.6, including salaries and support for not more
29 than the following full-time equivalent positions:

30 \$ 161,000

31 FTEs 1.30

32 There is appropriated from the rural community 2000 program
33 revolving fund established in section 15.287 to the community
34 college job training fund created in section 260F.6,
35 subsection 1, \$325,000. It is the intent of the general

1 assembly that up to \$100,000 of all funds appropriated to the
2 program and some or all of the FTEs may be used for the
3 administration of the Iowa small business new jobs training
4 Act.

5 c. Workforce investment program

6 For purposes of the workforce investment program, for a
7 competitive grant program by the department in consultation
8 with the state job training coordinating council for projects
9 that increase Iowa's pool of available labor via training and
10 support services with priority given to projects which serve
11 displaced homemakers or welfare recipients, including salaries
12 and support for not more than the following full-time
13 equivalent positions:

14	\$	476,691
15	FTEs	0.90

16 The department shall ensure that the workforce investment
17 program is coordinated with services provided under the
18 federal Job Training Partnership Act and that welfare
19 recipients receive priority for services under both programs.

20 Notwithstanding section 8.33, moneys committed to grantees
21 under contract that remain unexpended at the end of the fiscal
22 year, shall not revert to any fund but shall be available for
23 expenditure for purposes of the contract during the succeeding
24 fiscal year.

25 d. Labor management councils

26 For salaries, support, maintenance, miscellaneous purposes,
27 and for not more than the following full-time equivalent
28 positions:

29	\$	50,467
30	FTEs	0.50

31 The department shall not use moneys appropriated in this
32 lettered paragraph for grants to grantees who do not
33 facilitate the active participation of labor as members of
34 labor management councils or who fail to make a good faith
35 effort to either schedule meetings during nonworking hours or

1 obtain voluntary agreements with employers to allow employees
2 time off to attend labor management council meetings with no
3 loss of pay or other benefits.

4 Notwithstanding section 8.33, moneys committed to grantees
5 under contract that remain unexpended on June 30 of the fiscal
6 year shall not revert to any fund but shall be available for
7 expenditure for purposes of the contract during the succeeding
8 fiscal year.

9 Sec. 2. TARGETED SMALL BUSINESS INCUBATOR. Moneys
10 appropriated for fiscal year 1994 and not expended by June 30,
11 1994, shall not revert but shall be held by the department for
12 funding, with local matching funds, the targeted small
13 business incubator in Des Moines for the fiscal year beginning
14 July 1, 1994, and ending June 30, 1995:

15 There is appropriated from the general fund of the state
16 and other designated funds to the department of economic
17 development for the fiscal year beginning July 1, 1995, and
18 ending June 30, 1996, the following amount, or so much thereof
19 as is necessary to be used for funding, with local matching
20 funds, the targeted small business incubator in Des Moines:

21 \$ 50,000

22 Sec. 3. Notwithstanding section 15E.120, subsections 5, 6,
23 and 7, and section 15.287, there is appropriated from the Iowa
24 community development loan fund from the moneys available
25 during the fiscal year beginning July 1, 1994, and ending June
26 30, 1995, to the department of economic development for the
27 rural development program to be used by the department for the
28 purposes of the program.

29 Sec. 4. Notwithstanding section 15.251, subsection 2,
30 there is appropriated from the job training fund created in
31 the office of the treasurer of state to the department of
32 economic development for the fiscal year beginning July 1,
33 1994, and ending June 30, 1995, the following amounts, or so
34 much thereof as is necessary, to be used for the purposes
35 designated:

1 1. For administration of chapter 260E, including salaries,
2 support, maintenance, miscellaneous purposes, and for not more
3 than the following full-time equivalent positions:

4	\$	150,000
5	FTEs	2.40

6 2. For the target alliance program:

7	\$	30,000
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8 3. All moneys in the job training fund not appropriated in
9 subsections 1 and 2 shall be used for job training and
10 retraining programs under section 260F.6.

11 Sec. 5. There is appropriated from the general fund of the
12 state to the Wallace technology transfer foundation for the
13 fiscal year beginning July 1, 1994, and ending June 30, 1995,
14 the following amount, or so much thereof as is necessary, to
15 be used for the purposes designated:

16 For salaries, support, maintenance, and other operational
17 purposes, for administering the industrial technology access
18 program, for approving and submitting to the governor and
19 general assembly not later than January 15 an annual report
20 relating to performance goals of and efforts by the foundation
21 to improve the modernization of industrial facilities, for
22 funding the small business innovation research program, for
23 funding activities as provided in section 15E.158, for
24 transferring \$50,000 of the funds appropriated in this section
25 to the Iowa quality coalition for productivity enhancement
26 projects, and for not more than the following full-time
27 equivalent positions:

28	\$	2,000,000
29	FTEs	4.00

30 Sec. 6. There is appropriated from the general fund of the
31 state to the Iowa seed capital corporation fund established in
32 section 15E.89, for not more than the following full-time
33 equivalent positions:

34	\$	853,085
35	FTEs	5.00

1 Sec. 7. There is appropriated from the general fund of the
2 state to the Iowa state university of science and technology
3 for the fiscal year beginning July 1, 1994, and ending June
4 30, 1995, the following amounts, or so much thereof as is
5 necessary, to be used for the purposes designated:

6 1. For funding and maintaining in their current locations
7 the existing small business development centers:
8 \$ 1,079,389

9 2. For funding the institute for physical research and
10 technology:
11 \$ 3,899,863

12 It is the intent of the general assembly that the incentive
13 program focus on Iowa industrial sectors and seek
14 contributions and in-kind donations from businesses,
15 industrial foundations, and trade associations and that moneys
16 for the institute for physical research and technology
17 industrial incentive program shall only be allocated for
18 projects which are matched by private sector moneys for
19 directed contract research or for nondirected research. The
20 match required of small businesses as defined in section
21 15.102, subsection 4, for directed contract research or for
22 nondirected research shall be \$1 for each \$3 of state funds.
23 The match required for other businesses for directed contract
24 research or for nondirected research shall be \$1 for each \$1
25 of state funds. The match required of industrial foundations
26 or trade associations shall be \$1 for each \$1 of state funds.

27 Iowa state university shall report annually to the joint
28 economic development subcommittee of the senate and house
29 appropriations committees the total amounts of private
30 contributions, the proportion of contributions from small
31 businesses and other businesses, and the proportion for
32 directed contract research and nondirected research of benefit
33 to Iowa businesses and industrial sectors.

34 Notwithstanding section 8.33, moneys appropriated for any
35 fiscal year which remain unobligated and unexpended at the end

1 of the fiscal year shall not revert but shall be available for
2 expenditure the following fiscal year and the appropriation
3 for the incentive program for the following year shall be
4 reduced by an equal amount.

5 Sec. 8. There is appropriated from the general fund of the
6 state to the state university of Iowa for the fiscal year
7 beginning July 1, 1994, and ending June 30, 1995, the
8 following amount, or so much thereof as is necessary, to be
9 used for the purpose designated:

10 For funding the advanced drug development program at the
11 Oakdale research park:

12 \$ 491,389

13 The board of regents shall submit a report on the progress
14 of regents institutions in meeting the strategic plan for
15 technology transfer and economic development to the
16 chairpersons of the joint appropriations subcommittee on
17 economic development, the joint appropriations subcommittee on
18 education, the majority leader, and minority leaders of the
19 senate, the majority and minority leaders of the house of
20 representatives, the secretary of the senate, the chief clerk
21 of the house of representatives, and the legislative fiscal
22 bureau by November 1, 1994.

23 Sec. 9. Not later than July 1, 1995, the department of
24 economic development, with consultation and input from the
25 general assembly, and representatives from business, labor,
26 and education shall study and present recommendations to the
27 general assembly which shall include but not be limited to the
28 privatization and decentralization of Iowa's economic
29 development efforts, the identification of areas appropriate
30 to statewide economic development efforts and areas
31 appropriate for regional economic development efforts,
32 benchmark budgeting for statewide and regional efforts, the
33 deregulation of economic development activities, and
34 collaboration between public and private entities.

35 Sec. 10. 1993 Iowa Acts, chapter 167, section 3,

1 subsection 3, is amended to read as follows:

2 3. For the workforce coordinator:

3	\$	73,000
4	FTEs	1.00

5 Any funds allocated for salary and benefits for the
6 workforce coordinator, and not expended on June 30, 1994,
7 shall not revert, notwithstanding section 8.33, but shall be
8 carried forward and be available for use for the workforce
9 coordinator during the succeeding year.

10 Sec. 11. RURAL COMMUNITY 2000 TRANSFER. Notwithstanding
11 the provisions in section 15.287, 16.100, or other provision
12 of law providing that moneys in the fund shall remain in the
13 rural community 2000 revolving fund of the state, not more
14 than \$310,000 of the moneys in the revolving fund which remain
15 unencumbered on July 1, 1993, shall be transferred and
16 credited to the general fund of the state.

17 Sec. 12. LOTTERY TRANSFER. Notwithstanding the
18 requirement in section 99E.10, subsection 1, to transfer
19 lottery revenue remaining after expenses are deducted,
20 notwithstanding the requirement under section 99E.20,
21 subsection 2, for the commissioner to certify and transfer a
22 portion of the lottery fund to the CLEAN fund, and
23 notwithstanding the appropriations and allocations in section
24 99E.34, all lottery revenues received during the fiscal year
25 beginning July 1, 1994, and ending June 30, 1995, after
26 deductions as provided in section 99E.10, subsection 1, and as
27 appropriated under any Act of the Seventy-fifth General
28 Assembly, 1994 Session, shall not be transferred to and
29 deposited into the CLEAN fund but shall be transferred and
30 credited to the general fund of the state.

31 Sec. 13. IOWA PLAN FUND TRANSFER OF ACCOUNTS. Not-
32 withstanding any provision to the contrary, all unencumbered
33 or unobligated moneys in the jobs now capitals, jobs now,
34 education and agriculture research and development, and
35 surplus accounts of the Iowa plan fund under chapter 99E for

1 economic development on the effective date of this Act shall
2 be transferred to the general fund of the state to be used for
3 any purposes for which appropriated by the general assembly
4 notwithstanding the moneys in those accounts may have been
5 previously appropriated for specific purposes.

6 Sec. 14. COMMUNITY COLLEGE JOB TRAINING FUND TRANSFER.
7 Notwithstanding the provisions of section 260F.6, 260F.8, or
8 any other provision of law providing for retention of moneys
9 in the community college job training fund, not more than
10 \$40,000 of the moneys in the training fund which remain
11 unencumbered on July 1, 1993, shall be transferred and
12 credited to the general fund of the state.

13 Sec. 15. There is appropriated from the state's share of
14 the receipts collected pursuant to section 428A.i, prior to
15 deposit in the general fund of the state under section 428A.8,
16 to the Iowa finance authority for the fiscal year beginning
17 July 1, 1994, and ending June 30, 1995, the following amount,
18 or so much thereof as is necessary, to be used for the purpose
19 designated:

20 For deposit in the housing improvement fund created in
21 section 16.100 for purposes of the fund:
22 \$ 300,000

23 Sec. 16. There is appropriated from the deaf interpreters
24 revolving fund established in section 15.108, subsection 7,
25 paragraph "j", to the strategic investment fund for the fiscal
26 year beginning July 1, 1994, and ending June 30, 1995, the
27 following amount:
28 \$ 40,000

29 Sec. 17. Section 12.43, Code 1993, is amended by adding
30 the following new subsection:

31 NEW SUBSECTION. 5. A preference shall be given to those
32 persons who are less able than other persons to secure funds
33 for a targeted small business without participation in the
34 targeted small business linked investment program.

35 Sec. 18. Section 15.108, subsection 1, paragraph e, Code

1 Supplement 1993, is amended by striking the paragraph.

2 Sec. 19. Section 15.251, subsection 3, Code Supplement
3 1993, is amended by striking the subsection.

4 Sec. 20. Section 15.308, subsection 2, paragraph a, Code
5 1993, is amended by striking the paragraph.

6 Sec. 21. Section 15E.81, Code 1993, is amended to read as
7 follows:

8 15E.81 TITLE.

9 This division may be cited as the "Iowa Product-Development
10 Seed Capital Corporation Act".

11 Sec. 22. Section 15E.82, subsections 1, 2, and 5, Code
12 1993, are amended to read as follows:

13 1. "Board" means the board of directors of the Iowa
14 product-development seed capital corporation.

15 2. "Corporation" means the Iowa product-development seed
16 capital corporation.

17 5. "President" means the president of the Iowa product
18 development seed capital corporation.

19 Sec. 23. Section 15E.83, Code 1993, is amended to read as
20 follows:

21 15E.83 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION.

22 1. ~~There is created a corporate body called the "Iowa~~
23 ~~product-development corporation".--The corporation is a quasi-~~
24 ~~public instrumentality and the exercise of the powers granted~~
25 ~~to the corporation in this division is an essential~~
26 ~~governmental function.~~ The Iowa seed capital corporation
27 shall be incorporated under chapter 504A. The corporation
28 shall not be regarded as a state agency, except for purposes
29 of chapters 17A and 69, and a member of the board is not
30 considered a state employee, except for purposes of chapter
31 669. An individual employed by the corporation is a state
32 employee for purposes of the Iowa public employee's retirement
33 system, state health and dental plans, and other state
34 employee benefit plans and chapter 669. Chapters 8, 18, 19A,
35 and 20 and other provisions of law that relate to requirements

1 or restrictions dealing with state personnel or state funds do
2 not apply to the corporation and any employees of the board or
3 corporation except to the extent provided in this division.
4 Chapters 21 and 22 shall apply to activities of the
5 corporation and to employees of the board or corporation
6 except to the extent provided in this division.

7 2. The corporation shall be governed by a board of seven
8 directors who shall serve a term of four years. Each-term
9 ~~shall begin and end as provided in section 69:19. -- No more~~
10 ~~than a simple majority of the members of the board shall~~
11 ~~belong to the same political party as provided in section~~
12 ~~69:16. At least one director shall be chosen from the~~
13 accounting profession, at least one director shall have local
14 economic development experience, and at least two directors
15 shall be chosen from businesses with fewer than one hundred
16 employees. Each director shall serve at the pleasure of the
17 governor and shall be appointed by the governor, subject to
18 confirmation by the senate pursuant to section 2.32. A
19 director is eligible for reappointment. A vacancy on the
20 board of directors shall be filled in the same manner as an
21 original appointment. ~~For the initial appointments to the~~
22 ~~board of directors, the governor shall appoint three members~~
23 ~~whose terms shall commence upon appointment and shall expire~~
24 ~~April 30, 1985, and four members whose terms shall commence~~
25 ~~upon appointment and shall expire April 30, 1987.~~

26 3. The board of directors shall annually elect one member
27 as chairperson and one member as secretary. The board may
28 elect other officers of the corporation as necessary. Members
29 shall be reimbursed for necessary expenses incurred in the
30 performance of duties from funds appropriated to the Iowa
31 department of economic development corporation.

32 4. Each director of the corporation shall take an oath of
33 office and the record of each oath shall be filed in the
34 office of the secretary of state.

35 5. The corporation shall receive information and cooperate

1 with other agencies of the state and the political
2 subdivisions of the state.

3 ~~6.--The-corporation-shall-be-a-part-of-the-Iowa-department~~
4 ~~of-economic-development-which-shall-provide-all-staff-and~~
5 ~~administrative-assistance.--The-corporation-shall-submit-to~~
6 ~~the-department-for-its-approval-all-plans,-programs,-~~
7 ~~initiatives-and-budgets-~~

8 Sec. 24. Section 15E.86, Code 1993, is amended to read as
9 follows:

10 15E.86 PRESIDENT.

11 The ~~director-of-the-department-of-economic-development~~
12 board shall appoint employ a president of the corporation who
13 shall serve at the pleasure of the ~~director~~ board and shall
14 receive the compensation determined by the ~~director~~ board.
15 ~~The-president-is-a-state-employee.~~ The president shall not be
16 a member of the board of directors. The president is the
17 chief administrative and operational officer of the
18 corporation and shall direct and supervise the administrative
19 affairs and the general management of the corporation subject
20 to the direction and oversight of the ~~director~~ board. The
21 president may employ other employees as designated by the
22 board. The president shall provide copies of all minutes,
23 documents, and other records of the corporation and shall
24 provide a certificate which attests to truthfulness of the
25 copies, if requested. Persons dealing with the corporation
26 may rely upon the certificates. The president shall keep a
27 record of all proceedings, documents, and papers filed with
28 the corporation.

29 Sec. 25. Section 15E.87, subsection 1, Code 1993, is
30 amended to read as follows:

31 1. To have perpetual succession as a corporate body and to
32 adopt bylaws, policies, and procedures for the regulation of
33 its affairs and conduct of its business consistent with the
34 purposes of this division. The Iowa seed capital corporation
35 shall be the legal successor entity to the Iowa product

1 development corporation and shall assume all property, assets,
2 and liabilities of the Iowa product development corporation.

3 Sec. 26. Section 15E.87, subsection 4, Code 1993, is
4 amended by striking the subsection.

5 Sec. 27. Section 15E.87, subsection 7, Code 1993, is
6 amended to read as follows:

7 7. To employ assistants, agents, and other employees who
8 ~~shall be state employees~~ and to engage consultants, attorneys,
9 and appraisers as necessary or desirable to carry out the
10 purposes of the corporation.

11 Sec. 28. Section 15E.88, Code 1993, is amended to read as
12 follows:

13 15E.88 APPLICATIONS FOR FINANCIAL AID.

14 ~~1. Applications for financial aid shall be forwarded,~~
15 ~~together with an application fee prescribed by the~~
16 ~~corporation, to the president of the corporation. The~~
17 ~~president, after preparing the necessary records for the~~
18 ~~corporation, shall forward each application to the staff of~~
19 ~~the corporation for an investigation and report concerning~~
20 ~~the advisability of approving the financial aid for the~~
21 ~~company and concerning any other factors found relevant by the~~
22 ~~corporation. The investigation and report shall include but~~
23 ~~are not limited to the following:~~

24 a. ~~The history of the applicant, its wage standards, job~~
25 ~~opportunities, and stability of employment.~~

26 b. ~~The extent of the applicant's dependence on~~
27 ~~agriculture.~~

28 c. ~~The applicant's past, present, and future financial~~
29 ~~condition and structure.~~

30 d. ~~The applicant's pro forma income statements.~~

31 e. ~~The present and future market prospects for the~~
32 ~~product.~~

33 f. ~~The feasibility of the proposed project or invention to~~
34 ~~be given financial aid and the integrity of management.~~

35 g. ~~The state of the project's development.~~

1 2.--After receipt and consideration of the report and any
2 other action the corporation finds necessary, the corporation
3 shall approve or deny the application.--The president shall
4 promptly notify an applicant by certified mail of the
5 disposition of its application.--The corporation shall give
6 priority to those applicants whose business is agriculture
7 related or whose business is located in an area which the
8 corporation determines has been severely adversely affected by
9 depressed agricultural prices and whose proposed product or
10 invention is to be used to convert all or a portion of the
11 business to nonagriculture related industrial or commercial
12 activity or to create a new nonagriculture related industrial
13 or commercial business.

14 1. Applications for financial aid shall be received and
15 considered by the corporation pursuant to rules adopted by the
16 board pursuant to chapter 17A.

17 2. Notwithstanding the requirements of chapter 21,
18 relating to open meetings, and chapter 22, relating to
19 examination of public records, the corporation shall keep as
20 confidential those items on the application for financial aid
21 that the applicant has specifically requested to be held in
22 confidence. These items shall remain confidential until the
23 applicant says otherwise or the corporation determines the
24 items no longer need to be held confidential.

25 Sec. 29. Section 15E.89, Code Supplement 1993, is amended
26 to read as follows:

27 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION
28 FUND.

29 1. There is created an "Iowa product-development seed
30 capital corporation fund". All funds of the corporation
31 including the proceeds from the issuance of notes or sale of
32 bonds under this division, any funds appropriated to the
33 corporation, and income derived from other sources from the
34 exercise of powers granted to the corporation under this
35 division shall be paid into the Iowa product-development seed

1 capital corporation fund notwithstanding section 12.10. The
2 money in the Iowa product-development seed capital corporation
3 fund, except moneys held by a trustee or a depository pursuant
4 to a bond resolution or indenture relating to the issuance of
5 bonds or notes pursuant to section 15E.90 or 15E.91, shall be
6 paid out on the order of the person authorized by the
7 corporation. The money in the Iowa product-development seed
8 capital corporation fund shall be used for repayment of notes
9 and bonds issued under this division and the extension of
10 financial aid granted by the corporation under this division,
11 and the amount remaining may be used for the payment of the
12 administrative and overhead costs of the corporation to the
13 extent required. ~~There is also created in the Iowa product~~
14 ~~development corporation fund an Iowa technology assistance~~
15 ~~program account, which shall provide seed capital for the~~
16 ~~commercialization of products, or the development of processes~~
17 ~~or materials through research at Iowa colleges and~~
18 ~~universities or by private industry.~~

19 2. Notwithstanding section 8.33, no part of the Iowa
20 product-development corporation this fund shall revert at or
21 after the close of a fiscal year unless otherwise provided by
22 the general assembly, but shall remain in the fund and
23 appropriated for the purposes of this division. The board
24 shall seek to repay the state for appropriations by
25 recommending to the general assembly reversions from income
26 received from successful ventures. The board shall recommend
27 such action at any time when the revenue available to the
28 board is deemed sufficient to continue existing operations.

29 3. Upon dissolution of the corporation, all remaining
30 moneys in the Iowa seed capital corporation fund, as well as
31 the net proceeds realized by the corporation through the
32 liquidation of the assets of the corporation, shall revert to
33 the state.

34 Sec. 30. Section 15E.90, Code 1993, is amended to read as
35 follows:

1 15E.90 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION NOTES.
2 The corporation may issue Iowa product-development seed
3 capital corporation fund notes, the principal and interest of
4 which shall be payable solely from the Iowa product
5 development seed capital corporation fund established by this
6 division. The fund notes of each issue shall be dated, shall
7 mature at such times and may be made redeemable before
8 maturity, at prices and under terms and conditions as
9 determined by the corporation. The corporation shall
10 determine the form and manner of execution of the fund notes,
11 including any interest coupons to be attached, and shall fix
12 the denominations and the places of payment of principal and
13 interest, which may be any financial institution within or
14 without the state or any agent, including the lender. If an
15 officer whose signature or a facsimile of whose signature
16 appears on fund notes or coupons ceases to be that officer
17 before the delivery of the notes or coupons, the signature or
18 facsimile is valid and sufficient for all purposes the same as
19 if the officer had remained in office until delivery. The
20 fund notes may be issued in coupon or in registered form, or
21 both, as the corporation determines, and provision may be made
22 for the registration of coupon fund notes as to principal
23 alone and also as to both principal and interest, and for the
24 conversion into coupon fund notes of any fund notes registered
25 as to both principal and interest, and for the interchange of
26 registered and coupon fund notes. Fund notes shall bear
27 interest at rates as determined by the corporation and may be
28 sold in a manner, either at public or private sale, and for a
29 price as the corporation determines to be best to effectuate
30 the purposes of the Iowa product-development seed capital
31 corporation fund. The proceeds of fund notes shall be used
32 solely for the purposes for which issued and shall be
33 disbursed in a manner and under restrictions as provided in
34 this division and in the resolution of the corporation
35 providing for their issuance. The corporation may provide for

1 the replacement of fund notes which become mutilated or are
2 destroyed or lost.

3 Sec. 31. Section 15E.92, Code Supplement 1993, is amended
4 to read as follows:

5 15E.92 REPORTING AND FUND SOLVENCY.

6 The chairperson of the corporation on or before December 31
7 of each fiscal year shall make and deliver a report to the
8 governor and the legislative fiscal committee. The report
9 shall include all transactions conducted by the corporation in
10 the preceding fiscal year. The report shall also include a
11 balance sheet outlining the financial solvency of the Iowa
12 ~~product-development~~ seed capital corporation fund, a certified
13 copy of any audits of the corporation conducted in the
14 preceding fiscal year, and other information requested by the
15 governor or the legislative fiscal committee.

16 Sec. 32. Section 15E.152, Code Supplement 1993, is amended
17 by adding the following new subsection:

18 NEW SUBSECTION. 7. Establishment of a seed capital fund
19 which shall be administered by the board to provide seed
20 capital for the commercialization of product, or the
21 development of processes or materials through research at Iowa
22 colleges and universities or by private industry.

23 Sec. 33. Section 428A.8, unnumbered paragraph 1, Code
24 1993, is amended to read as follows:

25 On or before the tenth day of each month the county
26 recorder shall determine and pay to the treasurer of state
27 eighty-two and three-fourths percent of the receipts from the
28 real estate transfer tax collected during the preceding month
29 and the treasurer of state shall deposit ninety-five percent
30 of the receipts in the general fund of the state and transfer
31 five percent of the receipts to the Iowa finance authority for
32 deposit in the housing improvement fund created in section
33 16.100.

34 Sec. 34. Sections 99E.31, 99E.32, and 99E.33, Code 1993,
35 are repealed effective June 30, 1994.

1 Sec. 35. BUDGET UNIT DESIGNATIONS. The department of
2 management shall, prior to January 15, 1995, conform all
3 budget unit designations to the designations used in the Code.

4 Sec. 36. EFFECTIVE DATES.

5 1. Sections 11 through 16, being deemed of immediate
6 importance, take effect upon enactment.

7 2. Section 33 of this Act takes effect July 1, 1995.

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HOUSE FILE 2415

H-5518

1 Amend the amendment, H-5509, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 2 through 35 and
4 inserting the following:
5 "____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$296,000 of
7 the lottery revenues shall not be deposited in the
8 general fund of the state but shall be allocated to
9 the department of economic development for the
10 following purposes:
11 1. For allocating \$40,000 to the international
12 division for Canadian marketing and \$50,000 for
13 Mexican trade.
14 2. For transfer of \$10,000 to the partner state
15 program to be used only to establish a partner state
16 program with Vietnam.
17 3. For transfer of \$96,000 to the Iowa peace
18 institute for the purpose of continuing to expand
19 conflict resolution and negotiation efforts in Iowa's
20 schools and communities and reporting to the joint
21 appropriations subcommittee on economic development by
22 January 15, 1995, on all such activities undertaken.
23 4. For transfer of \$100,000 to the international
24 development foundation for the purposes of the
25 foundation and reporting to the joint appropriations
26 subcommittee on economic development by January 15,
27 1995, regarding actual and planned expenditures for
28 fiscal year 1995.""

By CATALDO of Polk

H-5518 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

H-5520

1 Amend the amendment, H-5476, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 2 and 3.
4 2. Page 1, by striking lines 10 and 11.
5 3. Page 1, by inserting after line 45 the
6 following:
7 "____. Page 13, line 5, by inserting after the
8 word "state." the following: "However, \$281,000 of
9 the lottery revenues shall not be deposited in the
10 general fund of the state but shall be allocated to
11 Iowa state university of science and technology for
12 the institute for physical research and technology
13 industrial incentive program.""

By WISE of Lee

H-5520 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

H-5516

1 Amend the amendment, H-5478, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 2 through 5 and
4 inserting the following:
5 "_____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$153,460 of
7 the lottery revenues shall not be deposited in the
8 general fund of the state but shall be allocated to
9 the department of economic development for the
10 purposes of the main street/rural main street
11 program.""

By NELSON of Pottawattamie

H-5516 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

H-5517

1 Amend the amendment, H-5500, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 1 through 7 and
4 inserting the following:
5 "_____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$48,426 of the
7 lottery revenues shall not be deposited in the general
8 fund of the state but shall be allocated to the
9 department of economic development for the purposes of
10 the youth workforce conservation corps.""

By MORELAND of Wapello

H-5517 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

H-5521

1 Amend the amendment, H-5508, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 4 through 6.

By METCALF of Polk
BAKER of Polk

H-5521 FILED MARCH 18, 1994
ADOPTED

HOUSE FILE 2415

H-5522

1 Amend the amendment, H-5477, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 4 and 5 and insert-
4 ing the following:
5 "_____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$123,533 of
7 the lottery revenues shall not be deposited in the
8 general fund of the state but shall be allocated to
9 the department of economic development for labor
10 management councils.""

By SHOULTZ of Black Hawk

H-5522 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

5513

Amend House File 2415 as follows:

1. Page 2, by inserting after line 19 the following:

"From the moneys appropriated in this lettered paragraph, \$40,000 for the fiscal year beginning July 1, 1994, shall be used to match federal funds to design and implement a business development initiative for entrepreneurs with disabilities. The business development division shall develop a program to provide technical and financial assistance to help persons with disabilities to become self-sufficient and create additional employment opportunities by establishing or expanding small business ventures. The division shall enter into an interagency agreement with the division of vocational rehabilitation of the department of education to implement the program. The purpose of the interagency agreement is to strengthen initial placements and long-term successes of individuals with disabilities through self-employment, by combining the business expertise of the department of economic development with the experience of the division of vocational rehabilitation of the department of education in working with people with disabilities. The business development division shall design the program to make the maximum amount of resources expended by the business development and the department of economic development eligible for federal reimbursement."

2. Page 14, by inserting after line 5 the following:

"Sec. ____ . Section 15.241, unnumbered paragraphs 1, 2, and 4, Code 1993, are amended to read as follows:

A "self-employment loan program account" is established within the strategic investment fund created in section 15.313 to provide funding for the self-employment loan program which is to be conducted in coordination with the job training partnership program and other programs administered under section 15.108, subsection 6, paragraph "c". The department may contract with local community action agencies or other local entities in administering the program, and shall work with the department of employment services and the department of human services in developing the program. The department shall cooperate with the division of vocational rehabilitation under the department of education to implement a business development initiative for entrepreneurs with disabilities.

The self-employment loan program shall administer a

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Page 2

1 low-interest loan program to provide loans to low-
2 income persons and persons with disabilities for the
3 purpose of establishing or expanding small business
4 ventures. The terms of the loans shall be determined
5 by the department, but shall not be in excess of ten
6 thousand dollars to any single applicant or at a rate
7 to exceed five percent simple interest per annum. The
8 department shall maintain records of all loans
9 approved and the effectiveness of those loans in
10 establishing or expanding small business ventures.
11 Payments of interest, recaptures of awards, and
12 repayments of moneys loaned under this program shall
13 be deposited into the strategic investment fund.
14 Receipts from loans or grants under the business
15 development initiative for entrepreneurs with
16 disabilities may be maintained in a separate account
17 within the fund."

18 3. By renumbering, redesignating, and correcting
19 internal references as necessary.

By BAKER of Polk

H-5513 FILED MARCH 18, 1994
WITHDRAWN

HOUSE FILE 2415

H-5514

1 Amend the amendment, H-5502, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 2 through 5 and
4 inserting the following:
5 "_____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$49,516 of the
7 lottery revenues shall not be deposited in the general
8 fund of the state but shall be allocated to the
9 department of economic development for the purposes of
10 the main street/rural main street program.""

By MORELAND of Wapello

H-5514 FILED MARCH 18, 1994
LOST

HOUSE FILE 2415

H-5515

1 Amend the amendment, H-5475, to House File 2415 as
2 follows:
3 1. Page 1, by striking lines 2 through 5 and
4 inserting the following:
5 "_____. Page 13, line 5, by inserting after the
6 word "state." the following: "However, \$1,522,000 of
7 the lottery revenues shall not be deposited in the
8 general fund of the state but shall be deposited in
9 the job training fund created in section 260F.6 for
10 the purposes of the fund.""

By WISE of Lee

H-5515 FILED MARCH 18, 1994
LOST

SENATE AMENDMENT TO HOUSE FILE 2415

H-6069

1 Amend House File 2415, as amended, passed, and re-
2 printed by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. There is appropriated from the general
6 fund of the state and other designated funds to the
7 department of economic development for the fiscal year
8 beginning July 1, 1994, and ending June 30, 1995, on
9 the condition that the department shall not use any
10 moneys appropriated under this Act for further

11 development or expansion of industrial site locator
12 programs until the industrial site locator program at
13 the university of northern Iowa is completed and fully
14 implemented and the department and the university have
15 reported to the general assembly on plans for
16 coordination and cooperation between the department
17 and the university, including access by the department
18 to the database and technology of the university
19 program, the following amounts, or so much thereof as
20 is necessary, to be used for the purposes designated:

21 1. ADMINISTRATIVE SERVICES DIVISION

22 a. General administration

23 For salaries, support, maintenance, miscellaneous
24 purposes, for providing that a business receiving
25 moneys from the department for the purpose of job
26 creation shall make available ten percent of the new
27 jobs created for qualified promise jobs program
28 participants, and for providing a written report to
29 the joint economic development appropriations

30 subcommittee and the legislative fiscal bureau not
31 later than January 15, 1995, regarding the structure
32 of or plans to implement an advertising sales program:

33 \$ 892,000
34 FTEs 22.00

35 The director shall coordinate efforts with the
36 workforce coordinator to implement the intent of the
37 general assembly regarding businesses receiving job
38 creation moneys and shall report to the joint economic
39 development appropriations subcommittee regarding the
40 number of jobs to be created by each business, the
41 number of qualified promise jobs participants applying
42 with the business, and the number of promise jobs
43 participants hired.

44 b. Primary research and computer center

45 For salaries, support, maintenance, miscellaneous
46 purposes, and for not more than the following full-
47 time equivalent positions:

48 \$ 326,000
49 FTEs 5.50

50 c. Film office

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1 For salaries, support, maintenance, miscellaneous
 2 purposes, and for not more than the following full-
 3 time equivalent positions:
 4 \$ 182,000
 5 FTEs 2.00

6 2. BUSINESS DEVELOPMENT DIVISION

7 a. Business development operations

8 For salaries, support, maintenance, miscellaneous
 9 purposes, and for not more than the following full-
 10 time equivalent positions:
 11 \$ 3,000,000
 12 FTEs 16.00

13 b. Small business programs

14 For salaries, support, maintenance, miscellaneous
 15 purposes, and for not more than the following full-
 16 time equivalent positions for the small business
 17 program, the small business advisory council, targeted
 18 small business program, business incubators, and for
 19 deaf interpreters funded through the economic
 20 development deaf interpreters revolving fund
 21 established in section 15.108, subsection 7, paragraph
 22 "j":
 23 \$ 310,000
 24 FTEs 5.50

25 The department shall report to the joint economic
 26 development appropriations subcommittee and the
 27 legislative fiscal bureau regarding the utilization of
 28 the deaf interpreters by January 15, 1995, and the
 29 department shall coordinate with the division of deaf
 30 services in the provision of deaf interpreter
 31 services.

32 c. Federal procurement office

33 For salaries, support, maintenance, miscellaneous
 34 purposes, and for not more than the following full-
 35 time equivalent positions:
 36 \$ 98,000
 37 FTEs 3.00

38 Notwithstanding section 8.33, moneys remaining
 39 unencumbered or unobligated on June 30, 1995, shall
 40 not revert and shall be available for expenditure
 41 during the fiscal year beginning July 1, 1995, for the
 42 same purposes.

43 d. Strategic investment fund

44 For deposit in the strategic investment fund for
 45 salaries, support, and for not more than the following
 46 full-time equivalent positions:
 47 \$ 4,587,000
 48 FTEs 10.00

49 e. Targeted small business incubator

50 For transfer directly to the targeted small

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1 business incubator in Des Moines, for computer
 2 equipment and other equipment, for the fiscal year
 3 beginning July 1, 1994, and ending June 30, 1995:
 4 For funding, with local matching funds, the
 5 targeted small business incubator in Des Moines:
 6 \$ 10,000

7 f. Insurance economic development
 8 There is appropriated from moneys collected by the
 9 division of insurance in excess of the anticipated
 10 gross revenues under section 505.7, subsection 3, to
 11 the department for the fiscal year beginning July 1,
 12 1994, and ending June 30, 1995, the following amount,
 13 or so much thereof as is necessary, for insurance
 14 economic development and international insurance
 15 economic development:
 16 \$ 200,000

17 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

18 a. Community assistance
 19 For salaries, support, maintenance, miscellaneous
 20 purposes, and for not more than the following full-
 21 time equivalent positions for administration of the
 22 community economic preparedness program, the Iowa
 23 community betterment program, and the city development
 24 board:
 25 \$ 571,000
 26 FTEs 7.50

27 b. Main street/rural main street program
 28 For salaries and support for not more than the
 29 following full-time equivalent positions:
 30 \$ 400,000
 31 FTEs 3.00

32 Notwithstanding section 8.33, moneys committed to
 33 grantees under contract from the general fund of the
 34 state that remain unexpended on June 30 of the fiscal
 35 year shall not revert to any fund but shall be
 36 available for expenditure for purposes of the contract
 37 during the succeeding fiscal year.

38 c. Rural development program
 39 For salaries, support, maintenance, miscellaneous
 40 purposes, for not more than the following full-time
 41 equivalent positions for rural resource coordination,
 42 rural community leadership, and the rural enterprise
 43 fund:
 44 \$ 450,000
 45 FTEs 4.50

46 There is also appropriated from the rural community
 47 2000 program revolving fund established in section
 48 15.287 to the rural development program for the
 49 purposes of the program including the rural enterprise
 50 fund and collaborative skills development training:

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1 \$ 225,000
 2 Notwithstanding section 8.33, moneys committed to
 3 grantees under contract from the general fund of the
 4 state or through transfers from the Iowa community
 5 development loan fund or from the rural community 2000
 6 program revolving fund that remain unexpended at the
 7 end of the fiscal year shall not revert but shall be
 8 available for expenditure for purposes of the contract
 9 during the succeeding fiscal year.

10 d. Community development block grant and HOME
 11 For administration and related federal housing and
 12 urban development grant administration for salaries,
 13 support, maintenance, miscellaneous purposes, and for
 14 not more than the following full-time equivalent
 15 positions:

16 \$ 280,000
 17 FTEs 18.75

18 e. Councils of governments
 19 There is appropriated from the rural community 2000
 20 program revolving fund established in section 15.287
 21 to provide to Iowa's councils of governments funds for
 22 planning and technical assistance funds to assist
 23 local governments to develop community development
 24 strategies for addressing long-term and short-term
 25 community needs:

26 \$ 178,000

27 4. INTERNATIONAL DIVISION

28 a. International trade operations
 29 For conducting foreign trade missions on behalf of
 30 Iowa businesses, salaries, support, maintenance,
 31 miscellaneous purposes, for allocating \$100,000, or so
 32 much thereof as is necessary, to fund the United
 33 States midwest Japan conference, and for not more than
 34 the following full-time equivalent positions:

35 \$ 776,000
 36 FTEs 7.00

37 b. Foreign trade offices
 38 For salaries, support, maintenance, miscellaneous
 39 purposes, and for not more than the following full-
 40 time equivalent positions:

41 \$ 585,000

42 c. Export trade assistance program
 43 For export trade activities, including a program to
 44 encourage and increase participation in trade shows
 45 and trade missions by providing financial assistance
 46 to businesses for a percentage of their costs of
 47 participating in trade shows and trade missions, by
 48 providing for the lease/sublease of showcase space in
 49 existing world trade centers, by providing temporary
 50 office space for foreign buyers, international

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1 prospects, and potential reverse investors, and by
2 providing other promotional and assistance activities,
3 provided that the department shall consult with the
4 department of agriculture and land stewardship prior
5 to allocating export trade assistance program moneys,
6 including salaries and support for not more than the
7 following full-time equivalent positions:

8	\$	317,000
9	FTEs	0.25

10 d. Agricultural product advisory council
11 For support, maintenance, and miscellaneous
12 purposes:

13	\$	1,330
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14 e. For transfer to the partner state program which
15 the department may use to contract with private groups
16 or organizations which are the most appropriate to
17 administer this program and the groups and
18 organizations participating in the program shall, to
19 the fullest extent possible, provide the funds to
20 match the appropriation made in this subsection of the
21 funds transferred, and \$10,000 shall be used only to
22 establish a partner state program with Vietnam:

23	\$	106,000
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24 If the United States department of state denies the
25 establishment of a partner state program with Vietnam,
26 \$10,000 shall be allocated to the agriculture museum
27 in Cambridge, Iowa.

28 f. For transfer to the Iowa peace institute for
29 the purpose of continuing to expand conflict
30 resolution and negotiation efforts in Iowa's schools
31 and communities and reporting to the joint
32 appropriations subcommittee on economic development by
33 January 15, 1995, on all such activities undertaken:

34	\$	96,000
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35 g. For transfer to the international development
36 foundation for the purposes of the foundation and
37 reporting to the joint appropriations subcommittee on
38 economic development by January 15, 1995, regarding
39 actual and planned expenditures for fiscal year 1995:

40	\$	265,000
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41 Notwithstanding section 8.33, moneys that remain
42 unexpended on June 30 of the fiscal year shall not
43 revert to any fund but shall be available for
44 expenditure for the purposes of the foundation during
45 the succeeding fiscal year.

46 5. TOURISM DIVISION

47 a. Tourism operations

48 For salaries, support, maintenance, miscellaneous
49 purposes, and for not more than the following full-
50 time equivalent positions, provided that the

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1 appropriation shall not be used for advertising
 2 placements for in-state and out-of-state tourist
 3 marketing:
 4 \$ 710,000
 5 FTEs 17.77

6 b. Tourism advertising
 7 For contracting exclusively for tourism advertising
 8 for in-state and out-of-state tourism marketing
 9 services, tourism promotion programs, electronic
 10 media, print media, and printed materials:
 11 \$ 2,437,000

12 The department shall not use the moneys
 13 appropriated in this lettered paragraph unless the
 14 department develops public-private partnerships with
 15 Iowa businesses in the tourism industry, Iowa tour
 16 groups, Iowa tourism organizations, and political
 17 subdivisions in this state to assist in the
 18 development of advertising efforts. The department
 19 shall, to the fullest extent possible, develop
 20 cooperative efforts for advertising with contributions
 21 from other sources.

22 c. Welcome center program
 23 To implement the recommendations of the statewide
 24 long-range plan for developing and operating welcome
 25 centers throughout the state, to allocate \$150,000 to
 26 the Northwood welcome center, and for planning for a
 27 welcome center at living history farms:
 28 \$ 400,000

29 Notwithstanding section 8.33, moneys committed to
 30 grantees under contract that remain unexpended on June
 31 30 of the fiscal year shall not revert to any fund but
 32 shall be available for expenditure for purposes of the
 33 contract during the succeeding fiscal year.

34 6. WORKFORCE DEVELOPMENT DIVISION

35 a. Youth work force programs
 36 For purposes of the conservation corps, including
 37 salary, support, maintenance, miscellaneous purposes,
 38 and for not more than the following full-time
 39 equivalent positions:
 40 \$ 1,000,000
 41 FTEs 2.40

42 The department may combine for administrative and
 43 budget purposes the youth workforce conservation
 44 program and the Iowa corps program.

45 Notwithstanding section 8.33, moneys committed to
 46 grantees under contract that remain unexpended on June
 47 30 of the fiscal year shall not revert to any fund but
 48 shall be available for expenditure for purposes of the
 49 contract during the succeeding fiscal year.

50 b. Job retraining program

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1 To the community college job training fund created
2 in section 260F.6, including salaries and support for
3 not more than the following full-time equivalent
4 positions:

5	\$	327,000
6	FTEs	1.30

7 There is appropriated from the rural community 2000
8 program revolving fund established in section 15.287
9 to the community college job training fund created in
10 section 260F.6, subsection 1, \$125,000. It is the
11 intent of the general assembly that up to \$100,000 of
12 all funds appropriated to the program and some or all
13 of the full-time equivalent positions may be used for
14 the administration of the Iowa small business new jobs
15 training Act.

16 c. Workforce investment program

17 For purposes of the workforce investment program,
18 for a competitive grant program by the department in
19 consultation with the state job training coordinating
20 council for projects that increase Iowa's pool of
21 available labor via training and support services with
22 priority given to projects which serve displaced
23 homemakers or welfare recipients, including salaries
24 and support for not more than the following full-time
25 equivalent positions:

26	\$	476,000
27	FTEs	0.90

28 The department shall ensure that the workforce
29 investment program is coordinated with services
30 provided under the federal Job Training Partnership
31 Act and that welfare recipients receive priority for
32 services under both programs.

33 Notwithstanding section 8.33, moneys committed to
34 grantees under contract that remain unexpended at the
35 end of the fiscal year, shall not revert to any fund
36 but shall be available for expenditure for purposes of
37 the contract during the succeeding fiscal year.

38 d. Labor management councils

39 For salaries, support, maintenance, miscellaneous
40 purposes, and for not more than the following full-
41 time equivalent positions:

42	\$	114,000
43	FTEs	0.50

44 The department shall not use moneys appropriated in
45 this lettered paragraph for grants to grantees who do
46 not facilitate the active participation of labor as
47 members of labor management councils or who fail to
48 make a good faith effort to either schedule meetings
49 during nonworking hours or obtain voluntary agreements
50 with employers to allow employees time off to attend

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1 labor management council meetings with no loss of pay
2 or other benefits.

3 Notwithstanding section 8.23, moneys committed to
4 grantees under contract that remain unexpended on June
5 30 of the fiscal year shall not revert to any fund but
6 shall be available for expenditure for purposes of the
7 contract during the succeeding fiscal year.

8 Sec. 2. Notwithstanding section 15E.120,
9 subsections 5, 6, and 7, and section 15.287, there is
10 appropriated from the Iowa community development loan
11 fund from the moneys available during the fiscal year
12 beginning July 1, 1994, and ending June 30, 1995, to
13 the department of economic development for the rural
14 development program to be used by the department for
15 the purposes of the program.

16 Sec. 3. Notwithstanding section 15.251, subsection
17 2, there is appropriated from the job training fund
18 created in the office of the treasurer of state to the
19 department of economic development for the fiscal year
20 beginning July 1, 1994, and ending June 30, 1995, the
21 following amounts, or so much thereof as is necessary,
22 to be used for the purposes designated:

23 1. For administration of chapter 260E, including
24 salaries, support, maintenance, miscellaneous
25 purposes, and for not more than the following full-
26 time equivalent positions:

27	\$	150,000
28	FTEs	2.40

29 2. For the target alliance program:		
30	\$	30,000

31 3. For the job retraining program under section		
32 260F.6:		
33	\$	273,000

34 Sec. 4. There is appropriated from the general
35 fund of the state to the Wallace technology transfer
36 foundation for the fiscal year beginning July 1, 1994,
37 and ending June 30, 1995, the following amount, or so
38 much thereof as is necessary, to be used for the
39 purposes designated:

40 For salaries, support, maintenance, and other
41 operational purposes, for administering the industrial
42 technology access program, for approving and
43 submitting to the governor and general assembly not
44 later than January 15 an annual report relating to
45 performance goals of and efforts by the foundation to
46 improve the modernization of industrial facilities,
47 for funding the small business innovation research
48 program, for funding activities as provided in section
49 15E.158, for continuing, to the extent possible, the
50 current allocation of apprenticeship funds to the

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1 community colleges for transferring \$50,000 of the
 2 funds appropriated in this section to the Iowa quality
 3 coalition for productivity enhancement projects, and
 4 for allocating \$350,000 to the industrial technology
 5 assistance program and for not more than the following
 6 full-time equivalent positions:

7 \$ 2,600,000
 8 FTEs 4.00

9 Sec. 5. There is appropriated from the general
 10 fund of the state to the Iowa seed capital corporation
 11 fund established in section 15E.89, for not more than
 12 the following full-time equivalent positions:

13 \$ 853,000
 14 FTEs 5.00

15 Sec. 6. There is appropriated from the general
 16 fund of the state to the Iowa state university of
 17 science and technology for the fiscal year beginning
 18 July 1, 1994, and ending June 30, 1995, the following
 19 amounts, or so much thereof as is necessary, to be
 20 used for the purposes designated:

21 1. For funding and maintaining in their current
 22 locations the existing small business development
 23 centers, for establishing a new small business
 24 development center, and for using \$38,000 or so much
 25 thereof as is necessary for salary increases of up to
 26 four percent for non-Iowa state university employees:
 27 \$ 1,139,000

28 2. For funding the institute for physical research
 29 and technology:
 30 \$ 3,900,000

31 Sec. 7. There is appropriated from the general
 32 fund of the state to the state university of Iowa for
 33 the fiscal year beginning July 1, 1994, and ending
 34 June 30, 1995, the following amount, or so much
 35 thereof as is necessary, to be used for the purpose
 36 designated:

37 For funding the advanced drug development program
 38 at the Oakdale research park:
 39 \$ 491,389

40 The board of regents shall submit a report on the
 41 progress of regents institutions in meeting the
 42 strategic plan for technology transfer and economic
 43 development to the chairpersons of the joint
 44 appropriations subcommittee on economic development,
 45 the joint appropriations subcommittee on education,
 46 the majority leader, and minority leader of the
 47 senate, the majority and minority leaders of the house
 48 of representatives, the secretary of the senate, the
 49 chief clerk of the house of representatives, and the
 50 legislative fiscal bureau by November 1, 1994.

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1 Sec. 8. Not later than July 1, 1995, the
 2 department of economic development, with consultation
 3 and input from the general assembly, and
 4 representatives from business, labor, and education
 5 shall study and present recommendations to the general
 6 assembly which shall include but not be limited to the
 7 privatization and decentralization of Iowa's economic
 8 development efforts, the identification of areas
 9 appropriate to statewide economic development efforts
 10 and areas appropriate for regional economic
 11 development efforts, benchmark budgeting for statewide
 12 and regional efforts, the deregulation of economic
 13 development activities, and collaboration between
 14 public and private entities.

15 Sec. 9. 1993 Iowa Acts, chapter 167, section 3,
 16 subsection 3, is amended to read as follows:

17 3. For the workforce coordinator:

18	\$	73,000
19	FTEs	1.00

20 Any funds allocated for salary and benefits for the
 21 workforce coordinator, and not expended on June 30,
 22 1994, shall not revert, notwithstanding section 8.33,
 23 but shall remain in the fund for expenditure for
 24 purposes of the fund during the succeeding year.

25 Sec. 10. There is appropriated from the general
 26 fund of the state to the Iowa finance authority for
 27 the fiscal year beginning July 1, 1994, and ending
 28 June 30, 1995, the following amount, or so much
 29 thereof as is necessary, to be used for the purpose
 30 designated:

31 For deposit in the housing improvement fund created		
32 in section 16.100 for purposes of the fund:		
33	\$	500,000

34 Sec. 11. There is appropriated from the deaf
 35 interpreters revolving fund established in section
 36 15.108, subsection 7, paragraph "j", to the strategic
 37 investment fund for the fiscal year beginning July 1,
 38 1994, and ending June 30, 1995, the following amount:

39	\$	40,000
----------	----	--------

40 Sec. 12. RURAL COMMUNITY 2000 TRANSFER. Notwith-
 41 standing the provisions in section 15.287 or 16.100 or
 42 in other provision of law providing that moneys in the
 43 fund shall remain in the rural community 2000
 44 revolving fund of the state, \$40,000 of the moneys in
 45 the revolving fund which remain unencumbered on July
 46 1, 1993, shall be used to fund the Iowa members' cost
 47 share for the 1993 study phase of the Lewis and Clark
 48 rural water system and moneys deposited in the fund
 49 during the fiscal year beginning July 1, 1993, and
 50 ending June 30, 1994, shall be carried forward and be

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1 available for expenditure in the fiscal year beginning
2 July 1, 1994, and ending June 30, 1995, in the same
3 amount and for the same purpose as described in 1993
4 Iowa Acts, chapter 180, section 66.

5 Sec. 13. Section 15.108, subsection 9, Code
6 Supplement 1993, is amended by adding the following
7 new paragraph:

8 NEW PARAGRAPH. f. Coordinate the sale of
9 advertising in state publications. Receipts from the
10 sale of advertising shall be retained by the
11 department and distributed to the agency responsible
12 for a publication in which advertising is offered.
13 However, the department of economic development shall
14 first retain sufficient receipts from the sale of
15 advertising to offset the costs of an advertising
16 sales position. Additionally, the department may
17 retain up to eight percent of the gross advertising
18 receipts to offset indirect costs incurred by the
19 department to support the activity. The department
20 shall report to the joint economic development
21 appropriations subcommittee and the legislative fiscal
22 bureau on the moneys received through the sale of
23 advertising and a detailed description of the
24 disposition of all moneys received.

25 Sec. 14. Section 15.318, Code 1993, is amended by
26 adding the following new subsection:

27 NEW SUBSECTION. 16. In cases where projects being
28 reviewed at the same time are given equivalent ratings
29 under subsections 1 through 15, preference in funding
30 shall be given to the project which is located in the
31 county which has the highest percentage of low-and-
32 moderate-income individuals. If the projects are
33 located in the same county, preference in funding
34 shall be given to the project which is located in the
35 city which has the highest percentage of low-and-
36 moderate-income individuals.

37 Sec. 15. Section 15E.81, Code 1993, is amended to
38 read as follows:

39 15E.81 TITLE.

40 This division may be cited as the "Iowa Product
41 Development Seed Capital Corporation Act".

42 Sec. 16. Section 15E.82, subsections 1, 2, and 5,
43 Code 1993, are amended to read as follows:

44 1. "Board" means the board of directors of the
45 Iowa product-development seed capital corporation.

46 2. "Corporation" means the Iowa product
47 development seed capital corporation.

48 5. "President" means the president of the Iowa
49 product-development seed capital corporation.

50 Sec. 17. Section 15E.83, Code 1993, is amended to

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1 read as follows:

2 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL

3 CORPORATION.

4 1. There is created a corporate body called the
5 "Iowa product-development seed capital corporation".
6 The corporation is a quasi-public instrumentality and
7 the exercise of the powers granted to the corporation
8 in this division is an essential governmental
9 function.

10 2. The corporation shall be governed by a board of
11 seven directors who shall serve a term of four years.
12 Each term shall begin and end as provided in section
13 69.19. No more than a simple majority of the members
14 of the board shall belong to the same political party
15 as provided in section 69.16. Each director shall
16 serve at the pleasure of the governor and shall be
17 appointed by the governor, subject to confirmation by
18 the senate pursuant to section 2.32. A director is
19 eligible for reappointment. A vacancy on the board of
20 directors shall be filled in the same manner as an
21 original appointment. ~~For the initial appointments to~~
22 ~~the board of directors, the governor shall appoint~~
23 ~~three members whose terms shall commence upon~~
24 ~~appointment and shall expire April 30, 1985, and four~~
25 ~~members whose terms shall commence upon appointment~~
26 ~~and shall expire April 30, 1987.~~

27 3. The board of directors shall annually elect one
28 member as chairperson and one member as secretary.
29 The board may elect other officers of the corporation
30 as necessary. Members shall be reimbursed for
31 necessary expenses incurred in the performance of
32 duties from funds appropriated to the Iowa department
33 of economic development corporation.

34 4. Each director of the corporation shall take an
35 oath of office and the record of each oath shall be
36 filed in the office of the secretary of state.

37 5. The corporation shall receive information and
38 cooperate with other agencies of the state and the
39 political subdivisions of the state.

40 ~~6. The corporation shall be a part of the Iowa~~
41 ~~department of economic development which shall provide~~
42 ~~all staff and administrative assistance. The~~
43 ~~corporation shall submit to the department for its~~
44 ~~approval all plans, programs, initiatives and budgets.~~

45 Sec. 18. Section 15E.86, Code 1993, is amended to
46 read as follows:

47 15E.86 PRESIDENT.

48 The director of the department of economic
49 development board shall appoint employ a president of
50 the corporation who shall serve at the pleasure of the

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1 director board and shall receive the compensation
 2 determined by the director board. ~~The president is a~~
 3 ~~state-employee.~~ The president shall not be a member
 4 of the board of directors. The president is the chief
 5 administrative and operational officer of the
 6 corporation and shall direct and supervise the
 7 administrative affairs and the general management of
 8 the corporation subject to the direction and oversight
 9 of the director board. The president may employ other
 10 employees as designated by the board. The president
 11 shall provide copies of all minutes, documents, and
 12 other records of the corporation and shall provide a
 13 certificate which attests to truthfulness of the
 14 copies, if requested. Persons dealing with the
 15 corporation may rely upon the certificates. The
 16 president shall keep a record of all proceedings,
 17 documents, and papers filed with the corporation.

18 Sec. 19. Section 15E.87, subsection 1, Code 1993,
 19 is amended to read as follows:

20 1. To have perpetual succession as a corporate
 21 body and to adopt bylaws, policies, and procedures for
 22 the regulation of its affairs and conduct of its
 23 business consistent with the purposes of this
 24 division.

25 Sec. 20. Section 15E.87, subsection 4, Code 1993,
 26 is amended by striking the subsection.

27 Sec. 21. Section 15E.87, subsection 7, Code 1993,
 28 is amended to read as follows:

29 7. To employ assistants, agents, and other
 30 employees ~~who shall be state-employees~~ and to engage
 31 consultants, attorneys, and appraisers as necessary or
 32 desirable to carry out the purposes of the
 33 corporation.

34 Sec. 22. Section 15E.88, Code 1993, is amended to
 35 read as follows:

36 15E.88 APPLICATIONS FOR FINANCIAL AID.

37 ~~1. Applications for financial aid shall be~~
 38 ~~forwarded, together with an application fee prescribed~~
 39 ~~by the corporation, to the president of the~~
 40 ~~corporation. The president, after preparing the~~
 41 ~~necessary records for the corporation, shall forward~~
 42 ~~each application to the staff of the corporation, for~~
 43 ~~an investigation and report concerning the~~
 44 ~~advisability of approving the financial aid for the~~
 45 ~~company and concerning any other factors found~~
 46 ~~relevant by the corporation. The investigation and~~
 47 ~~report shall include but are not limited to the~~
 48 following:

49 ~~---a. The history of the applicant, its wage~~
 50 ~~standards, job opportunities, and stability of~~

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1 employment;
 2 ---b.---The extent of the applicant's dependence on
 3 agriculture;
 4 ---c.---The applicant's past, present, and future
 5 financial condition and structure;
 6 ---d.---The applicant's pro forma income statements;
 7 ---e.---The present and future market prospects for the
 8 product;
 9 ---f.---The feasibility of the proposed project or
 10 invention to be given financial aid and the integrity
 11 of management;
 12 ---g.---The state of the project's development;
 13 ---2.---After receipt and consideration of the report
 14 and any other action the corporation finds necessary,
 15 the corporation shall approve or deny the application.
 16 The president shall promptly notify an applicant by
 17 certified mail of the disposition of its application.
 18 The corporation shall give priority to those
 19 applicants whose business is agriculture-related or
 20 whose business is located in an area which the
 21 corporation determines has been severely adversely
 22 affected by depressed agricultural prices and whose
 23 proposed product or invention is to be used to convert
 24 all or a portion of the business to nonagriculture-
 25 related industrial or commercial activity or to create
 26 a new nonagriculture-related industrial or commercial
 27 business.

28 1. Applications for financial aid shall be
 29 received and considered by the corporation pursuant to
 30 rules adopted by the board pursuant to chapter 17A.

31 3 2. Notwithstanding the requirements of chapter
 32 21, relating to open meetings, and chapter 22,
 33 relating to examination of public records, the
 34 corporation shall keep as confidential those items on
 35 the application for financial aid that the applicant
 36 has specifically requested to be held in confidence.
 37 These items shall remain confidential until the
 38 applicant says otherwise or the corporation determines
 39 the items no longer need to be held confidential.

40 Sec. 23. Section 15E.89, Code Supplement 1993, is
 41 amended to read as follows:

42 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL
 43 CORPORATION FUND.

44 1. There is created an "Iowa product-development
 45 seed capital corporation fund". All funds of the
 46 corporation including the proceeds from the issuance
 47 of notes or sale of bonds under this division, any
 48 funds appropriated to the corporation, and income
 49 derived from other sources from the exercise of powers
 50 granted to the corporation under this division shall

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1 be paid into the Iowa product-development seed capital
2 corporation fund notwithstanding section 12.10. The
3 money in the Iowa product-development seed capital
4 corporation fund, except moneys held by a trustee or a
5 depository pursuant to a bond resolution or indenture
6 relating to the issuance of bonds or notes pursuant to
7 section 15E.90 or 15E.91, shall be paid out on the
8 order of the person authorized by the corporation.

9 The money in the Iowa product-development seed capital
10 corporation fund shall be used for repayment of notes
11 and bonds issued under this division and the extension
12 of financial aid granted by the corporation under this
13 division, and the amount remaining may be used for the
14 payment of the administrative and overhead costs of
15 the corporation to the extent required. ~~There is also~~
16 ~~created in the Iowa product-development corporation~~
17 ~~fund an Iowa technology assistance program account,~~
18 ~~which shall provide seed capital for the~~
19 ~~commercialization of products, or the development of~~
20 ~~processes or materials through research at Iowa~~
21 ~~colleges and universities or by private industry.~~

22 2. Notwithstanding section 8.33, no part of the
23 Iowa product-development corporation this fund shall
24 revert at or after the close of a fiscal year unless
25 otherwise provided by the general assembly, but shall
26 remain in the fund and appropriated for the purposes
27 of this division. The board shall seek to repay the
28 state for appropriations by recommending to the
29 general assembly reversions from income received from
30 successful ventures. The board shall recommend such
31 action at any time when the revenue available to the
32 board is deemed sufficient to continue existing
33 operations.

34 3. Upon dissolution of the corporation, all
35 remaining moneys in the Iowa seed capital corporation
36 fund, as well as the net proceeds realized by the
37 corporation through the liquidation of the assets of
38 the corporation, shall revert to the state.

39 Sec. 24. Section 15E.90, Code 1993, is amended to
40 read as follows:

41 15E.90 PRODUCT-DEVELOPMENT SEED CAPITAL
42 CORPORATION FUND NOTES.

43 The corporation may issue Iowa product-development
44 seed capital corporation fund notes, the principal and
45 interest of which shall be payable solely from the
46 Iowa product-development seed capital corporation fund
47 established by this division. The fund notes of each
48 issue shall be dated, shall mature at such times and
49 may be made redeemable before maturity, at prices and
50 under terms and conditions as determined by the

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1 corporation. The corporation shall determine the form
2 and manner of execution of the fund notes, including
3 any interest coupons to be attached, and shall fix the
4 denominations and the places of payment of principal
5 and interest, which may be any financial institution
6 within or without the state or any agent, including
7 the lender. If an officer whose signature or a
8 facsimile of whose signature appears on fund notes or
9 coupons ceases to be that officer before the delivery
10 of the notes or coupons, the signature or facsimile is
11 valid and sufficient for all purposes the same as if
12 the officer had remained in office until delivery.
13 The fund notes may be issued in coupon or in
14 registered form, or both, as the corporation
15 determines, and provision may be made for the
16 registration of coupon fund notes as to principal
17 alone and also as to both principal and interest, and
18 for the conversion into coupon fund notes of any fund
19 notes registered as to both principal and interest,
20 and for the interchange of registered and coupon fund
21 notes. Fund notes shall bear interest at rates as
22 determined by the corporation and may be sold in a
23 manner, either at public or private sale, and for a
24 price as the corporation determines to be best to
25 effectuate the purposes of the Iowa product
26 development seed capital corporation fund. The
27 proceeds of fund notes shall be used solely for the
28 purposes for which issued and shall be disbursed in a
29 manner and under restrictions as provided in this
30 division and in the resolution of the corporation
31 providing for their issuance. The corporation may
32 provide for the replacement of fund notes which become
33 mutilated or are destroyed or lost.

34 Sec. 25. Section 15E.92, Code Supplement 1993, is
35 amended to read as follows:

36 15E.92 REPORTING AND FUND SOLVENCY.

37 The chairperson of the corporation on or before
38 December 31 of each fiscal year shall make and deliver
39 a report to the governor and the legislative fiscal
40 committee. The report shall include all transactions
41 conducted by the corporation in the preceding fiscal
42 year. The report shall also include a balance sheet
43 outlining the financial solvency of the Iowa product
44 development seed capital corporation fund, a certified
45 copy of any audits of the corporation conducted in the
46 preceding fiscal year, and other information requested
47 by the governor or the legislative fiscal committee.

48 Sec. 26. Section 15E.152, Code Supplement 1993, is
49 amended by adding the following new subsection:

50 NEW SUBSECTION. 7. Establishment of a seed

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1 capital fund which shall be administered by the board
2 to provide seed capital for the commercialization of
3 product, or the development of processes or materials
4 through research at Iowa colleges and universities or
5 by private industry.

6 Sec. 27. Section 15E.158, subsection 1, Code 1993,
7 is amended by adding the following new paragraph:

8 NEW PARAGRAPH. h. For high technology apprentice-
9 ship programs at community colleges.

10 Sec. 28. Section 364.17, subsection 5, Code 1993,
11 is amended to read as follows:

12 5. Cities may establish reasonable fees for
13 inspection and enforcement procedures. Cities may
14 also assess additional fees for inspection and
15 enforcement procedures, if the additional fees are
16 deposited into a housing trust fund as defined in
17 section 384.6A.

18 Sec. 29. NEW SECTION. 384.6A HOUSING TRUST FUND.

19 A city may establish a housing trust fund which may
20 accept funds provided by ordinance appropriation,
21 gift, or other source.

22 For purposes of this section, "housing trust fund"
23 means a revolving fund established by a city through
24 ordinance for the purpose of meeting the housing needs
25 of low or moderate income families. For purposes of
26 this section, "low or moderate income families" means
27 as defined in section 16.1 or as defined by a
28 comprehensive housing affordability strategy conducted
29 by the city to comply with the federal Cranston-
30 Gonzales National Affordable Housing Act of 1990, Pub.
31 L. No. 101-625. Housing trust fund moneys may be used
32 for any of the purposes described in section 16.100 or
33 for other types of programs to meet needs identified
34 by the comprehensive housing affordability strategy.
35 All moneys in the fund, appropriated or dedicated to
36 the fund, and interest or earnings on moneys in the
37 fund shall be used solely for these purposes.

38 Sec. 30. Section 422.5, subsection 1, paragraph j,
39 Code 1993, is amended by adding the following new
40 unnumbered paragraph:

41 NEW UNNUMBERED PARAGRAPH. The tax imposed upon the
42 taxable income of a resident shareholder in a
43 corporation which has in effect for the tax year an
44 election under subchapter S of the Internal Revenue
45 Code and carries on business within and without the
46 state may be computed by reducing the amount
47 determined pursuant to paragraphs "a" through "i" by
48 the amounts of nonrefundable credits under this
49 division and by multiplying this resulting amount by a
50 fraction of which the resident's net income allocated

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1 to Iowa, as determined in section 422.8, subsection 2,
2 paragraph "b", is the numerator and the resident's
3 total net income computed under section 422.7 is the
4 denominator. This provision also applies to
5 individuals who are residents of Iowa for less than
6 the entire tax year.

7 Sec. 31. Section 422.5, subsection 1, paragraph 2,
8 unnumbered paragraph 4, Code 1993, is amended to read
9 as follows:

10 In the case of a resident, including a resident
11 estate or trust, the state's apportioned share of the
12 state alternative minimum tax is one hundred percent
13 of the state alternative minimum tax computed in this
14 subsection. In the case of a resident or part year
15 resident shareholder in a corporation which has in
16 effect for the tax year an election under subchapter S
17 of the Internal Revenue Code and carries on business
18 within and without the state, nonresident, including a
19 nonresident estate or trust, or an individual, estate,
20 or trust that is domiciled in the state for less than
21 the entire tax year, the state's apportioned share of
22 the state alternative minimum tax is the amount of tax
23 computed under this subsection, reduced by the
24 applicable credits in sections 422.10 through 422.12
25 and this result multiplied by a fraction with a
26 numerator of the sum of state net income allocated to
27 Iowa as determined in section 422.8, subsection 2,
28 paragraph "a" or "b" as applicable, plus tax
29 preference items, adjustments, and losses under
30 subparagraph (1) attributable to Iowa and with a
31 denominator of the sum of total net income computed
32 under section 422.7 plus all tax preference items,
33 adjustments, and losses under subparagraph (1). In
34 computing this fraction, those items excludable under
35 subparagraph (1) shall not be used in computing the
36 tax preference items. Married taxpayers electing to
37 file separate returns or separately on a combined
38 return must allocate the minimum tax computed in this
39 subsection in the proportion that each spouse's
40 respective preference items, adjustments, and losses
41 under subparagraph (1) bear to the combined preference
42 items, adjustments, and losses under subparagraph (1)
43 of both spouses.

44 Sec. 32. Section 422.7, Code Supplement 1993, is
45 amended by adding the following new subsection:

46 NEW SUBSECTION. 29. Resident shareholders of a
47 corporation which has an election in effect under
48 subchapter S of the Internal Revenue Code shall add
49 their proportionate share of a deemed distribution of
50 current year income to the extent that the salaries,

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1 wages, or other compensation for services performed by
2 all shareholders does not equal ten percent of net
3 income of the corporation computed in accordance with
4 section 422.35 and considering items of income and
5 expense which pass directly to the shareholders under
6 provisions of the Internal Revenue Code before
7 deduction of shareholders' salaries, wages, or other
8 compensation for services performed. In addition
9 there shall be added any cash or the value of any
10 property distributions made to the extent they are
11 made from income upon which Iowa income tax has not
12 been paid as determined under rules of the director.

13 Sec. 33. Section 422.8, subsection 2, Code 1993,
14 is amended to read as follows:

15 2. a. Nonresident's net income allocated to Iowa
16 is the net income, or portion thereof, which is
17 derived from a business, trade, profession, or
18 occupation carried on within this state or income from
19 any property, trust, estate, or other source within
20 Iowa. If a business, trade, profession, or occupation
21 is carried on partly within and partly without the
22 state, only the portion of the net income which is
23 fairly and equitably attributable to that part of the
24 business, trade, profession, or occupation carried on
25 within the state is allocated to Iowa for purposes of
26 section 422.5, subsection 1, paragraph "j" and section
27 422.13 and income from any property, trust, estate, or
28 other source partly within and partly without the
29 state is allocated to Iowa in the same manner, except
30 that annuities, interest on bank deposits and
31 interest-bearing obligations, and dividends are
32 allocated to Iowa only to the extent to which they are
33 derived from a business, trade, profession, or
34 occupation carried on within the state.

35 b. A resident's income allocable to Iowa is the
36 income determined under section 422.7 reduced by the
37 net income or loss of a corporation which is fairly
38 and equitably attributable without the state under
39 section 422.33. For the purposes of this paragraph,
40 "corporation" means a corporation which has in effect
41 for the tax year an election under subchapter S of the
42 Internal Revenue Code and carries on business partly
43 within and partly without the state. This provision
44 also applies to individuals who are residents of Iowa
45 for less than the entire tax year.

46 Sec. 34. Section 422.8, Code 1993, is amended by
47 adding the following new subsection:

48 NEW SUBSECTION. 6. If the resident or part year
49 resident is a shareholder of a corporation which has
50 in effect an election under subchapter S of the

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1 Internal Revenue Code, subsections 1 and 3 do not
2 apply to any income taxes paid to another state or
3 foreign country on the income from the corporation
4 which has in effect an election under subchapter S of
5 the Internal Revenue Code.

6 Sec. 35. Section 428A.1, unnumbered paragraph 1,
7 Code 1993, is amended to read as follows:

8 There is imposed on each deed, instrument, or
9 writing by which any lands, tenements, or other realty
10 in this state are granted, assigned, transferred, or
11 otherwise conveyed, a tax consisting of the state tax
12 and any city tax determined in the following manner:
13 When there is no consideration or when the deed
14 instrument or writing is executed and tendered for
15 recording as an instrument corrective of title, and so
16 states, there is no tax. When there is consideration
17 and the actual market value of the real property
18 transferred is in excess of five hundred dollars, the
19 tax is eighty cents plus the applicable city tax, if
20 any, for each five hundred dollars or fractional part
21 of five hundred dollars in excess of five hundred
22 dollars. The term "consideration", as used in this
23 chapter, means the full amount of the actual sale
24 price of the real property involved, paid or to be
25 paid, including the amount of an encumbrance or lien
26 on the property, whether assumed or not by the
27 grantee. It is presumed that the sale price so stated
28 includes the value of all personal property
29 transferred as part of the sale unless the dollar
30 value of personal property is stated on the instrument
31 of conveyance. When the dollar value of the personal
32 property included in the sale is so stated, it shall
33 be deducted from the consideration shown on the
34 instrument for the purpose of determining the tax.

35 Sec. 36. NEW SECTION. 428A.1A CITY TAX.

36 The governing body of a city may impose by
37 ordinance a city real estate transfer tax. Revenues
38 from the tax shall only be deposited in a housing
39 trust fund to be used for purposes of the fund as
40 provided in section 384.6A and the ordinance shall so
41 state. The city real estate transfer tax shall be
42 imposed and collected in the same manner and at the
43 same time as the state real estate transfer tax.
44 Transfers exempt from the state tax are exempt from
45 the city tax. The rate of the tax shall not exceed
46 fifty cents per five hundred dollars of market value.

47 Sec. 37. Section 428A.8, Code 1993, is amended to
48 read as follows:

49 428A.8 REMITTANCE TO STATE OR CITY TREASURER --
50 PORTION RETAINED IN COUNTY.

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1 On or before the tenth day of each month the county
 2 recorder shall determine and pay to the treasurer of
 3 state eighty-two and three-fourths percent of the
 4 receipts from the state real estate transfer tax
 5 collected during the preceding month and the treasurer
 6 of state shall deposit ninety-five percent of the
 7 receipts amounts received by the treasurer of state in
 8 the general fund of the state and transfer five
 9 percent of the amounts received to the Iowa finance
 10 authority for deposit in the housing improvement fund
 11 created in section 16.100. At the time of remittance
 12 of the state tax receipts, the county recorder shall
 13 remit to the Iowa finance authority each city's tax
 14 receipts collected during the previous month, if one
 15 is imposed. The Iowa finance authority shall remit
 16 the amounts collected from each city imposing a city
 17 tax by the first day of the second month of the
 18 quarter following the quarter in which the tax was
 19 collected.

20 The county recorder shall deposit the remaining
 21 seventeen and one-fourth percent of the state receipts
 22 in the county general fund.

23 The county recorder shall keep records and make
 24 reports with respect to the real estate transfer tax
 25 as the director of revenue and finance prescribes.

26 Sec. 38. 1992 Iowa Acts, chapter 1244, section 1,
 27 subsection 2, paragraph e, as amended by 1993 Iowa
 28 Acts, chapter 180, section 46, is amended to read as
 29 follows:

30 e. Small business investment company
 31 capitalization

32 For transfer to the treasurer of state for the
 33 purpose of facilitating the organization and private
 34 capitalization of the small business investment
 35 company or other entity under sections 15E.169 through
 36 15E.171. If the small business investment company or
 37 another entity for which the funds are to be used is
 38 not organized within twenty-four thirty-six months of
 39 the effective date of this Act, unused funds shall
 40 revert to the general fund of the state:

41 \$ 200,000

42 The Iowa business investment corporation
 43 established pursuant to section 15E.169 is directed to
 44 develop a proposal, to be presented to the general
 45 assembly no later than January 9, 1995, for a venture
 46 capital company to facilitate the development of Iowa
 47 small businesses. The proposal shall include
 48 recommendations relating to the organization,
 49 capitalization, consolidation, and coordination of
 50 programs or initiatives intended to facilitate

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1 Investments in seed and venture capital for Iowa small
2 businesses.

3 Sec. 39. LEASE-PURCHASE -- BUDGET SUBMISSION.

4 This section applies to each state agency receiving an
5 appropriation in this Act. The departmental estimate
6 required under section 8.23 for the fiscal period
7 beginning July 1, 1995, which includes the state
8 agency, shall provide an itemized list indicating the
9 nature and amount of each lease-purchase contract
10 payment included in the estimate for proposed
11 contracts which have not been reported by the state
12 agency to the legislative fiscal committee of the
13 legislative council pursuant to section 8.46 prior to
14 the submission of the estimate. The governor shall
15 include in the governor's budget for the fiscal year
16 beginning July 1, 1995, a listing indicating the
17 nature and amount of each lease-purchase contract
18 which was itemized in a departmental estimate in
19 accordance with this section and is included in the
20 governor's budget. A state agency receiving an
21 appropriation in this Act shall not enter into a
22 lease-purchase contract during the fiscal year
23 beginning July 1, 1995, unless the contract was
24 itemized in a departmental estimate and included in
25 the governor's budget in accordance with this section.

26 Sec. 40. Sections 30 through 34 take effect
27 January 1, 1996, for tax years beginning on or after
28 that date."

29 2. Title page, lines 4 and 5, by striking the
30 words "and providing effective dates" and inserting
31 the following: "including authorizing a city to
32 impose a real estate transfer tax, and relating to the
33 taxation of shareholders and providing an effective
34 and applicability date provision".

RECEIVED FROM THE SENATE

H-6069 FILED APRIL 8, 1994

House Refused
4-18-94
(P. 1841)

Senate Insisted
4-18-94
(P. 1345)

HOUSE FILE 2415

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1 Amend House File 2415, as amended, passed, and re-
2 printed by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. There is appropriated from the general
6 fund of the state and other designated funds to the
7 department of economic development for the fiscal year
8 beginning July 1, 1994, and ending June 30, 1995, on
9 the condition that the department shall not use any
10 moneys appropriated under this Act for further
11 development or expansion of industrial site locator
12 programs until the industrial site locator program at
13 the university of northern Iowa is completed and fully
14 implemented and the department and the university have
15 reported to the general assembly on plans for
16 coordination and cooperation between the department
17 and the university, including access by the department
18 to the database and technology of the university
19 program, the following amounts, or so much thereof as
20 is necessary, to be used for the purposes designated:

21 1. ADMINISTRATIVE SERVICES DIVISION

22 a. General administration

23 For salaries, support, maintenance, miscellaneous
24 purposes, for providing that a business receiving
25 moneys from the department for the purpose of job
26 creation shall make available ten percent of the new
27 jobs created for qualified promise jobs program
28 participants, and for providing a written report to
29 the joint economic development appropriations
30 subcommittee and the legislative fiscal bureau not
31 later than January 15, 1995, regarding the structure
32 of or plans to implement an advertising sales program:

33 \$ 892,000
34 FTEs 22.00

35 The director shall coordinate efforts with the
36 workforce coordinator to implement the intent of the
37 general assembly regarding businesses receiving job
38 creation moneys and shall report to the joint economic
39 development appropriations subcommittee regarding the
40 number of jobs to be created by each business, the
41 number of qualified promise jobs participants applying
42 with the business, and the number of promise jobs
43 participants hired.

44 b. Primary research and computer center

45 For salaries, support, maintenance, miscellaneous
46 purposes, and for not more than the following full-
47 time equivalent positions:

48 \$ 326,000
49 FTEs 5.50

50 c. Film office

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1 For salaries, support, maintenance, miscellaneous
 2 purposes, and for not more than the following full-
 3 time equivalent positions:
 4 \$ 182,000
 5 FTEs 2.00

6 2. BUSINESS DEVELOPMENT DIVISION

7 a. Business development operations

8 For salaries, support, maintenance, miscellaneous
 9 purposes, and for not more than the following full-
 10 time equivalent positions:
 11 \$ 3,000,000
 12 FTEs 16.00

13 b. Small business programs

14 For salaries, support, maintenance, miscellaneous
 15 purposes, and for not more than the following full-
 16 time equivalent positions for the small business
 17 program, the small business advisory council, targeted
 18 small business program, business incubators, and for
 19 deaf interpreters funded through the economic
 20 development deaf interpreters revolving fund
 21 established in section 15.108, subsection 7, paragraph
 22 "j":
 23 \$ 310,000
 24 FTEs 5.50

25 The department shall report to the joint economic
 26 development appropriations subcommittee and the
 27 legislative fiscal bureau regarding the utilization of
 28 the deaf interpreters by January 15, 1995, and the
 29 department shall coordinate with the division of deaf
 30 services in the provision of deaf interpreter
 31 services.

32 c. Federal procurement office

33 For salaries, support, maintenance, miscellaneous
 34 purposes, and for not more than the following full-
 35 time equivalent positions:
 36 \$ 98,000
 37 FTEs 3.00

38 Notwithstanding section 8.33, moneys remaining
 39 unencumbered or unobligated on June 30, 1995, shall
 40 not revert and shall be available for expenditure
 41 during the fiscal year beginning July 1, 1995, for the
 42 same purposes.

43 d. Strategic investment fund

44 For deposit in the strategic investment fund for
 45 salaries, support, and for not more than the following
 46 full-time equivalent positions:
 47 \$ 4,922,000
 48 FTEs 10.00

49 e. Targeted small business incubator

50 For transfer directly to the targeted small

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1 business incubator in Des Moines, for computer
 2 equipment and other equipment, for the fiscal year
 3 beginning July 1, 1994, and ending June 30, 1995:
 4 For funding, with local matching funds, the
 5 targeted small business incubator in Des Moines:
 6 \$ 10,000

7 f. Insurance economic development
 8 There is appropriated from moneys collected by the
 9 division of insurance in excess of the anticipated
 10 gross revenues under section 505.7, subsection 3, to
 11 the department for the fiscal year beginning July 1,
 12 1994, and ending June 30, 1995, the following amount,
 13 or so much thereof as is necessary, for insurance
 14 economic development and international insurance
 15 economic development:
 16 \$ 200,000

17 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

18 a. Community assistance

19 For salaries, support, maintenance, miscellaneous
 20 purposes, and for not more than the following full-
 21 time equivalent positions for administration of the
 22 community economic preparedness program, the Iowa
 23 community betterment program, and the city development
 24 board:
 25 \$ 571,000
 26 FTEs 7.50

27 b. Main street/rural main street program

28 For salaries and support for not more than the
 29 following full-time equivalent positions:
 30 \$ 400,000
 31 FTEs 3.00

32 Notwithstanding section 8.33, moneys committed to
 33 grantees under contract from the general fund of the
 34 state that remain unexpended on June 30 of the fiscal
 35 year shall not revert to any fund but shall be
 36 available for expenditure for purposes of the contract
 37 during the succeeding fiscal year.

38 c. Rural development program

39 For salaries, support, maintenance, miscellaneous
 40 purposes, for not more than the following full-time
 41 equivalent positions for rural resource coordination,
 42 rural community leadership, and the rural enterprise
 43 fund:
 44 \$ 450,000
 45 FTEs 4.50

46 There is also appropriated from the rural community
 47 2000 program revolving fund established in section
 48 15.287 to the rural development program for the
 49 purposes of the program including the rural enterprise
 50 fund and collaborative skills development training:

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1 \$ 226,000
 2 Notwithstanding section 8.33, moneys committed to
 3 grantees under contract from the general fund of the
 4 state or through transfers from the Iowa community
 5 development loan fund or from the rural community 2000
 6 program revolving fund that remain unexpended at the
 7 end of the fiscal year shall not revert but shall be
 8 available for expenditure for purposes of the contract
 9 during the succeeding fiscal year.

10 d. Community development block grant and HOME

11 For administration and related federal housing and
 12 urban development grant administration for salaries,
 13 support, maintenance, miscellaneous purposes, and for
 14 not more than the following full-time equivalent
 15 positions:

16 \$ 380,000
 17 FTEs 18.75

18 e. Councils of governments

19 There is appropriated from the rural community 2000
 20 program revolving fund established in section 15.287
 21 to provide to Iowa's councils of governments funds for
 22 planning and technical assistance funds to assist
 23 local governments to develop community development
 24 strategies for addressing long-term and short-term
 25 community needs:

26 \$ 178,000

27 4. INTERNATIONAL DIVISION

28 a. International trade operations

29 For conducting foreign trade missions on behalf of
 30 Iowa businesses, salaries, support, maintenance,
 31 miscellaneous purposes, for allocating \$100,000, or so
 32 much thereof as is necessary, to fund the United
 33 States midwest Japan conference, and for not more than
 34 the following full-time equivalent positions:

35 \$ 776,000
 36 FTEs 7.00

37 b. Foreign trade offices

38 For salaries, support, maintenance, miscellaneous
 39 purposes, and for not more than the following full-
 40 time equivalent positions:

41 \$ 585,000

42 c. Export trade assistance program

43 For export trade activities, including a program to
 44 encourage and increase participation in trade shows
 45 and trade missions by providing financial assistance
 46 to businesses for a percentage of their costs of
 47 participating in trade shows and trade missions, by
 48 providing for the lease/sublease of showcase space in
 49 existing world trade centers, by providing temporary
 50 office space for foreign buyers, international

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1 prospects, and potential reverse investors, and by
 2 providing other promotional and assistance activities,
 3 provided that the department shall consult with the
 4 department of agriculture and land stewardship prior
 5 to allocating export trade assistance program moneys,
 6 including salaries and support for not more than the
 7 following full-time equivalent positions:

8 \$ 317,000
 9 FTEs 0.25

10 d. Agricultural product advisory council
 11 For support, maintenance, and miscellaneous
 12 purposes:

13 \$ 1,330

14 e. For transfer to the partner state program which
 15 the department may use to contract with private groups
 16 or organizations which are the most appropriate to
 17 administer this program and the groups and
 18 organizations participating in the program shall, to
 19 the fullest extent possible, provide the funds to
 20 match the appropriation made in this subsection of the
 21 funds transferred, and \$10,000 shall be used only to
 22 establish a partner state program with Vietnam:

23 \$ 106,000

24 If the United States department of state denies the
 25 establishment of a partner state program with Vietnam,
 26 \$10,000 shall be allocated to the agriculture museum
 27 in Cambridge, Iowa.

28 f. For transfer to the Iowa peace institute for
 29 the purpose of continuing to expand conflict
 30 resolution and negotiation efforts in Iowa's schools
 31 and communities and reporting to the joint
 32 appropriations subcommittee on economic development by
 33 January 15, 1995, on all such activities undertaken:

34 \$ 96,000

35 g. For transfer to the international development
 36 foundation for the purposes of the foundation and
 37 reporting to the joint appropriations subcommittee on
 38 economic development by January 15, 1995, regarding
 39 actual and planned expenditures for fiscal year 1995:

40 \$ 265,000

41 Notwithstanding section 8.33, moneys that remain
 42 unexpended on June 30 of the fiscal year shall not
 43 revert to any fund but shall be available for
 44 expenditure for the purposes of the foundation during
 45 the succeeding fiscal year.

46 5. TOURISM DIVISION

47 a. Tourism operations

48 For salaries, support, maintenance, miscellaneous
 49 purposes, and for not more than the following full-
 50 time equivalent positions, provided that the

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1 appropriation shall not be used for advertising
 2 placements for in-state and out-of-state tourism
 3 marketing:
 4 \$ 710,000
 5 FTEs 17.77

6 b. Tourism advertising
 7 For contracting exclusively for tourism advertising
 8 for in-state and out-of-state tourism marketing
 9 services, tourism promotion programs, electronic
 10 media, print media, and printed materials:
 11 \$ 2,437,000

12 The department shall not use the moneys
 13 appropriated in this lettered paragraph unless the
 14 department develops public-private partnerships with
 15 Iowa businesses in the tourism industry, Iowa tour
 16 groups, Iowa tourism organizations, and political
 17 subdivisions in this state to assist in the
 18 development of advertising efforts. The department
 19 shall, to the fullest extent possible, develop
 20 cooperative efforts for advertising with contributions
 21 from other sources.

22 c. Welcome center program
 23 To implement the recommendations of the statewide
 24 long-range plan for developing and operating welcome
 25 centers throughout the state, and for planning to
 26 construct the next welcome center to be funded at
 27 living history farms:
 28 \$ 250,000

29 Notwithstanding section 8.33, moneys committed to
 30 grantees under contract that remain unexpended on June
 31 30 of the fiscal year shall not revert to any fund but
 32 shall be available for expenditure for purposes of the
 33 contract during the succeeding fiscal year.

34 6. WORKFORCE DEVELOPMENT DIVISION

35 a. Youth work force programs
 36 For purposes of the conservation corps, including
 37 salary, support, maintenance, miscellaneous purposes,
 38 and for not more than the following full-time
 39 equivalent positions:
 40 \$ 1,000,000
 41 FTEs 2.40

42 The department may combine for administrative and
 43 budget purposes the youth workforce conservation
 44 program and the Iowa corps program.

45 Notwithstanding section 8.33, moneys committed to
 46 grantees under contract that remain unexpended on June
 47 30 of the fiscal year shall not revert to any fund but
 48 shall be available for expenditure for purposes of the
 49 contract during the succeeding fiscal year.

50 b. Job retraining program

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1 To the community college job training fund created
2 in section 260F.6, including salaries and support for
3 not more than the following full-time equivalent
4 positions:

5	\$	327,000
6	FTEs	1.30

7 There is appropriated from the rural community 2000
8 program revolving fund established in section 15.287
9 to the community college job training fund created in
10 section 260F.6, subsection 1, \$125,000. It is the
11 intent of the general assembly that up to \$100,000 of
12 all funds appropriated to the program and some or all
13 of the full-time equivalent positions may be used for
14 the administration of the Iowa small business new jobs
15 training Act.

16 c. Workforce investment program

17 For purposes of the workforce investment program,
18 for a competitive grant program by the department in
19 consultation with the state job training coordinating
20 council for projects that increase Iowa's pool of
21 available labor via training and support services with
22 priority given to projects which serve displaced
23 homemakers or welfare recipients, including salaries
24 and support for not more than the following full-time
25 equivalent positions:

26	\$	476,000
27	FTEs	0.90

28 The department shall ensure that the workforce
29 investment program is coordinated with services
30 provided under the federal Job Training Partnership
31 Act and that welfare recipients receive priority for
32 services under both programs.

33 Notwithstanding section 8.33, moneys committed to
34 grantees under contract that remain unexpended at the
35 end of the fiscal year, shall not revert to any fund
36 but shall be available for expenditure for purposes of
37 the contract during the succeeding fiscal year.

38 d. Labor management councils

39 For salaries, support, maintenance, miscellaneous
40 purposes, and for not more than the following full-
41 time equivalent positions:

42	\$	174,000
43	FTEs	0.50

44 The department shall not use moneys appropriated in
45 this lettered paragraph for grants to grantees who do
46 not facilitate the active participation of labor as
47 members of labor management councils or who fail to
48 make a good faith effort to either schedule meetings
49 during nonworking hours or obtain voluntary agreements
50 with employers to allow employees time off to attend

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1 labor management council meetings with no loss of pay
2 or other benefits.

3 Notwithstanding section 8.33, moneys committed to
4 grantees under contract that remain unexpended on June
5 30 of the fiscal year shall not revert to any fund but
6 shall be available for expenditure for purposes of the
7 contract during the succeeding fiscal year.

8 Sec. 2. Notwithstanding section 15E.120,
9 subsections 5, 6, and 7, and section 15.287, there is
10 appropriated from the Iowa community development loan
11 fund from the moneys available during the fiscal year
12 beginning July 1, 1994, and ending June 30, 1995, to
13 the department of economic development for the rural
14 development program to be used by the department for
15 the purposes of the program.

16 Sec. 3. Notwithstanding section 15.251, subsection
17 2, there is appropriated from the job training fund
18 created in the office of the treasurer of state to the
19 department of economic development for the fiscal year
20 beginning July 1, 1994, and ending June 30, 1995, the
21 following amounts, or so much thereof as is necessary,
22 to be used for the purposes designated:

23 1. For administration of chapter 260E, including
24 salaries, support, maintenance, miscellaneous
25 purposes, and for not more than the following full-
26 time equivalent positions:

27 \$ 150,000
28 FTEs 2.40

29 2. For the target alliance program:

30 \$ 30,000

31 3. For the job retraining program under section
32 260F.6:

33 \$ 273,000

34 Sec. 4. There is appropriated from the general
35 fund of the state to the Wallace technology transfer
36 foundation for the fiscal year beginning July 1, 1994,
37 and ending June 30, 1995, the following amount, or so
38 much thereof as is necessary, to be used for the
39 purposes designated:

40 For salaries, support, maintenance, and other
41 operational purposes, for administering the industrial
42 technology access program, for approving and
43 submitting to the governor and general assembly not
44 later than January 15 an annual report relating to
45 performance goals of and efforts by the foundation to
46 improve the modernization of industrial facilities,
47 for funding the small business innovation research
48 program, for funding activities as provided in section
49 15E.158, for continuing, to the extent possible, the
50 current allocation of apprenticeship funds to the

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1 community colleges for transferring \$50,000 of the
2 funds appropriated in this section to the Iowa quality
3 coalition for productivity enhancement projects, and
4 for allocating \$350,000 to the industrial technology
5 assistance program and for not more than the following
6 full-time equivalent positions:

7 \$ 2,540,000
8 FTEs 4.00

9 Sec. 5. There is appropriated from the general
10 fund of the state to the Iowa seed capital corporation
11 fund established in section 15E.89, for not more than
12 the following full-time equivalent positions:

13 \$ 853,000
14 FTEs 5.00

15 Sec. 6. There is appropriated from the general
16 fund of the state to the Iowa state university of
17 science and technology for the fiscal year beginning
18 July 1, 1994, and ending June 30, 1995, the following
19 amounts, or so much thereof as is necessary, to be
20 used for the purposes designated:

21 1. For funding and maintaining in their current
22 locations the existing small business development
23 centers, for establishing a new small business
24 development center, and for using \$38,000 or so much
25 thereof as is necessary for salary increases of up to
26 four percent for non-Iowa state university employees:
27 \$ 1,139,000

28 2. For funding the institute for physical research
29 and technology:
30 \$ 3,900,000

31 Sec. 7. There is appropriated from the general
32 fund of the state to the state university of Iowa for
33 the fiscal year beginning July 1, 1994, and ending
34 June 30, 1995, the following amount, or so much
35 thereof as is necessary, to be used for the purpose
36 designated:

37 For funding the advanced drug development program
38 at the Oakdale research park:
39 \$ 491,389

40 The board of regents shall submit a report on the
41 progress of regents institutions in meeting the
42 strategic plan for technology transfer and economic
43 development to the chairpersons of the joint
44 appropriations subcommittee on economic development,
45 the joint appropriations subcommittee on education,
46 the majority leader, and minority leader of the
47 senate, the majority and minority leaders of the house
48 of representatives, the secretary of the senate, the
49 chief clerk of the house of representatives, and the
50 legislative fiscal bureau by November 1, 1994.

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1 Sec. 8. Not later than July 1, 1995, the
 2 department of economic development, with consultation
 3 and input from the general assembly, and
 4 representatives from business, labor, and education
 5 shall study and present recommendations to the general
 6 assembly which shall include but not be limited to the
 7 privatization and decentralization of Iowa's economic
 8 development efforts, the identification of areas
 9 appropriate to statewide economic development efforts
 10 and areas appropriate for regional economic
 11 development efforts, benchmark budgeting for statewide
 12 and regional efforts, the deregulation of economic
 13 development activities, and collaboration between
 14 public and private entities.

15 Sec. 9. 1993 Iowa Acts, chapter 167, section 3,
 16 subsection 3, is amended to read as follows:

17 3. For the workforce coordinator:
 18 \$ 73,000
 19 FTEs 1.00

20 Any funds allocated for salary and benefits for the
 21 workforce coordinator, and not expended on June 30,
 22 1994, shall not revert, notwithstanding section 8.33,
 23 but shall remain in the fund for expenditure for
 24 purposes of the fund during the succeeding year.

25 Sec. 10. There is appropriated from the general
 26 fund of the state to the Iowa finance authority for
 27 the fiscal year beginning July 1, 1994, and ending
 28 June 30, 1995, the following amount, or so much
 29 thereof as is necessary, to be used for the purpose
 30 designated:

31 For deposit in the housing improvement fund created
 32 in section 16.100 for purposes of the fund:
 33 \$ 500,000

34 Sec. 11. There is appropriated from the deaf
 35 interpreters revolving fund established in section
 36 15.108, subsection 7, paragraph "j", to the strategic
 37 investment fund for the fiscal year beginning July 1,
 38 1994, and ending June 30, 1995, the following amount:
 39 \$ 40,000

40 Sec. 12. RURAL COMMUNITY 2000 TRANSFER. Notwith-
 41 standing the provisions in section 15.287 or 16.100 or
 42 in other provision of law providing that moneys in the
 43 fund shall remain in the rural community 2000
 44 revolving fund of the state, \$40,000 of the moneys in
 45 the revolving fund which remain unencumbered on July
 46 1, 1993, shall be used to fund the Iowa members' cost
 47 share for the 1993 study phase of the Lewis and Clark
 48 rural water system.

49 Sec. 13. Section 15.108, subsection 9, Code
 50 Supplement 1993, is amended by adding the following

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1 new paragraph:

2 NEW PARAGRAPH. f. Coordinate the sale of
3 advertising in state publications. Receipts from the
4 sale of advertising shall be retained by the
5 department and distributed to the agency responsible
6 for a publication in which advertising is offered.
7 However, the department of economic development shall
8 first retain sufficient receipts from the sale of
9 advertising to offset the costs of an advertising
10 sales position. Additionally, the department may
11 retain up to eight percent of the gross advertising
12 receipts to offset indirect costs incurred by the
13 department to support the activity. The department
14 shall report to the joint economic development
15 appropriations subcommittee and the legislative fiscal
16 bureau on the moneys received through the sale of
17 advertising and a detailed description of the
18 disposition of all moneys received.

19 Sec. 14. Section 15.318, Code 1993, is amended by
20 adding the following new subsection:

21 NEW SUBSECTION. 16. In cases where projects being
22 reviewed at the same time are given equivalent ratings
23 under subsections 1 through 15, preference in funding
24 shall be given to the project which is located in the
25 county which has the highest percentage of low-and-
26 moderate-income individuals. If the projects are
27 located in the same county, preference in funding
28 shall be given to the project which is located in the
29 city which has the highest percentage of low-and-
30 moderate-income individuals.

31 Sec. 15. Section 15E.81, Code 1993, is amended to
32 read as follows:

33 15E.81 TITLE.

34 This division may be cited as the "Iowa Product
35 Development Seed Capital Corporation Act".

36 Sec. 16. Section 15E.82, subsections 1, 2, and 5,
37 Code 1993, are amended to read as follows:

38 1. "Board" means the board of directors of the
39 Iowa product-development seed capital corporation.

40 2. "Corporation" means the Iowa product
41 development seed capital corporation.

42 5. "President" means the president of the Iowa
43 product-development seed capital corporation.

44 Sec. 17. Section 15E.83, Code 1993, is amended to
45 read as follows:

46 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL
47 CORPORATION.

48 1. There is created a corporate body called the
49 "Iowa product-development seed capital corporation".
50 The corporation is a quasi-public instrumentality and

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1 the exercise of the powers granted to the corporation
2 in this division is an essential governmental
3 function.

4 2. The corporation shall be governed by a board of
5 seven directors who shall serve a term of four years.
6 Each term shall begin and end as provided in section
7 69.19. No more than a simple majority of the members
8 of the board shall belong to the same political party
9 as provided in section 69.16. Each director shall
10 serve at the pleasure of the governor and shall be
11 appointed by the governor, subject to confirmation by
12 the senate pursuant to section 2.32. A director is
13 eligible for reappointment. A vacancy on the board of
14 directors shall be filled in the same manner as an
15 original appointment. ~~For the initial appointments to~~
16 ~~the board of directors, the governor shall appoint~~
17 ~~three members whose terms shall commence upon~~
18 ~~appointment and shall expire April 30, 1985, and four~~
19 ~~members whose terms shall commence upon appointment~~
20 ~~and shall expire April 30, 1987.~~

21 3. The board of directors shall annually elect one
22 member as chairperson and one member as secretary.
23 The board may elect other officers of the corporation
24 as necessary. Members shall be reimbursed for
25 necessary expenses incurred in the performance of
26 duties from funds appropriated to the ~~Iowa department~~
27 ~~of economic development corporation.~~

28 4. Each director of the corporation shall take an
29 oath of office and the record of each oath shall be
30 filed in the office of the secretary of state.

31 5. The corporation shall receive information and
32 cooperate with other agencies of the state and the
33 political subdivisions of the state.

34 ~~6. The corporation shall be a part of the Iowa~~
35 ~~department of economic development which shall provide~~
36 ~~all staff and administrative assistance. The~~
37 ~~corporation shall submit to the department for its~~
38 ~~approval all plans, programs, initiatives and budgets.~~

39 Sec. 18. Section 15E.86, Code 1993, is amended to
40 read as follows:

41 15E.86 PRESIDENT.

42 The ~~director of the department of economic~~
43 ~~development board~~ shall ~~appoint~~ employ a president of
44 the corporation who shall serve at the pleasure of the
45 ~~director board~~ and shall receive the compensation
46 determined by the ~~director board~~. ~~The president is a~~
47 ~~state employee.~~ The president shall not be a member
48 of the board of directors. The president is the chief
49 administrative and operational officer of the
50 corporation and shall direct and supervise the

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1 administrative affairs and the general management of
 2 the corporation subject to the direction and oversight
 3 of the director board. The president may employ other
 4 employees as designated by the board. The president
 5 shall provide copies of all minutes, documents, and
 6 other records of the corporation and shall provide a
 7 certificate which attests to truthfulness of the
 8 copies, if requested. Persons dealing with the
 9 corporation may rely upon the certificates. The
 10 president shall keep a record of all proceedings,
 11 documents, and papers filed with the corporation.

12 Sec. 19. Section 15E.87, subsection 1, Code 1993,
 13 is amended to read as follows:

14 1. To have perpetual succession as a corporate
 15 body and to adopt bylaws, policies, and procedures for
 16 the regulation of its affairs and conduct of its
 17 business consistent with the purposes of this
 18 division.

19 Sec. 20. Section 15E.87, subsection 4, Code 1993,
 20 is amended by striking the subsection.

21 Sec. 21. Section 15E.87, subsection 7, Code 1993,
 22 is amended to read as follows:

23 7. To employ assistants, agents, and other
 24 employees ~~who shall be state employees~~ and to engage
 25 consultants, attorneys, and appraisers as necessary or
 26 desirable to carry out the purposes of the
 27 corporation.

28 Sec. 22. Section 15E.88, Code 1993, is amended to
 29 read as follows:

30 15E.88 APPLICATIONS FOR FINANCIAL AID.

31 ~~1. Applications for financial aid shall be~~
 32 ~~forwarded, together with an application fee prescribed~~
 33 ~~by the corporation, to the president of the~~
 34 ~~corporation. The president, after preparing the~~
 35 ~~necessary records for the corporation, shall forward~~
 36 ~~each application to the staff of the corporation, for~~
 37 ~~an investigation and report concerning the~~
 38 ~~advisability of approving the financial aid for the~~
 39 ~~company and concerning any other factors found~~
 40 ~~relevant by the corporation. The investigation and~~
 41 ~~report shall include but are not limited to the~~
 42 ~~following:~~

43 ~~a. The history of the applicant, its wage~~
 44 ~~standards, job opportunities, and stability of~~
 45 ~~employment.~~

46 ~~b. The extent of the applicant's dependence on~~
 47 ~~agriculture.~~

48 ~~c. The applicant's past, present, and future~~
 49 ~~financial condition and structure.~~

50 ~~d. The applicant's pro forma income statements.~~

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1 ---e---The present and future market prospects for the
2 product.
3 ---f---The feasibility of the proposed project or
4 invention to be given financial aid and the integrity
5 of management.
6 ---g---The state of the project's development.
7 ---2---After receipt and consideration of the report
8 and any other action the corporation finds necessary,
9 the corporation shall approve or deny the application.
10 The president shall promptly notify an applicant by
11 certified mail of the disposition of its application.
12 The corporation shall give priority to those
13 applicants whose business is agriculture-related or
14 whose business is located in an area which the
15 corporation determines has been severely adversely
16 affected by depressed agricultural prices and whose
17 proposed product or invention is to be used to convert
18 all or a portion of the business to nonagriculture-
19 related industrial or commercial activity or to create
20 a new nonagriculture-related industrial or commercial
21 business.

22 1. Applications for financial aid shall be
23 received and considered by the corporation pursuant to
24 rules adopted by the board pursuant to chapter 17A.

25 3 2. Notwithstanding the requirements of chapter
26 21, relating to open meetings, and chapter 22,
27 relating to examination of public records, the
28 corporation shall keep as confidential those items on
29 the application for financial aid that the applicant
30 has specifically requested to be held in confidence.
31 These items shall remain confidential until the
32 applicant says otherwise or the corporation determines
33 the items no longer need to be held confidential.

34 Sec. 23. Section 15E.89, Code Supplement 1993, is
35 amended to read as follows:

36 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL
37 CORPORATION FUND.

38 1. There is created an "Iowa product-development
39 seed capital corporation fund". All funds of the
40 corporation including the proceeds from the issuance
41 of notes or sale of bonds under this division, any
42 funds appropriated to the corporation, and income
43 derived from other sources from the exercise of powers
44 granted to the corporation under this division shall
45 be paid into the Iowa product-development seed capital
46 corporation fund notwithstanding section 12.10. The
47 money in the Iowa product-development seed capital
48 corporation fund, except moneys held by a trustee or a
49 depository pursuant to a bond resolution or indenture
50 relating to the issuance of bonds or notes pursuant to

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1 section 15E.90 or 15E.91, shall be paid out on the
2 order of the person authorized by the corporation.
3 The money in the Iowa product-development seed capital
4 corporation fund shall be used for repayment of notes
5 and bonds issued under this division and the extension
6 of financial aid granted by the corporation under this
7 division, and the amount remaining may be used for the
8 payment of the administrative and overhead costs of
9 the corporation to the extent required. ~~There is also~~
10 ~~created in the Iowa product-development corporation~~
11 ~~fund an Iowa technology assistance program account,~~
12 ~~which shall provide seed capital for the~~
13 ~~commercialization of products, or the development of~~
14 ~~processes or materials through research at Iowa~~
15 ~~colleges and universities or by private industry.~~

16 2. Notwithstanding section 8.33, no part of the
17 Iowa product-development corporation this fund shall
18 revert at or after the close of a fiscal year unless
19 otherwise provided by the general assembly, but shall
20 remain in the fund and appropriated for the purposes
21 of this division. The board shall seek to repay the
22 state for appropriations by recommending to the
23 general assembly reversions from income received from
24 successful ventures. The board shall recommend such
25 action at any time when the revenue available to the
26 board is deemed sufficient to continue existing
27 operations.

28 3. Upon dissolution of the corporation, all
29 remaining moneys in the Iowa seed capital corporation
30 fund, as well as the net proceeds realized by the
31 corporation through the liquidation of the assets of
32 the corporation, shall revert to the state.

33 Sec. 24. Section 15E.90, Code 1993, is amended to
34 read as follows:

35 15E.90 PRODUCT-DEVELOPMENT SEED CAPITAL
36 CORPORATION FUND NOTES.

37 The corporation may issue Iowa product-development
38 seed capital corporation fund notes, the principal and
39 interest of which shall be payable solely from the
40 Iowa product-development seed capital corporation fund
41 established by this division. The fund notes of each
42 issue shall be dated, shall mature at such times and
43 may be made redeemable before maturity, at prices and
44 under terms and conditions as determined by the
45 corporation. The corporation shall determine the form
46 and manner of execution of the fund notes, including
47 any interest coupons to be attached, and shall fix the
48 denominations and the places of payment of principal
49 and interest, which may be any financial institution
50 within or without the state or any agent, including

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1 the lender. If an officer whose signature or a
2 facsimile of whose signature appears on fund notes or
3 coupons ceases to be that officer before the delivery
4 of the notes or coupons, the signature or facsimile is
5 valid and sufficient for all purposes the same as if
6 the officer had remained in office until delivery.
7 The fund notes may be issued in coupon or in
8 registered form, or both, as the corporation
9 determines, and provision may be made for the
10 registration of coupon fund notes as to principal
11 alone and also as to both principal and interest, and
12 for the conversion into coupon fund notes of any fund
13 notes registered as to both principal and interest,
14 and for the interchange of registered and coupon fund
15 notes. Fund notes shall bear interest at rates as
16 determined by the corporation and may be sold in a
17 manner, either at public or private sale, and for a
18 price as the corporation determines to be best to
19 effectuate the purposes of the Iowa product
20 development seed capital corporation fund. The
21 proceeds of fund notes shall be used solely for the
22 purposes for which issued and shall be disbursed in a
23 manner and under restrictions as provided in this
24 division and in the resolution of the corporation
25 providing for their issuance. The corporation may
26 provide for the replacement of fund notes which become
27 mutilated or are destroyed or lost.

28 Sec. 25. Section 15E.92, Code Supplement 1993, is
29 amended to read as follows:

30 15E.92 REPORTING AND FUND SOLVENCY.

31 The chairperson of the corporation on or before
32 December 31 of each fiscal year shall make and deliver
33 a report to the governor and the legislative fiscal
34 committee. The report shall include all transactions
35 conducted by the corporation in the preceding fiscal
36 year. The report shall also include a balance sheet
37 outlining the financial solvency of the Iowa product
38 development seed capital corporation fund, a certified
39 copy of any audits of the corporation conducted in the
40 preceding fiscal year, and other information requested
41 by the governor or the legislative fiscal committee.

42 Sec. 26. Section 15E.152, Code Supplement 1993, is
43 amended by adding the following new subsection:

44 NEW SUBSECTION. 7. Establishment of a seed
45 capital fund which shall be administered by the board
46 to provide seed capital for the commercialization of
47 product, or the development of processes or materials
48 through research at Iowa colleges and universities or
49 by private industry.

50 Sec. 27. Section 15E.158, subsection 1, Code 1993,

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1 is amended by adding the following new paragraph:

2 NEW PARAGRAPH. h. For high technology apprentice-
3 ship programs at community colleges.

4 Sec. 28. Section 364.17, subsection 5, Code 1993,
5 is amended to read as follows:

6 5. Cities may establish reasonable fees for
7 inspection and enforcement procedures. Cities may
8 also assess additional fees for inspection and
9 enforcement procedures, if the additional fees are
10 deposited into a housing trust fund as defined in
11 section 384.6A.

12 Sec. 29. NEW SECTION. 384.6A HOUSING TRUST FUND.

13 A city may establish a housing trust fund which may
14 accept funds provided by ordinance appropriation,
15 gift, or other source.

16 For purposes of this section, "housing trust fund"
17 means a revolving fund established by a city through
18 ordinance for the purpose of meeting the housing needs
19 of low or moderate income families. For purposes of
20 this section, "low or moderate income families" means
21 as defined in section 16.1 or as defined by a
22 comprehensive housing affordability strategy conducted
23 by the city to comply with the federal Cranston-
24 Gonzales National Affordable Housing Act of 1990, Pub.
25 L. No. 101-625. Housing trust fund moneys may be used
26 for any of the purposes described in section 16.100 or
27 for other types of programs to meet needs identified
28 by the comprehensive housing affordability strategy.
29 All moneys in the fund, appropriated or dedicated to
30 the fund, and interest or earnings on moneys in the
31 fund shall be used solely for these purposes.

32 Sec. 30. Section 422.5, subsection 1, paragraph j,
33 Code 1993, is amended by adding the following new
34 unnumbered paragraph:

35 NEW UNNUMBERED PARAGRAPH. The tax imposed upon the
36 taxable income of a resident shareholder in a
37 corporation which has in effect for the tax year an
38 election under subchapter S of the Internal Revenue
39 Code and carries on business within and without the
40 state may be computed by reducing the amount
41 determined pursuant to paragraphs "a" through "i" by
42 the amounts of nonrefundable credits under this
43 division and by multiplying this resulting amount by a
44 fraction of which the resident's net income allocated
45 to Iowa, as determined in section 422.8, subsection 2,
46 paragraph "b", is the numerator and the resident's
47 total net income computed under section 422.7 is the
48 denominator. This provision also applies to
49 individuals who are residents of Iowa for less than
50 the entire tax year.

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1 Sec. 31. Section 422.5, subsection 1, paragraph k,
2 unnumbered paragraph 4, Code 1993, is amended to read
3 as follows:

4 In the case of a resident, including a resident
5 estate or trust, the state's apportioned share of the
6 state alternative minimum tax is one hundred percent
7 of the state alternative minimum tax computed in this
8 subsection. In the case of a resident or part year
9 resident shareholder in a corporation which has in
10 effect for the tax year an election under subchapter S
11 of the Internal Revenue Code and carries on business
12 within and without the state, nonresident, including a
13 nonresident estate or trust, or an individual, estate,
14 or trust that is domiciled in the state for less than
15 the entire tax year, the state's apportioned share of
16 the state alternative minimum tax is the amount of tax
17 computed under this subsection, reduced by the
18 applicable credits in sections 422.10 through 422.12
19 and this result multiplied by a fraction with a
20 numerator of the sum of state net income allocated to
21 Iowa as determined in section 422.8, subsection 2,
22 paragraph "a" or "b" as applicable, plus tax
23 preference items, adjustments, and losses under
24 subparagraph (1) attributable to Iowa and with a
25 denominator of the sum of total net income computed
26 under section 422.7 plus all tax preference items,
27 adjustments, and losses under subparagraph (1). In
28 computing this fraction, those items excludable under
29 subparagraph (1) shall not be used in computing the
30 tax preference items. Married taxpayers electing to
31 file separate returns or separately on a combined
32 return must allocate the minimum tax computed in this
33 subsection in the proportion that each spouse's
34 respective preference items, adjustments, and losses
35 under subparagraph (1) bear to the combined preference
36 items, adjustments, and losses under subparagraph (1)
37 of both spouses.

38 Sec. 32. Section 422.7, Code Supplement 1993, is
39 amended by adding the following new subsection:

40 NEW SUBSECTION. 29. Resident shareholders of a
41 corporation which has an election in effect under
42 subchapter S of the Internal Revenue Code shall add
43 their proportionate share of a deemed distribution of
44 current year income to the extent that the salaries,
45 wages, or other compensation for services performed by
46 all shareholders does not equal ten percent of net
47 income of the corporation computed in accordance with
48 section 422.35 and considering items of income and
49 expense which pass directly to the shareholders under
50 provisions of the Internal Revenue Code before

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1 deduction of shareholders' salaries, wages, or other
2 compensation for services performed. In addition
3 there shall be added any cash or the value of any
4 property distributions made to the extent they are
5 made from income upon which Iowa income tax has not
6 been paid as determined under rules of the director.

7 Sec. 33. Section 422.8, subsection 2, Code 1993,
8 is amended to read as follows:

9 2. a. Nonresident's net income allocated to Iowa
10 is the net income, or portion thereof, which is
11 derived from a business, trade, profession, or
12 occupation carried on within this state or income from
13 any property, trust, estate, or other source within
14 Iowa. If a business, trade, profession, or occupation
15 is carried on partly within and partly without the
16 state, only the portion of the net income which is
17 fairly and equitably attributable to that part of the
18 business, trade, profession, or occupation carried on
19 within the state is allocated to Iowa for purposes of
20 section 422.5, subsection 1, paragraph "j" and section
21 422.13 and income from any property, trust, estate, or
22 other source partly within and partly without the
23 state is allocated to Iowa in the same manner, except
24 that annuities, interest on bank deposits and
25 interest-bearing obligations, and dividends are
26 allocated to Iowa only to the extent to which they are
27 derived from a business, trade, profession, or
28 occupation carried on within the state.

29 b. A resident's income allocable to Iowa is the
30 income determined under section 422.7 reduced by the
31 net income or loss of a corporation which is fairly
32 and equitably attributable without the state under
33 section 422.33. For the purposes of this paragraph,
34 "corporation" means a corporation which has in effect
35 for the tax year an election under subchapter S of the
36 Internal Revenue Code and carries on business partly
37 within and partly without the state. This provision
38 also applies to individuals who are residents of Iowa
39 for less than the entire tax year.

40 Sec. 34. Section 422.8, Code 1993, is amended by
41 adding the following new subsection:

42 NEW SUBSECTION. 6. If the resident or part year
43 resident is a shareholder of a corporation which has
44 in effect an election under subchapter S of the
45 Internal Revenue Code, subsections 1 and 3 do not
46 apply to any income taxes paid to another state or
47 foreign country on the income from the corporation
48 which has in effect an election under subchapter S of
49 the Internal Revenue Code.

50 Sec. 35. Section 428A.1, unnumbered paragraph 1,

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1 Code 1993, is amended to read as follows:

2 There is imposed on each deed, instrument, or
3 writing by which any lands, tenements, or other realty
4 in this state are granted, assigned, transferred, or
5 otherwise conveyed, a tax consisting of the state tax
6 and any city tax determined in the following manner:
7 When there is no consideration or when the deed
8 instrument or writing is executed and tendered for
9 recording as an instrument corrective of title, and so
10 states, there is no tax. When there is consideration
11 and the actual market value of the real property
12 transferred is in excess of five hundred dollars, the
13 tax is eighty cents plus the applicable city tax, if
14 any, for each five hundred dollars or fractional part
15 of five hundred dollars in excess of five hundred
16 dollars. The term "consideration", as used in this
17 chapter, means the full amount of the actual sale
18 price of the real property involved, paid or to be
19 paid, including the amount of an encumbrance or lien
20 on the property, whether assumed or not by the
21 grantee. It is presumed that the sale price so stated
22 includes the value of all personal property
23 transferred as part of the sale unless the dollar
24 value of personal property is stated on the instrument
25 of conveyance. When the dollar value of the personal
26 property included in the sale is so stated, it shall
27 be deducted from the consideration shown on the
28 instrument for the purpose of determining the tax.

29 Sec. 36. NEW SECTION. 428A.1A CITY TAX.

30 The governing body of a city may impose by
31 ordinance a city real estate transfer tax. Revenues
32 from the tax shall only be deposited in a housing
33 trust fund to be used for purposes of the fund as
34 provided in section 384.6A and the ordinance shall so
35 state. The city real estate transfer tax shall be
36 imposed and collected in the same manner and at the
37 same time as the state real estate transfer tax.
38 Transfers exempt from the state tax are exempt from
39 the city tax. The rate of the tax shall not exceed
40 fifty cents per five hundred dollars of market value.

41 Sec. 37. Section 428A.8, Code 1993, is amended to
42 read as follows:

43 428A.8 REMITTANCE TO STATE OR CITY TREASURER --
44 PORTION RETAINED IN COUNTY.

45 On or before the tenth day of each month the county
46 recorder shall determine and pay to the treasurer of
47 state eighty-two and three-fourths percent of the
48 receipts from the state real estate transfer tax
49 collected during the preceding month and the treasurer
50 of state shall deposit ninety-five percent of the

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1 receipts amounts received by the treasurer of state in
 2 the general fund of the state and transfer five
 3 percent of the amounts received to the Iowa finance
 4 authority for deposit in the housing improvement fund
 5 created in section 16.100. At the time of remittance
 6 of the state tax receipts, the county recorder shall
 7 remit to the Iowa finance authority each city's tax
 8 receipts collected during the previous month, if one
 9 is imposed. The Iowa finance authority shall remit
 10 the amounts collected from each city imposing a city
 11 tax by the first day of the second month of the
 12 quarter following the quarter in which the tax was
 13 collected.

14 The county recorder shall deposit the remaining
 15 seventeen and one-fourth percent of the state receipts
 16 in the county general fund.

17 The county recorder shall keep records and make
 18 reports with respect to the real estate transfer tax
 19 as the director of revenue and finance prescribes.

20 Sec. 38. 1992 Iowa Acts, chapter 1244, section 1,
 21 subsection 2, paragraph e, as amended by 1993 Iowa
 22 Acts, chapter 180, section 46, is amended to read as
 23 follows:

24 e. Small business investment company
 25 capitalization

26 For transfer to the treasurer of state for the
 27 purpose of facilitating the organization and private
 28 capitalization of the small business investment
 29 company or other entity under sections 15E.169 through
 30 15E.171. If the small business investment company or
 31 another entity for which the funds are to be used is
 32 not organized within twenty-four thirty-six months of
 33 the effective date of this Act, unused funds shall
 34 revert to the general fund of the state:

35 \$ 200,000

36 The Iowa business investment corporation
 37 established pursuant to section 15E.169 is directed to
 38 develop a proposal, to be presented to the general
 39 assembly no later than January 9, 1995, for a venture
 40 capital company to facilitate the development of Iowa
 41 small businesses. The proposal shall include
 42 recommendations relating to the organization,
 43 capitalization, consolidation, and coordination of
 44 programs or initiatives intended to facilitate
 45 investments in seed and venture capital for Iowa small
 46 businesses.

47 Sec. 39. LEASE-PURCHASE -- BUDGET SUBMISSION.
 48 This section applies to each state agency receiving an
 49 appropriation in this Act. The departmental estimate
 50 required under section 8.23 for the fiscal period

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1 beginning July 1, 1995, which includes the state
2 agency, shall provide an itemized list indicating the
3 nature and amount of each lease-purchase contract
4 payment included in the estimate for proposed
5 contracts which have not been reported by the state
6 agency to the legislative fiscal committee of the
7 legislative council pursuant to section 8.46 prior to
8 the submission of the estimate. The governor shall
9 include in the governor's budget for the fiscal year
10 beginning July 1, 1995, a listing indicating the
11 nature and amount of each lease-purchase contract
12 which was itemized in a departmental estimate in
13 accordance with this section and is included in the
14 governor's budget. A state agency receiving an
15 appropriation in this Act shall not enter into a
16 lease-purchase contract during the fiscal year
17 beginning July 1, 1995, unless the contract was
18 itemized in a departmental estimate and included in
19 the governor's budget in accordance with this section.

20 Sec. 40. Sections 30 through 34 take effect
21 January 1, 1996, for tax years beginning on or after
22 that date."

23 2. Title page, lines 4 and 5, by striking the
24 words "and providing effective dates" and inserting
25 the following: "including authorizing a city to
26 impose a real estate transfer tax, and relating to the
27 taxation of shareholders and providing an effective
28 and applicability date provision".

By TONY BISIGNANO

S-5548 FILED APRIL 8, 1994

ADOPTED 4-8-94 (p. 119) ---

HOUSE FILE 2415

S-5545

1 Amend House File 2415 as amended, passed, and
2 reprinted by the House as follows:

3 1. Page 7, line 2, by striking the figure
4 "350,000" and inserting the following: "400,000".

By BERL E. PRIEBE
MERLIN E. BARTZ

S-5545 FILED APRIL 8, 1994

WITHDRAWN 4-8-94

HOUSE FILE 2415

S-5553

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:
 4 1. Page 10, line 48, by inserting after the word
 5 "system" the following: "and moneys deposited in the
 6 fund during the fiscal year beginning July 1, 1993,
 7 and ending June 30, 1994, shall be carried forward and
 8 be available for expenditure in the fiscal year
 9 beginning July 1, 1994, and ending June 30, 1995, in
 10 the same amount and for the same purpose as described
 11 in 1993 Iowa Acts, chapter 180, section 66".

By TONY BISIGNANO
 JIM LIND
 LARRY MURPHY

ALLEN BORLAUG
 DERRYL MCLAREN

S-5553 FILED APRIL 8, 1994
 ADOPTED 4-8-94 (A1119)

HOUSE FILE 2415

S-5554

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:
 4 1. Page 2, line 47, by striking the figure
 5 "4,922,000" and inserting the following: "4,587,000".

By LARRY MURPHY
 TONY BISIGNANO

S-5554 FILED APRIL 8, 1994
 ADOPTED 4-8-94 (A1119)

HOUSE FILE 2415

S-5549

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

B 4 1. Page 2, line 47, by striking the figure
 5 "4,922,000" and inserting the following: "4,772,000".

A 6 2. Page 6, line 25, by inserting after the word
 7 "state," the following: "to allocate \$150,000 to the
 8 Northwood welcome center,".

9 3. Page 6, line 28, by striking the figure
 10 "250,000" and inserting the following: "400,000".

By BERL E. PRIEBE
 MERLIN E. BARTZ
 TONY BISIGNANO

S-5549 FILED APRIL 8, 1994
 DIV. A-ADOPTED, DIV. B-WITHDRAWN

4-8-94
 (A1118)

HOUSE FILE 2415

S-5550

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

4 1. Page 2, line 47, by striking the figure
 5 "4,922,000" and inserting the following: "4,737,000".

By LARRY MURPHY
 TONY BISIGNANO

S-5550 FILED APRIL 8, 1994
 RULED OUT OF ORDER

HOUSE FILE 2415

S-5551

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

A 4 1. Page 2, line 47, by striking the figure
 5 "4,922,000" and inserting the following: "4,772,000".

B 6 2. Page 6, lines 25 and 26, by striking the words
 7 "to construct the next welcome center to be funded"
 8 and inserting the following: "for a welcome center".

By MICHAEL E. GRONSTAL
 TONY BISIGNANO

S-5551 FILED APRIL 8, 1994
 DIV. A-WITHDRAWN, DIV. B-ADOPTED

4-8-94
 (P 1119)

HOUSE FILE 2415

S-5552

1 Amend the amendment, S-5548, to House File 2415, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

4 1. Page 7, line 42, by striking the figure
 5 "174,000" and inserting the following: "114,000".
 6 2. Page 9, line 7, by striking the figure
 7 "2,540,000" and inserting the following: "2,600,000".

By TONY BISIGNANO
 LARRY MURPHY

S-5552 FILED APRIL 8, 1994
 ADOPTED

4-8-94
 (P 1119)

HOUSE FILE 2415

H-6131

- 1 Amend the Senate amendment, H-6069, to House File
- 2 2415, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. By striking page 17, line 38 through page 20,
- 5 line 5.
- 6 2. Page 20, by inserting before line 6 the
- 7 following:
- 8 "Sec. ____ . Section 427B.17, Code Supplement 1993,
- 9 is amended by adding the following new subsection:
- 10 NEW SUBSECTION. 3. Property acquired or initially
- 11 leased on or after January 1, 1995, and prior to
- 12 January 1, 1997, shall not be assessed for taxation in
- 13 the 1995 and 1996 calendar years."
- 14 3. Page 22, by striking lines 26 through 23.
- 15 4. By renumbering as necessary.

By GILL of Woodbury

H-6131 FILED APRIL 12, 1994

W. DRAVIN
4-18-94

HOUSE FILE 2415

H-6164

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. By striking page 20, line 6 through page 21,
5 line 25, and inserting the following:

6 "Sec. ____ . Section 427.1, Code Supplement 1993, is
7 amended by adding the following new subsection:

8 NEW SUBSECTION. 44. Property defined in section
9 427A.1, subsection 1, paragraphs "e" and "j", which
10 property is first placed in service on or after
11 January 1, 1994, and which is acquired or initially
12 leased on or after January 1, 1994, by the taxpayer
13 and the taxpayer is the first owner of the property,
14 shall be exempt from taxation.

15 Sec. ____ . Section 427B.17, Code Supplement 1993,
16 is amended to read as follows:

17 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

18 For property defined in section 427A.1, subsection
19 1, paragraphs "e" and "j", acquired or initially
20 leased on or after January 1, 1982, and before January
21 1, 1994, the taxpayer's valuation shall be limited to
22 thirty percent of the net acquisition cost of the
23 property. For purposes of this section, "net
24 acquisition cost" means the acquired cost of the
25 property including all foundations and installation
26 cost less any excess cost adjustment.

27 For purposes of this section:

28 1. Property assessed by the department of revenue
29 and finance pursuant to sections 428.24 to 428.29, or
30 chapters 433, 434 and 436 to 438 shall not receive the
31 benefits of this section.

32 2. Property acquired before January 1, 1982, which
33 was owned or used before January 1, 1982, by a related
34 person shall not receive the benefits of this section.

35 3. Property acquired on or after January 1, 1982,
36 and before January 1, 1994, which was owned and used
37 by a related person shall not receive any additional
38 benefits under this section.

39 4. Property which was owned or used before January
40 1, 1982, and subsequently acquired by an exchange of
41 like property shall not receive the benefits of this
42 section.

43 5. Property which was acquired on or after January
44 1, 1982, and before January 1, 1994, and subsequently
45 exchanged for like property shall not receive any
46 additional benefits under this section.

47 6. Property acquired before January 1, 1982, which
48 is subsequently leased to a taxpayer or related person
49 who previously owned the property shall not receive
50 the benefits of this section.

H-6164

H-6164

Page 2

1 7. Property acquired on or after January 1, 1982,
2 and before January 1, 1994, which is subsequently
3 leased to a taxpayer or related person who previously
4 owned the property shall not receive any additional
5 benefits under this section.

6 For purposes of this section, "related person"
7 means a person who owns or controls the taxpayer's
8 business and another business entity from which
9 property is acquired or leased or to which property is
10 sold or leased. Business entities are owned or
11 controlled by the same person if the same person
12 directly or indirectly owns or controls fifty percent
13 or more of the assets or any class of stock or who
14 directly or indirectly has an interest of fifty
15 percent or more in the ownership or profits.

16 Property assessed pursuant to this section shall
17 not be eligible to receive a partial exemption under
18 sections 427B.1 to 427B.6."

19 2. Page 22, by striking lines 31 and 32 and
20 inserting the following: "the following: "relating
21 to the taxation of certain new property, and relating
22 to the"."

23 3. By renumbering as necessary.

By MILLAGE of Scott

H-6164 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6174

1 Amend the amendment, H-6069, to House File 2415, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. By striking page 17, line 33, through page 20,
5 line 5, and inserting the following:

6 'Sec. ____ . Section 422.73, Code 1993, is amended
7 by adding the following new subsection:

8 NEW SUBSECTION. 8. Notwithstanding subsection 2,
9 a claim for credit or refund of individual income tax
10 paid for any tax year beginning on or after January 1,
11 1985, and before January 1, 1989, is considered timely
12 if filed with the department on or before April 30,
13 1995, if the taxpayer's claim is the result of the
14 unconstitutional taxation of federal pension benefits
15 based upon the decision in Davis v. Michigan
16 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
17 (1989).

18 A taxpayer entitled to a credit or refund of tax
19 paid under this subsection shall receive the credit or
20 refund within four years. The amount of credit or
21 refund shall be equally spread over those four years.
22 Any claims for refund shall be payable from the
23 special refund account established in section 422.105.
24 The department shall state on the actual tax form for
25 the next four tax years a notice that federal retirees
26 may be entitled to a credit or refund under the
27 provisions of this subsection.

28 Sec. ____ . NEW SECTION. 422.105 SPECIAL REFUND
29 ACCOUNT.

30 The department shall establish a special refund
31 account for the purpose of paying the refund claims of
32 federal retirees pursuant to section 422.73,
33 subsection 3. Beginning with the fiscal year
34 beginning July 1, 1994, there is appropriated annually
35 from the general fund of the state an amount
36 sufficient to pay the refund claims of these federal
37 retirees."

38 2. By renumbering as necessary.

By O'BRIEN of Bocne

H-6174 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6172

1 Amend the amendment, H-6069, to House File 2415, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 20, by inserting before line 6 the
5 following:

6 "Sec. ____ . Section 422.73, Code 1993, is amended
7 by adding the following new subsection:

8 NEW SUBSECTION. 8. Notwithstanding subsection 2,
9 a claim for credit or refund of individual income tax
10 paid for any tax year beginning on or after January 1,
11 1985, and before January 1, 1989, is considered timely
12 if filed with the department on or before April 30,
13 1995, if the taxpayer's claim is the result of the
14 unconstitutional taxation of federal pension benefits
15 based upon the decision in Davis v. Michigan
16 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
17 (1989).

18 A taxpayer entitled to a credit or refund of tax
19 paid under this subsection shall receive the credit or
20 refund within four years. The amount of credit or
21 refund shall be equally spread over those four years.
22 Any claims for refund shall be payable from the
23 special refund account established in section 422.105.
24 The department shall state on the actual tax form for
25 the next four tax years a notice that federal retirees
26 may be entitled to a credit or refund under the
27 provisions of this subsection.

28 Sec. ____ . NEW SECTION. 422.105 SPECIAL REFUND
29 ACCOUNT.

30 The department shall establish a special refund
31 account for the purpose of paying the refund claims of
32 federal retirees pursuant to section 422.73,
33 subsection 8. Beginning with the fiscal year
34 beginning July 1, 1994, there is appropriated annually
35 from the general fund of the state an amount
36 sufficient to pay the refund claims of these federal
37 retirees."

38 2. By renumbering as necessary.

By O'BRIEN of Boone

H-6172 FILED APRIL 14, 1994

WITHDRAWN
4-18-94

HOUSE FILE 2415

H-6177

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:

6 "Sec. 2001. Section 422.7, subsection 13, Code
7 Supplement 1993, is amended by striking the subsection
8 and inserting in lieu thereof the following:

9 13. Subtract, to the extent included, social
10 security benefits received."

11 2. Page 22, by striking lines 26 through 28.

12 3. Page 22, by inserting before line 29 the
13 following:

14 "Sec. ____ . Section 2001 applies retroactively to
15 January 1, 1994, for tax years beginning on or after
16 that date.""

17 4. Page 22, line 32, by striking the word "the"
18 and inserting the following: "exempting social
19 security benefits from state individual income tax and
20 providing a retroactive applicability date.""

21 5. Page 22, by striking lines 33 and 34.

22 6. By renumbering as necessary.

By ARNOULD of Scott

H-6177 FILED APRIL 14, 1994

WITHDRAWN 4/15/94

HOUSE FILE 2415

H-6178

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. Page 5, lines 36, by inserting before the word
5 "for" the following: ", on the condition that the
6 foundation shall not pay any costs incurred for
7 members of the general assembly to travel to
8 foundation sponsored activities outside of the United
9 States,".

By METCALF of Polk

H-6178 FILED APRIL 14, 1994

WITHDRAWN
4-18-94

HOUSE FILE 2415

H-6176

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:

4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:

6 "Sec. ____ . Section 425A.1, Code Supplement 1993,
7 is amended to read as follows:

8 425A.1 FAMILY FARM TAX CREDIT FUND.

9 The family farm tax credit fund is created in the
10 office of the treasurer of state. There shall be
11 transferred annually to the fund the first ~~ten~~
12 fourteen million dollars of the amount annually
13 appropriated to the agricultural land credit fund,
14 provided in section 426.1. Any balance in the fund on
15 June 30 shall revert to the general fund.

16 Sec. ____ . Section 426.1, Code Supplement 1993, is
17 amended to read as follows:

18 426.1 AGRICULTURAL LAND CREDIT FUND.

19 There is created as a permanent fund in the office
20 of the treasurer of state a fund to be known as the
21 agricultural land credit fund, and for the purpose of
22 establishing and maintaining this fund for each fiscal
23 year there is appropriated thereto from funds in the
24 general fund not otherwise appropriated the sum of
25 thirty-nine forty-three million one hundred thousand
26 dollars of which the first ~~ten~~ fourteen million
27 dollars shall be transferred to and deposited into the
28 family farm tax credit fund created in section 425A.1.
29 Any balance in said fund on June 30 shall revert to
30 the general fund."

31 2. By renumbering as necessary.

By WEIGEL of Chickasaw

H-6176 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6180

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:
4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:
6 "Sec. 100. Section 422.12, subsection 1, paragraph
7 c, Code 1993, is amended to read as follows:
8 c. For each dependent, an additional ~~fifteen~~
9 twenty dollars. As used in this section, the term
10 "dependent" has the same meaning as provided by the
11 Internal Revenue Code."
12 2. Page 22, by inserting before line 29 the
13 following:
14 "Sec. ____ . Section 100 of this Act applies
15 retroactively to January 1, 1994, for tax years
16 beginning on or after that date."
17 3. By renumbering as necessary.

By DODERER of Johnson

H-6180 FILED APRIL 14, 1994

WITHDRAWN 4-18-94

HOUSE FILE 2415

H-6183

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:
4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:
6 "Sec. 100. Section 422.12, subsection 1, paragraph
7 d, Code 1993, is amended to read as follows:
8 d. For a single individual, husband, wife or head
9 of household, an additional exemption of twenty forty-
10 five dollars for each of said these individuals who
11 has attained the age of sixty-five years before the
12 close of the tax year or on the first day following
13 the end of the tax year."
14 2. Page 22, by inserting before line 29 the
15 following:
16 "Sec. ____ . Section 100 of this Act applies
17 retroactively to January 1, 1994, for tax years
18 beginning on or after that date."
19 3. By renumbering as necessary.

By BERNAU of Story

H-6183 FILED APRIL 14, 1994

WITHDRAWN

4/18/94

HOUSE FILE 2415

H-6179

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:

6 "Sec. ____ Section 422.21, unnumbered paragraph 5,
7 Code 1993, is amended to read as follows:

8 The director shall determine for the 1989 and each
9 subsequent calendar year the annual and cumulative
10 inflation factors for each calendar year to be applied
11 to tax years beginning on or after January 1 of that
12 calendar year. The director shall compute the new
13 dollar amounts as specified to be adjusted in section
14 422.5 by the latest cumulative inflation factor and
15 round off the result to the nearest one dollar. The
16 annual and cumulative inflation factors determined by
17 the director are not rules as defined in section
18 17A.2, subsection 10. The director shall determine
19 for the 1990 calendar year and each subsequent
20 calendar year the annual and cumulative standard
21 deduction factors to be applied to tax years beginning
22 on or after January 1 of that calendar year. The
23 director shall compute the new dollar amounts of the
24 standard deductions specified in section 422.9,
25 subsection 1, by the latest cumulative standard
26 deduction factor and round off the result to the
27 nearest ten dollars. However, for tax years beginning
28 in the 1996 calendar year only, the director shall
29 determine the new dollar amounts of the standard
30 deduction applicable only to tax years beginning in
31 the 1996 calendar year by increasing the rounded off
32 result for marrieds filing separately and single
33 persons by one hundred dollars and for all other
34 filers by two hundred dollars. The annual and
35 cumulative standard deduction factors determined by
36 the director are not rules as defined in section
37 17A.2, subsection 10."

By BERNAU of Story

H-6179 FILED APRIL 14, 1994

WITHDRAWN
4-18-94

HOUSE FILE 2415

H-6184

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:
- 4 1. By striking page 17, line 38 through page 20,
5 line 5 and inserting the following:
6 "Sec. 1001. Section 422.7, Code Supplement 1993,
7 is amended by adding the following new subsection:
8 NEW SUBSECTION. _____. For a person who is
9 disabled, or is fifty-five years of age or older, or
10 is the surviving spouse of an individual or a survivor
11 having an insurable interest in an individual who
12 would have qualified for the exemption under this
13 subsection for the tax year, subtract, to the extent
14 included, the total amount of a governmental or other
15 pension, retirement pay, annuity, or other similar
16 periodic payment made under a plan maintained or
17 contributed to by an employer, or maintained and
18 contributed to by a self-employed person as an
19 employer, up to a maximum of three thousand dollars
20 for a person who files a separate state income tax
21 return, and up to a maximum of six thousand dollars
22 for a husband and wife who file a joint state income
23 tax return. However, a surviving spouse who is not
24 disabled or fifty-five years of age or older can only
25 exclude the amount of annuities or other similar
26 periodic payments received as a result of the death of
27 the other spouse."
- 28 2. Page 22, by striking lines 26 through 28 and
29 inserting the following:
30 "Sec. _____. Section 1001 applies retroactively to
31 January 1, 1994, for tax years beginning on or after
32 that date.""
- 33 3. Page 22, line 32, by striking the word "the"
34 and inserting the following: "exempting retirement
35 income from state individual income tax and providing
36 a retroactive applicability date.""
- 37 4. Page 22, by striking lines 33 and 34.
- 38 5. By renumbering and correcting internal
39 references as necessary.

By BERNAU of Story

H-6184 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6185

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:

4 1. By striking page 17, line 38, through page 20,
5 line 5, and inserting the following:

6 "Sec. 3001. Section 422.7, Code Supplement 1993,
7 is amended by adding the following new subsection:

8 NEW SUBSECTION. _____. For a person who is disabled,
9 or is fifty-five years of age or older, or is the
10 surviving spouse of an individual or a survivor having
11 an insurable interest in an individual who would have
12 qualified for the exemption under this subsection for
13 the tax year, subtract, to the extent included, the
14 total amount of a governmental or other pension,
15 retirement pay, annuity, or other similar periodic
16 payment made under a plan maintained or contributed to
17 by an employer up to a maximum of five thousand
18 dollars for a person who files a separate state income
19 tax return for a tax year beginning in the 1994
20 calendar year, and up to a maximum of ten thousand
21 dollars for a husband and wife who file a joint state
22 income tax return for a tax year beginning in the 1994
23 calendar year. For a tax year beginning in the 1995
24 calendar year, subtract, to the extent included, the
25 total amount for a person who files a separate state
26 income tax return, up to a maximum of ten thousand
27 dollars, and for a husband and wife who file a joint
28 state income tax return, up to a maximum of twenty
29 thousand dollars. For tax years beginning on or after
30 January 1, 1996, for a person who files a separate
31 state income tax return or for a husband and wife who
32 file a joint state income tax return, subtract, to the
33 extent included, the total amount of a governmental or
34 other pension, retirement pay, annuity, or other
35 similar periodic payment made under a plan maintained
36 or contributed to by an employer. However, a
37 surviving spouse who is not disabled or fifty-five
38 years of age or older can only exclude the amount of
39 annuities or other similar periodic payments received
40 as a result of the death of the other spouse."

41 2. Page 22, by striking lines 26 through 28 and
42 inserting the following:

43 "Sec. _____. Section 3001 applies retroactively to
44 January 1, 1994, for tax years beginning on or after
45 that date.""

46 3. Page 22, line 32, by striking the word "the"
47 and inserting the following: "exempting retirement
48 income from state individual income tax and providing
49 a retroactive applicability date.""

50 4. Page 22, by striking lines 33 and 34.

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Page 2

- 1 5. By renumbering and correcting internal
2 references as necessary.

By BERNAU of Story

H-6185 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6186

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

- 4 1. By striking page 10, line 48 through page 11,
5 line 4 and inserting the following: "rural water
6 system.

- 7 Sec. _____. Notwithstanding section 8.33, moneys
8 appropriated to the department of economic development
9 in 1993 Iowa Acts, chapter 180, section 66, and
10 remaining unspent as of June 30, 1994, shall not
11 revert, but shall remain available for expenditure for
12 the purposes set out in 1993 Iowa Acts, chapter 180,
13 section 66."

- 14 2. By renumbering as necessary.

By METCALF of Polk

H-6186 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6194

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:

- 4 1. By striking page 17, line 38 through page 20,
5 line 5.

- 6 2. Page 22, by striking lines 26 through 28.

- 7 3. Page 22, by striking lines 32 through 34 and
8 inserting the following: "impose a real estate
9 transfer tax."

- 10 4. By renumbering as necessary.

By HANSON of Delaware

H-6194 FILED APRIL 14, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6195

- 1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:

- 4 1. By striking page 20, line 6 through page 21,
5 line 25.

- 6 2. Page 22, by striking lines 31 through 32 and
7 inserting the following: "the following: "and
8 relating to the".

- 9 3. By renumbering as necessary.

By HANSON of Delaware

H-6195 FILED APRIL 14, 1994

WITHDRAWN 4/18/94

HOUSE FILE 2415

H-6196

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. By striking page 17, line 38 through page 20,
5 line 5, and inserting the following:

6 "Sec. ____ . Section 427.1, Code Supplement 1993, is
7 amended by adding the following new subsection:

8 NEW SUBSECTION. 44. Property defined in section
9 427A.1, subsection 1, paragraphs "e" and "j", which
10 property is first placed in service on or after
11 January 1, 1994, and which is acquired or initially
12 leased on or after January 1, 1994, by the taxpayer
13 and the taxpayer is the first owner of the property,
14 shall be exempt from taxation.

15 Sec. ____ . Section 427B.17, Code Supplement 1993,
16 is amended to read as follows:

17 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

18 For property defined in section 427A.1, subsection
19 1, paragraphs "e" and "j", acquired or initially
20 leased on or after January 1, 1982, and before January
21 1, 1994, the taxpayer's valuation shall be limited to
22 thirty percent of the net acquisition cost of the
23 property. For purposes of this section, "net
24 acquisition cost" means the acquired cost of the
25 property including all foundations and installation
26 cost less any excess cost adjustment.

27 For purposes of this section:

28 1. Property assessed by the department of revenue
29 and finance pursuant to sections 428.24 to 428.29, or
30 chapters 433, 434 and 436 to 438 shall not receive the
31 benefits of this section.

32 2. Property acquired before January 1, 1982, which
33 was owned or used before January 1, 1982, by a related
34 person shall not receive the benefits of this section.

35 3. Property acquired on or after January 1, 1982,
36 and before January 1, 1994, which was owned and used
37 by a related person shall not receive any additional
38 benefits under this section.

39 4. Property which was owned or used before January
40 1, 1982, and subsequently acquired by an exchange of
41 like property shall not receive the benefits of this
42 section.

43 5. Property which was acquired on or after January
44 1, 1982, and before January 1, 1994, and subsequently
45 exchanged for like property shall not receive any
46 additional benefits under this section.

47 6. Property acquired before January 1, 1982, which
48 is subsequently leased to a taxpayer or related person
49 who previously owned the property shall not receive
50 the benefits of this section.

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1 7. Property acquired on or after January 1, 1982,
2 and before January 1, 1994, which is subsequently
3 leased to a taxpayer or related person who previously
4 owned the property shall not receive any additional
5 benefits under this section.

6 For purposes of this section, "related person"
7 means a person who owns or controls the taxpayer's
8 business and another business entity from which
9 property is acquired or leased or to which property is
10 sold or leased. Business entities are owned or
11 controlled by the same person if the same person
12 directly or indirectly owns or controls fifty percent
13 or more of the assets or any class of stock or who
14 directly or indirectly has an interest of fifty
15 percent or more in the ownership or profits.

16 Property assessed pursuant to this section shall
17 not be eligible to receive a partial exemption under
18 sections 427B.1 to 427B.6.

19 Sec. ____ . NEW SECTION. 427B.30 TAX REPLACEMENT.

20 1. On or before July 1 of each year, the treasurer
21 shall prepare a statement listing for each taxing
22 jurisdiction in the county the amount of property
23 taxes which would have been payable in the coming
24 fiscal year for property exempt from taxation as
25 provided in section 427.1, subsection 44, and shall
26 certify and forward one copy of the statement to the
27 department of revenue and finance not later than July
28 1 of each year.

29 2. Each county treasurer shall be reimbursed an
30 amount equal to the lost property taxes for that
31 county determined pursuant to subsection 1. The
32 reimbursement shall be made in two equal installments
33 on or before September 30 and March 30 of each year.
34 The county treasurer shall apportion the disbursement
35 in the manner provided in section 445.57."

36 2. Page 22, by striking lines 26 through 28.

37 3. Page 22, by striking lines 33 and 34 and
38 inserting the following: "taxation of certain new
39 property".

40 4. By renumbering as necessary.

By MILLAGE of Scott
GILL of Woodbury

H-6196 FILED APRIL 14, 1994

WITHDRAWN

H. 18. 94

HOUSE FILE 2415

H-6221

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House
 3 as follows:
 4 1. Page 11, by inserting after line 4 the
 5 following:
 6 "Sec. ____ . Section 12.43, Code 1993, is amended by
 7 adding the following new subsection:
 8 NEW SUBSECTION. 5. A preference shall be given to
 9 those persons who are less able than other persons to
 10 secure funds for a targeted small business without
 11 participation in the targeted small business linked
 12 investment program."
 13 2. By renumbering as necessary.

By HOLVECK of Polk

H-6221 FILED APRIL 15, 1994

WITHDRAWN
4/18/94

HOUSE FILE 2415

H-6222

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House,
 3 as follows:
 4 1. Page 6, by striking lines 26 and 27 and
 5 inserting the following: "the Northwood welcome
 6 center, and for planning to construct the next welcome
 7 center to be located at living history farms:"

By HOLVECK at Polk

H-6222 FILED APRIL 15, 1994

WITHDRAWN
4/18/94

HOUSE FILE 2415

H-6223

1 Amend the amendment, H-6196, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House as follows:
 4 1. Page 1, line 14, by inserting after the word
 5 "taxation." the following: "However, if a facility or
 6 the taxpayer owning a controlling interest in the
 7 facility has demonstrated a continuous disregard for
 8 the health and safety of its employees, or the quality
 9 of the environment, the property shall not be exempt
 10 from taxation. Evidence of such continuous disregard
 11 shall include a history of violating state or federal
 12 law protecting occupational health and safety or the
 13 environment, including but not limited to violations
 14 of occupational safety and health standards enforced
 15 by the division of labor services of the department of
 16 employment services pursuant to chapter 84A, or rules
 17 enforced by the environmental protection division of
 18 the department of natural resources pursuant to
 19 chapter 455B."

By HENDERSON of Scott

H-6223 FILED APRIL 15, 1994

WITHDRAWN
4/16/94

HOUSE FILE 2415

H-6224

1 Amend the amendment, H-6164, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House as follows:
 4 1. Page 1, line 14, by inserting after the word
 5 "taxation." the following: "However, if a facility or
 6 the taxpayer owning a controlling interest in the
 7 facility, has demonstrated a continuous disregard for
 8 the health and safety of its employees, or the quality
 9 of the environment, the property shall not be exempt
 10 from taxation. Evidence of such continuous disregard
 11 shall include a history of violating state or federal
 12 law protecting occupational health and safety or the
 13 environment, including but not limited to violations
 14 of occupational safety and health standards enforced
 15 by the division of labor services of the department of
 16 employment services pursuant to chapter 84A, or rules
 17 enforced by the environmental protection division of
 18 the department of natural resources pursuant to
 19 chapter 455B."

By HENDERSON of Scott

H-6224 FILED APRIL 15, 1994

WITHDRAWN
4-18-94

HOUSE FILE 2415

H-6225

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House,
 3 as follows:
 4 1. Page 8, by inserting after line 7 the follow-
 5 ing:
 6 "Sec. ____ . TARGETED SMALL BUSINESS INCUBATOR.
 7 Moneys appropriated pursuant to 1993 Iowa Acts,
 8 chapter 167, section 1, for the fiscal year beginning
 9 July 1, 1993, and ending June 30, 1994, and not
 10 expended by June 30, 1994, shall not revert but shall
 11 be held by the department for funding, with local
 12 matching funds, the targeted small business incubator
 13 in Des Moines for the fiscal year beginning July 1,
 14 1994, and ending June 30, 1995:

15 There is appropriated from the general fund of the
 16 state and other designated funds to the department of
 17 economic development for the fiscal year beginning
 18 July 1, 1995, and ending June 30, 1996, the following
 19 amount, or so much thereof as is necessary to be used
 20 for funding, with local matching funds, the targeted
 21 small business incubator in Des Moines:

22 \$ 50,000".
 23

2. By renumbering as necessary.

By HOLVECK of Polk

H-6225 FILED APRIL 15, 1994

WITHDRAWN
4-18-94

HOUSE FILE 2415

H-6226

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 9, by inserting after line 30 the
5 following:

6 "It is the intent of the general assembly that the
7 incentive program focus on Iowa industrial sectors and
8 seek contributions and in-kind donations from
9 businesses, industrial foundations, and trade
10 associations and that moneys for the institute for
11 physical research and technology industrial incentive
12 program shall only be allocated for projects which are
13 matched by private sector moneys for directed contract
14 research or for nondirected research. The match
15 required of small businesses as defined in section
16 15.102, subsection 4, for directed contract research
17 or for nondirected research shall be \$1 for each \$3 of
18 state funds. The match required for other businesses
19 for directed contract research or for nondirected
20 research shall be \$1 for each \$1 of state funds. The
21 match required of industrial foundations or trade
22 associations shall be \$1 for each \$1 of state funds.

23 Iowa state university shall report annually to the
24 joint economic development subcommittee of the senate
25 and house appropriations committees the total amounts
26 of private contributions, the proportion of
27 contributions from small businesses and other
28 businesses, and the proportion for directed contract
29 research and nondirected research of benefit to Iowa
30 businesses and industrial sectors.

31 Notwithstanding section 8.33, moneys appropriated
32 for the institute for physical research and technology
33 for any fiscal year which remain unobligated and
34 unexpended at the end of the fiscal year shall not
35 revert but shall be available for expenditure the
36 following fiscal year and the appropriation for the
37 incentive program for the following year shall be
38 reduced by an equal amount."

By HOLVECK of Polk

H-6226 FILED APRIL 15, 1994

WITHDRAWN

4.18.94

HOUSE FILE 2415

H-6229

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House,
 3 as follows:
 4 1. Page 9, by inserting after line 8 the
 5 following:
 6 "It is the intent of the general assembly that for
 7 the fiscal year beginning July 1, 1995, and for
 8 subsequent fiscal years, apprenticeships shall only be
 9 made available to community colleges on the basis of
 10 requests for proposals submitted by the community
 11 colleges for apprenticeship programs."

By WISE of Lee

H-6229 FILED APRIL 15, 1994
 WITHDRAWN
 4-18-94

HOUSE FILE 2415

H-6232

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House,
 3 as follows:
 4 1. Page 3, by striking line 30 and inserting the
 5 following:
 6 "..... S 503,944".

By WEIGEL of Chickasaw

H-6232 FILED APRIL 15, 1994
 WITHDRAWN 4-18-94

HOUSE FILE 2415

H-6216

1 Amend the Senate amendment, H-6069, to House File
 2 2415, as amended, passed, and reprinted by the House
 3 as follows:
 4 1. Page 1, by striking lines 8 through 19 and
 5 inserting the following: "beginning July 1, 1994, and
 6 ending June 30, 1995, the following amounts, or so
 7 much thereof as".

By BRUNKHORST of Bremer

H-6216 FILED APRIL 15, 1994

V
 4-18-94

HOUSE FILE 2415

H-6236

1 Amend the Senate amendment, H-6069, to House File
2 2415, as amended, passed, and reprinted by the House
3 as follows:

4 1. By striking everything after the amending
5 clause and inserting the following:

6 "___". By striking everything after the enacting
7 clause and inserting the following:

8 "Section 1. There is appropriated from the general
9 fund of the state and other designated funds to the
10 department of economic development for the fiscal year
11 beginning July 1, 1994, and ending June 30, 1995, the
12 following amounts, or so much thereof as is necessary,
13 to be used for the purposes designated:

14 1. ADMINISTRATIVE SERVICES DIVISION

15 a. General administration

16 For salaries, support, maintenance, miscellaneous
17 purposes, for providing a written report to the joint
18 economic development appropriations subcommittee and
19 the legislative fiscal bureau not later than January
20 15, 1995, regarding the structure of or plans to
21 implement an advertising sales program:

22 \$ 892,883

23 FTEs 22.00

24 b. Primary research and computer center

25 For salaries, support, maintenance, miscellaneous
26 purposes, and for not more than the following full-
27 time equivalent positions:

28 \$ 326,295

29 FTEs 5.50

30 c. Film office

31 For salaries, support, maintenance, miscellaneous
32 purposes, and for not more than the following full-
33 time equivalent positions:

34 \$ 182,664

35 FTEs 2.00

36 2. BUSINESS DEVELOPMENT DIVISION

37 a. Business development operations

38 For salaries, support, maintenance, miscellaneous
39 purposes, and for not more than the following full-
40 time equivalent positions:

41 \$ 3,007,840

42 FTEs 16.00

43 b. Small business programs

44 For salaries, support, maintenance, miscellaneous
45 purposes, and for not more than the following full-
46 time equivalent positions for the small business
47 program, the small business advisory council, targeted
48 small business program, business incubators, for
49 providing one FTE for the targeted small business
50 compliance officer who shall continue to work jointly

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1 with the department of management, and for deaf
 2 interpreters funded through the economic development
 3 deaf interpreters revolving fund established in
 4 section 15.108, subsection 7, paragraph "j":
 5 \$ 380,338
 6 FTEs 6.50

7 The department shall report to the joint economic
 8 development appropriations subcommittee and the
 9 legislative fiscal bureau regarding the utilization of
 10 the deaf interpreters by January 15, 1995, and the
 11 department shall coordinate with the division of deaf
 12 services in the provision of deaf interpreter
 13 services.

14 c. Federal procurement office

15 For salaries, support, maintenance, miscellaneous
 16 purposes, and for not more than the following full-
 17 time equivalent positions:
 18 \$ 98,689
 19 FTEs 3.00

20 Notwithstanding section 8.33, moneys remaining
 21 unencumbered or unobligated on June 30, 1995, shall
 22 not revert and shall be available for expenditure
 23 during the fiscal year beginning July 1, 1995, for the
 24 same purposes.

25 d. Strategic investment fund

26 For deposit in the strategic investment fund for
 27 salaries, support, and for not more than the following
 28 full-time equivalent positions:
 29 \$ 6,756,086
 30 FTEs 10.00

31 e. Insurance economic development

32 There is appropriated from moneys collected by the
 33 division of insurance in excess of the anticipated
 34 gross revenues under section 505.7, subsection 3, to
 35 the department for the fiscal year beginning July 1,
 36 1994, and ending June 30, 1995, the following amount,
 37 or so much thereof as is necessary, for insurance
 38 economic development and international insurance
 39 economic development:
 40 \$ 200,000

41 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

42 a. Community assistance

43 For salaries, support, maintenance, miscellaneous
 44 purposes, and for not more than the following full-
 45 time equivalent positions for administration of the
 46 community economic preparedness program, the Iowa
 47 community betterment program, and the city development
 48 board:
 49 \$ 571,025
 50 FTEs 7.50

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1 b. Main street/rural main street program
 2 For salaries and support for not more than the
 3 following full-time equivalent positions:
 4 \$ 350,484
 5 FTEs 3.00

6 Notwithstanding section 8.33, moneys committed to
 7 grantees under contract from the general fund of the
 8 state that remain unexpended on June 30 of the fiscal
 9 year shall not revert to any fund but shall be
 10 available for expenditure for purposes of the contract
 11 during the succeeding fiscal year.

12 c. Rural development program
 13 For salaries, support, maintenance, miscellaneous
 14 purposes, for not more than the following full-time
 15 equivalent positions for rural resource coordination,
 16 rural community leadership, and the rural enterprise
 17 fund:
 18 \$ 422,883
 19 FTEs 4.50

20 There is also appropriated from the rural community
 21 2000 program revolving fund established in section
 22 15.287 to the rural development program for the
 23 purposes of the program including the rural enterprise
 24 fund and collaborative skills development training:
 25 \$ 226,338

26 Notwithstanding section 8.33, moneys committed to
 27 grantees under contract from the general fund of the
 28 state or through transfers from the Iowa community
 29 development loan fund or from the rural community 2000
 30 program revolving fund that remain unexpended at the
 31 end of the fiscal year shall not revert but shall be
 32 available for expenditure for purposes of the contract
 33 during the succeeding fiscal year.

34 d. Community development block grant and HOME
 35 For administration and related federal housing and
 36 urban development grant administration for salaries,
 37 support, maintenance, miscellaneous purposes, and for
 38 not more than the following full-time equivalent
 39 positions:
 40 \$ 380,045
 41 FTEs 18.75

42 e. Councils of governments
 43 There is appropriated from the rural community 2000
 44 program revolving fund established in section 15.287
 45 to provide to Iowa's councils of governments funds for
 46 planning and technical assistance funds to assist
 47 local governments to develop community development
 48 strategies for addressing long-term and short-term
 49 community needs:
 50 \$ 178,250

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1 4. INTERNATIONAL DIVISION

2 a. International trade operations

3 For conducting foreign trade missions on behalf of

4 Iowa businesses, salaries, support, maintenance,

5 miscellaneous purposes, for allocating \$100,000, or so

6 much thereof as is necessary, to fund the United

7 States midwest Japan conference, and for not more than

8 the following full-time equivalent positions:

9 \$ 686,114

10 FTEs 7.00

11 b. Foreign trade offices

12 For salaries, support, maintenance, miscellaneous

13 purposes, and for not more than the following full-

14 time equivalent positions:

15 \$ 585,299

16 c. Export trade assistance program

17 For export trade activities, including a program to

18 encourage and increase participation in trade shows

19 and trade missions by providing financial assistance

20 to businesses for a percentage of their costs of

21 participating in trade shows and trade missions, by

22 providing for the lease/sublease of showcase space in

23 existing world trade centers, by providing temporary

24 office space for foreign buyers, international

25 prospects, and potential reverse investors, and by

26 providing other promotional and assistance activities,

27 provided that the department shall consult with the

28 department of agriculture and land stewardship prior

29 to allocating export trade assistance program moneys,

30 including salaries and support for not more than the

31 following full-time equivalent positions:

32 \$ 317,000

33 FTEs 0.25

34 d. Agricultural product advisory council

35 For support, maintenance, and miscellaneous

36 purposes:

37 \$ 1,330

38 e. For transferring from the department of

39 agriculture and land stewardship and colocating the

40 agriculture international marketing function and its

41 current staff in the international marketing division

42 of the department, for salaries and support for not

43 more than the following full-time equivalent

44 positions:

45 \$ 206,000

46 FTEs 4.00

47 f. For transfer to the partner state program which

48 the department may use to contract with private groups

49 or organizations which are the most appropriate to

50 administer this program and the groups and

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1 organizations participating in the program shall, to
2 the fullest extent possible, provide the funds to
3 match the appropriation made in this subsection:

4 \$ 96,000

5 5. TOURISM DIVISION

6 a. Tourism operations

7 For salaries, support, maintenance, miscellaneous
8 purposes, and for not more than the following full-
9 time equivalent positions, provided that the
10 appropriation shall not be used for advertising
11 placements for in-state and out-of-state tourism
12 marketing:

13 \$ 710,176

14 FTEs 17.77

15 b. Tourism advertising

16 For contracting exclusively for tourism advertising
17 for in-state and out-of-state tourism marketing
18 services, tourism promotion programs, electronic
19 media, print media, and printed materials:

20 \$ 2,537,000

21 The department shall not use the moneys
22 appropriated in this lettered paragraph unless the
23 department develops public-private partnerships with
24 Iowa businesses in the tourism industry, Iowa tour
25 groups, Iowa tourism organizations, and political
26 subdivisions in this state to assist in the
27 development of advertising efforts. The department
28 shall, to the fullest extent possible, develop
29 cooperative efforts for advertising with contributions
30 from other sources.

31 c. Welcome center program

32 To implement the recommendations of the statewide
33 long-range plan for developing and operating welcome
34 centers throughout the state, to allocate \$100,000 to
35 the Northwood welcome center, and for planning to
36 construct the next welcome center to be funded at
37 living history farms:

38 \$ 350,000

39 It is the intent of the general assembly that the
40 Northwood welcome center receive an additional \$50,000
41 in fiscal year 1996.

42 Notwithstanding section 8.33, moneys committed to
43 grantees under contract that remain unexpended on June
44 30 of the fiscal year shall not revert to any fund but
45 shall be available for expenditure for purposes of the
46 contract during the succeeding fiscal year.

47 6. WORKFORCE DEVELOPMENT DIVISION

48 a. Youth workforce programs

49 For purposes of the conservation corps, including
50 salary, support, maintenance, miscellaneous purposes,

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1 and for not more than the following full-time
2 equivalent positions:

3 \$ 951,574

4 FTEs 2.40

5 The department may combine for administrative and
6 budget purposes the youth workforce conservation
7 program and the Iowa corps program. The department in
8 providing services under the youth workforce programs
9 shall give preference to those youths who are more
10 disadvantaged than others.

11 Notwithstanding section 8.33, moneys committed to
12 grantees under contract that remain unexpended on June
13 30 of the fiscal year shall not revert to any fund but
14 shall be available for expenditure for purposes of the
15 contract during the succeeding fiscal year.

16 b. Job retraining program

17 To the community college job training fund created
18 in section 260F.6, including salaries and support for
19 not more than the following full-time equivalent
20 positions:

21 \$ 161,000

22 FTEs 1.30

23 There is appropriated from the rural community 2000
24 program revolving fund established in section 15.287
25 to the community college job training fund created in
26 section 260F.6, subsection 1, \$325,000. It is the
27 intent of the general assembly that up to \$100,000 of
28 all funds appropriated to the program and some or all
29 of the FTEs may be used for the administration of the
30 Iowa small business new jobs training Act.

31 c. Workforce investment program

32 For purposes of the workforce investment program,
33 for a competitive grant program by the department in
34 consultation with the state job training coordinating
35 council for projects that increase Iowa's pool of
36 available labor via training and support services with
37 priority given to projects which serve displaced
38 homemakers or welfare recipients, including salaries
39 and support for not more than the following full-time
40 equivalent positions:

41 \$ 476,691

42 FTEs 0.90

43 The department shall ensure that the workforce
44 investment program is coordinated with services
45 provided under the federal Job Training Partnership
46 Act and that welfare recipients receive priority for
47 services under both programs.

48 Notwithstanding section 8.33, moneys committed to
49 grantees under contract that remain unexpended at the
50 end of the fiscal year, shall not revert to any fund

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1 but shall be available for expenditure for purposes of
2 the contract during the succeeding fiscal year.

3 d. Labor management councils

4 For salaries, support, maintenance, miscellaneous
5 purposes, which shall include efforts towards reaching
6 financial self-sufficiency, and for not more than the
7 following full-time equivalent positions:

8	\$	50,467
9	FTEs	0.50

10 The department shall not use moneys appropriated in
11 this lettered paragraph for grants to grantees who do
12 not facilitate the active participation of labor as
13 members of labor management councils or who fail to
14 make a good faith effort to either schedule meetings
15 during nonworking hours or obtain voluntary agreements
16 with employers to allow employees time off to attend
17 labor management council meetings with no loss of pay
18 or other benefits.

19 Notwithstanding section 8.33, moneys committed to
20 grantees under contract that remain unexpended on June
21 30 of the fiscal year shall not revert to any fund but
22 shall be available for expenditure for purposes of the
23 contract during the succeeding fiscal year.

24 Sec. 2. TARGETED SMALL BUSINESS INCUBATOR. Moneys
25 appropriated for fiscal year 1994 and not expended by
26 June 30, 1994, shall not revert but shall be held by
27 the department for funding, with local matching funds,
28 the targeted small business incubator in Des Moines
29 for the fiscal year beginning July 1, 1994, and ending
30 June 30, 1995:

31 There is appropriated from the general fund of the
32 state and other designated funds to the department of
33 economic development for the fiscal year beginning
34 July 1, 1995, and ending June 30, 1996, the following
35 amount, or so much thereof as is necessary to be used
36 for funding, with local matching funds, the targeted
37 small business incubator in Des Moines:

38	\$	50,000
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39 Sec. 3. Notwithstanding section 15E.120,
40 subsections 5, 6, and 7, and section 15.287, there is
41 appropriated from the Iowa community development loan
42 fund from the moneys available during the fiscal year
43 beginning July 1, 1994, and ending June 30, 1995, to
44 the department of economic development for the rural
45 development program to be used by the department for
46 the purposes of the program.

47 Sec. 4. Notwithstanding section 15.251, subsection
48 2, there is appropriated from the job training fund
49 created in the office of the treasurer of state to the
50 department of economic development for the fiscal year

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1 beginning July 1, 1994, and ending June 30, 1995, the
2 following amounts, or so much thereof as is necessary,
3 to be used for the purposes designated:

4 1. For administration of chapter 260E, including
5 salaries, support, maintenance, miscellaneous
6 purposes, and for not more than the following full-
7 time equivalent positions:

8	\$	150,000
9	FTEs	2.40

10 2. For the target alliance program:

11	\$	30,000
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12 3. All moneys in the job training fund not
13 appropriated in subsections 1 and 2 shall be used for
14 job training and retraining programs under section
15 260F.6.

16 Sec. 5. There is appropriated from the general
17 fund of the state to the Wallace technology transfer
18 foundation for the fiscal year beginning July 1, 1994,
19 and ending June 30, 1995, the following amount, or so
20 much thereof as is necessary, to be used for the
21 purposes designated:

22 For salaries, support, maintenance, and other
23 operational purposes, for administering the industrial
24 technology access program, for approving and
25 submitting to the governor and general assembly not
26 later than January 15 an annual report relating to
27 performance goals of and efforts by the foundation to
28 improve the modernization of industrial facilities,
29 for funding the small business innovation research
30 program, for funding activities as provided in section
31 15E.158, for transferring \$50,000 of the funds
32 appropriated in this section to the Iowa quality
33 coalition for productivity enhancement projects, and
34 for not more than the following full-time equivalent
35 positions:

36	\$	2,000,000
37	FTEs	4.00

38 Sec. 6. There is appropriated from the general
39 fund of the state to the Iowa seed capital corporation
40 fund established in section 15E.89, for not more than
41 the following full-time equivalent positions:

42	\$	853,085
43	FTEs	5.00

44 Sec. 7. There is appropriated from the general
45 fund of the state to the Iowa state university of
46 science and technology for the fiscal year beginning
47 July 1, 1994, and ending June 30, 1995, the following
48 amounts, or so much thereof as is necessary, to be
49 used for the purposes designated:

50 1. For funding and maintaining in their current

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1 locations the existing small business development
2 centers:

3 \$ 1,079,389

4 2. For funding the institute for physical research
5 and technology:

6 \$ 3,899,863

7 It is the intent of the general assembly that the
8 incentive program focus on Iowa industrial sectors and
9 seek contributions and in-kind donations from
10 businesses, industrial foundations, and trade
11 associations and that moneys for the institute for
12 physical research and technology industrial incentive
13 program shall only be allocated for projects which are
14 matched by private sector moneys for directed contract
15 research or for nondirected research. The match
16 required of small businesses as defined in section
17 15.102, subsection 4, for directed contract research
18 or for nondirected research shall be \$1 for each \$3 of
19 state funds. The match required for other businesses
20 for directed contract research or for nondirected
21 research shall be \$1 for each \$1 of state funds. The
22 match required of industrial foundations or trade
23 associations shall be \$1 for each \$1 of state funds.

24 Iowa state university shall report annually to the
25 joint economic development subcommittee of the senate
26 and house appropriations committees the total amounts
27 of private contributions, the proportion of
28 contributions from small businesses and other
29 businesses, and the proportion for directed contract
30 research and nondirected research of benefit to Iowa
31 businesses and industrial sectors.

32 Notwithstanding section 8.33, moneys appropriated
33 for any fiscal year which remain unobligated and
34 unexpended at the end of the fiscal year shall not
35 revert but shall be available for expenditure the
36 following fiscal year and the appropriation for the
37 incentive program for the following year shall be
38 reduced by an equal amount.

39 Sec. 8. There is appropriated from the general
40 fund of the state to the state university of Iowa for
41 the fiscal year beginning July 1, 1994, and ending
42 June 30, 1995, the following amount, or so much
43 thereof as is necessary, to be used for the purpose
44 designated:

45 For funding the advanced drug development program
46 at the Oakdale research park:

47 \$ 491,389

48 The board of regents shall submit a report on the
49 progress of regents institutions in meeting the
50 strategic plan for technology transfer and economic

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1 development to the chairpersons of the joint
 2 appropriations subcommittee on economic development,
 3 the joint appropriations subcommittee on education,
 4 the majority leader, and minority leaders of the
 5 senate, the majority and minority leaders of the house
 6 of representatives, the secretary of the senate, the
 7 chief clerk of the house of representatives, and the
 8 legislative fiscal bureau by November 1, 1994.

9 Sec. 9. Not later than July 1, 1995, the
 10 department of economic development, with consultation
 11 and input from the general assembly, and
 12 representatives from business, labor, and education
 13 shall study and present recommendations to the general
 14 assembly which shall include but not be limited to the
 15 privatization and decentralization of Iowa's economic
 16 development efforts, the identification of areas
 17 appropriate to statewide economic development efforts
 18 and areas appropriate for regional economic
 19 development efforts, benchmark budgeting for statewide
 20 and regional efforts, the deregulation of economic
 21 development activities, and collaboration between
 22 public and private entities.

23 Sec. 10. 1993 Iowa Acts, chapter 167, section 3,
 24 subsection 3, is amended to read as follows:

25 3. For the workforce coordinator:

26	\$	73,000
27	FTEs	1.00

28 Any funds allocated for salary and benefits for the
 29 workforce coordinator, and not expended on June 30,
 30 1994, shall not revert, notwithstanding section 8.33,
 31 but shall be carried forward and be available for use
 32 for the workforce coordinator during the succeeding
 33 year.

34 Sec. 11. There is appropriated from the state's
 35 share of the receipts collected pursuant to section
 36 428A.1, prior to deposit in the general fund of the
 37 state under section 428A.8, to the Iowa finance
 38 authority for the fiscal year beginning July 1, 1994,
 39 and ending June 30, 1995, the following amount, or so
 40 much thereof as is necessary, to be used for the
 41 purpose designated:

42 For deposit in the housing improvement fund created		
43 in section 16.100 for purposes of the fund:		
44	\$	300,000

45 Sec. 12. There is appropriated from the deaf
 46 interpreters revolving fund established in section
 47 15.108, subsection 7, paragraph "j", to the strategic
 48 investment fund for the fiscal year beginning July 1,
 49 1994, and ending June 30, 1995, the following amount:

50	\$	40,000
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1 Sec. 13. Section 12.43, Code 1993, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 5. A preference shall be given to
4 those persons who are less able than other persons to
5 secure funds for a targeted small business without
6 participation in the targeted small business linked
7 investment program.

8 Sec. 14. Section 15E.81, Code 1993, is amended to
9 read as follows:

10 15E.81 TITLE.

11 This division may be cited as the "Iowa Product
12 Development Seed Capital Corporation Act".

13 Sec. 15. Section 15E.82, subsections 1, 2, and 5,
14 Code 1993, are amended to read as follows:

15 1. "Board" means the board of directors of the
16 Iowa product-development seed capital corporation.

17 2. "Corporation" means the Iowa product
18 development seed capital corporation.

19 5. "President" means the president of the Iowa
20 product-development seed capital corporation.

21 Sec. 16. Section 15E.83, Code 1993, is amended to
22 read as follows:

23 15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL
24 CORPORATION.

25 ~~1. There is created a corporate body called the~~
26 ~~"Iowa product-development corporation".--The~~
27 ~~corporation is a quasi-public instrumentality and the~~
28 ~~exercise of the powers granted to the corporation in~~
29 ~~this division is an essential governmental function.~~
30 The Iowa seed capital corporation shall be
31 incorporated under chapter 504A. The purpose of the
32 corporation shall be to provide seed capital to start-
33 up and emerging growth companies in Iowa that are
34 bringing new products and processes to the
35 marketplace, and it shall be the goal of the
36 corporation to financially support the establishment
37 and growth of start-up and emerging growth companies
38 that can contribute to the economic diversity of the
39 state and provide general and specific economic
40 benefits to the state. The corporation shall not be
41 regarded as a state agency, except for purposes of
42 chapters 17A and 69, and a member of the board is not
43 considered a state employee, except for purposes of
44 chapter 669. An individual employed by the
45 corporation is a state employee for purposes of the
46 Iowa public employees' retirement system, state health
47 and dental plans, and other state employee benefit
48 plans and chapter 669. Chapters 8, 18, 19A, and 20
49 and other provisions of law that relate to
50 requirements or restrictions dealing with state

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1 personnel or state funds do not apply to the
2 corporation and any employees of the board or
3 corporation except to the extent provided in this
4 division. Chapters 21 and 22 shall apply to
5 activities of the corporation and to employees of the
6 board or corporation except to the extent provided in
7 this division.

8 2. The corporation shall be governed by a board of
9 seven directors who shall serve a term of four years.
10 Each term shall begin and end as provided in section
11 69.19. No more than a simple majority of the members
12 of the board shall belong to the same political party
13 as provided in section 69.16. Each director shall
14 serve at the pleasure of the governor and shall be
15 appointed by the governor, subject to confirmation by
16 the senate pursuant to section 2.32. A director is
17 eligible for reappointment. A vacancy on the board of
18 directors shall be filled in the same manner as an
19 original appointment. ~~For the initial appointments to~~
20 ~~the board of directors, the governor shall appoint~~
21 ~~three members whose terms shall commence upon~~
22 ~~appointment and shall expire April 30, 1985, and four~~
23 ~~members whose terms shall commence upon appointment~~
24 ~~and shall expire April 30, 1987.~~

25 3. The board of directors shall annually elect one
26 member as chairperson and one member as secretary.
27 The board may elect other officers of the corporation
28 as necessary. Members shall be reimbursed for
29 necessary expenses incurred in the performance of
30 duties from funds appropriated to the Iowa department
31 ~~of economic development~~ corporation.

32 4. Each director of the corporation shall take an
33 oath of office and the record of each oath shall be
34 filed in the office of the secretary of state.

35 5. The corporation shall receive information and
36 cooperate with other agencies of the state and the
37 political subdivisions of the state.

38 ~~6. The corporation shall be a part of the Iowa~~
39 ~~department of economic development which shall provide~~
40 ~~all staff and administrative assistance. The~~
41 ~~corporation shall submit to the department for its~~
42 ~~approval all plans, programs, initiatives and budgets.~~

43 Sec. 17. Section 15E.86, Code 1993, is amended to
44 read as follows:

45 15E.86 PRESIDENT.

46 The ~~director of the department of economic~~
47 ~~development board~~ shall appoint employ a president of
48 the corporation who shall serve at the pleasure of the
49 director board and shall receive the compensation
50 determined by the director board. ~~The president is a~~

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1 ~~state-employee~~: The president shall not be a member
2 of the board of directors. The president is the chief
3 administrative and operational officer of the
4 corporation and shall direct and supervise the
5 administrative affairs and the general management of
6 the corporation subject to the direction and oversight
7 of the director board. The president may employ other
8 employees as designated by the board. The president
9 shall provide copies of all minutes, documents, and
10 other records of the corporation and shall provide a
11 certificate which attests to truthfulness of the
12 copies, if requested. Persons dealing with the
13 corporation may rely upon the certificates. The
14 president shall keep a record of all proceedings,
15 documents, and papers filed with the corporation.

16 Sec. 18. Section 15E.87, subsection 1, Code 1993,
17 is amended to read as follows:

18 1. To have perpetual succession as a corporate
19 body and to adopt bylaws, policies, and procedures for
20 the regulation of its affairs and conduct of its
21 business consistent with the purposes of this
22 division.

23 Sec. 19. Section 15E.87, subsection 4, Code 1993,
24 is amended by striking the subsection.

25 Sec. 20. Section 15E.87, subsection 7, Code 1993,
26 is amended to read as follows:

27 7. To employ assistants, agents, and other
28 employees ~~who shall be state-employees~~ and to engage
29 consultants, attorneys, and appraisers as necessary or
30 desirable to carry out the purposes of the
31 corporation.

32 Sec. 21. Section 15E.88, Code 1993, is amended to
33 read as follows:

34 15E.88 APPLICATIONS FOR FINANCIAL AID.

35 ~~1. Applications for financial aid shall be~~
36 ~~forwarded, together with an application fee prescribed~~
37 ~~by the corporation, to the president of the~~
38 ~~corporation. The president, after preparing the~~
39 ~~necessary records for the corporation, shall forward~~
40 ~~each application to the staff of the corporation, for~~
41 ~~an investigation and report concerning the~~
42 ~~advisability of approving the financial aid for the~~
43 ~~company and concerning any other factors found~~
44 ~~relevant by the corporation. The investigation and~~
45 ~~report shall include but are not limited to the~~
46 ~~following:~~

47 ~~a. The history of the applicant, its wage~~
48 ~~standards, job opportunities, and stability of~~
49 ~~employment.~~

50 ~~b. The extent of the applicant's dependence on~~

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1 agriculture;
 2 ---c---The applicant's past, present, and future
 3 financial condition and structure;
 4 ---d---The applicant's pro-forma income statements;
 5 ---e---The present and future market prospects for the
 6 product;
 7 ---f---The feasibility of the proposed project or
 8 invention to be given financial aid and the integrity
 9 of management;
 10 ---g---The state of the project's development;
 11 ---2---After receipt and consideration of the report
 12 and any other action the corporation finds necessary,
 13 the corporation shall approve or deny the application.
 14 The president shall promptly notify an applicant by
 15 certified mail of the disposition of its application.
 16 The corporation shall give priority to those
 17 applicants whose business is agriculture-related or
 18 whose business is located in an area which the
 19 corporation determines has been severely adversely
 20 affected by depressed agricultural prices and whose
 21 proposed product or invention is to be used to convert
 22 all or a portion of the business to nonagriculture-
 23 related industrial or commercial activity or to create
 24 a new nonagriculture-related industrial or commercial
 25 business.

26 1. Applications for financial aid shall be
 27 received and considered by the corporation pursuant to
 28 rules adopted by the board pursuant to chapter 17A.

29 2. Notwithstanding the requirements of chapter
 30 21, relating to open meetings, and chapter 22,
 31 relating to examination of public records, the
 32 corporation shall keep as confidential those items on
 33 the application for financial aid that the applicant
 34 has specifically requested to be held in confidence.
 35 These items shall remain confidential until the
 36 applicant says otherwise or the corporation determines
 37 the items no longer need to be held confidential.

38 Sec. 22. Section 15E.89, Code Supplement 1993, is
 39 amended to read as follows:

40 15E.89 IOWA PRODUCT-DEVELOPMENT SEED CAPITAL
 41 CORPORATION FUND.

42 1. There is created an "Iowa product-development
 43 seed capital corporation fund". All funds of the
 44 corporation including the proceeds from the issuance
 45 of notes or sale of bonds under this division, any
 46 funds appropriated to the corporation, and income
 47 derived from other sources from the exercise of powers
 48 granted to the corporation under this division shall
 49 be paid into the Iowa product-development seed capital
 50 corporation fund notwithstanding section 12.10. The

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1 money in the Iowa product-development seed capital
2 corporation fund, except moneys held by a trustee or a
3 depository pursuant to a bond resolution or indenture
4 relating to the issuance of bonds or notes pursuant to
5 section 15E.90 or 15E.91, shall be paid out on the
6 order of the person authorized by the corporation.

7 The money in the Iowa product-development seed capital
8 corporation fund shall be used for repayment of notes
9 and bonds issued under this division and the extension
10 of financial aid granted by the corporation under this
11 division, and the amount remaining may be used for the
12 payment of the administrative and overhead costs of
13 the corporation to the extent required. ~~There is also~~
14 ~~created in the Iowa product-development corporation~~
15 ~~fund an Iowa technology assistance program account,~~
16 ~~which shall provide seed capital for the~~
17 ~~commercialization of products, or the development of~~
18 ~~processes or materials through research at Iowa~~
19 ~~colleges and universities or by private industry.~~

20 2. Notwithstanding section 8.33, no part of the
21 Iowa product-development corporation this fund shall
22 revert at or after the close of a fiscal year unless
23 otherwise provided by the general assembly, but shall
24 remain in the fund and appropriated for the purposes
25 of this division. The board shall seek to repay the
26 state for appropriations by recommending to the
27 general assembly reversions from income received from
28 successful ventures. The board shall recommend such
29 action at any time when the revenue available to the
30 board is deemed sufficient to continue existing
31 operations.

32 3. Upon dissolution of the corporation, all
33 remaining moneys in the Iowa seed capital corporation
34 fund, as well as the net proceeds realized by the
35 corporation through the liquidation of the assets of
36 the corporation, shall revert to the state.

37 Sec. 23. Section 15E.90, Code 1993, is amended to
38 read as follows:

39 15E.90 PRODUCT-DEVELOPMENT SEED CAPITAL
40 CORPORATION FUND NOTES.

41 The corporation may issue Iowa product-development
42 seed capital corporation fund notes, the principal and
43 interest of which shall be payable solely from the
44 Iowa product-development seed capital corporation fund
45 established by this division. The fund notes of each
46 issue shall be dated, shall mature at such times and
47 may be made redeemable before maturity, at prices and
48 under terms and conditions as determined by the
49 corporation. The corporation shall determine the form
50 and manner of execution of the fund notes, including

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1 any interest coupons to be attached, and shall fix the
2 denominations and the places of payment of principal
3 and interest, which may be any financial institution
4 within or without the state or any agent, including
5 the lender. If an officer whose signature or a
6 facsimile of whose signature appears on fund notes or
7 coupons ceases to be that officer before the delivery
8 of the notes or coupons, the signature or facsimile is
9 valid and sufficient for all purposes the same as if
10 the officer had remained in office until delivery.

11 The fund notes may be issued in coupon or in
12 registered form, or both, as the corporation
13 determines, and provision may be made for the
14 registration of coupon fund notes as to principal
15 alone and also as to both principal and interest, and
16 for the conversion into coupon fund notes of any fund
17 notes registered as to both principal and interest,
18 and for the interchange of registered and coupon fund
19 notes. Fund notes shall bear interest at rates as
20 determined by the corporation and may be sold in a
21 manner, either at public or private sale, and for a
22 price as the corporation determines to be best to
23 effectuate the purposes of the Iowa product
24 development seed capital corporation fund. The
25 proceeds of fund notes shall be used solely for the
26 purposes for which issued and shall be disbursed in a
27 manner and under restrictions as provided in this
28 division and in the resolution of the corporation
29 providing for their issuance. The corporation may
30 provide for the replacement of fund notes which become
31 mutilated or are destroyed or lost.

32 Sec. 24. Section 15E.92, Code Supplement 1993, is
33 amended to read as follows:

34 15E.92 REPORTING AND FUND SOLVENCY.

35 The chairperson of the corporation on or before
36 December 31 of each fiscal year shall make and deliver
37 a report to the governor and the legislative fiscal
38 committee. The report shall include all transactions
39 conducted by the corporation in the preceding fiscal
40 year. The report shall also include a balance sheet
41 outlining the financial solvency of the Iowa product
42 development seed capital corporation fund, a certified
43 copy of any audits of the corporation conducted in the
44 preceding fiscal year, and other information requested
45 by the governor or the legislative fiscal committee.

46 Sec. 25. Section 15E.152, Code Supplement 1993, is
47 amended by adding the following new subsection:

48 NEW SUBSECTION. 7. Establishment of a seed
49 capital fund which shall be administered by the board
50 to provide seed capital for the commercialization of

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1 product, or the development of processes or materials
2 through research at Iowa colleges and universities or
3 by private industry.

4 Sec. 26. NEW SECTION. 422.11D MACHINERY AND
5 EQUIPMENT TAX CREDIT.

6 The taxes imposed under this division less the
7 credits allowed under sections 422.11A, 422.11B,
8 422.12, and 422.12B shall be reduced by a refundable
9 tax credit for property taxes paid pursuant to section
10 427B.19.

11 Sec. 27. NEW SECTION. 427B.19 TEMPORARY
12 REFUNDABLE TAX CREDIT -- NEW MACHINERY AND EQUIPMENT.

13 1. Beginning July 1, 1994, through June 30, 1996,
14 a taxpayer who acquires or initially leases property
15 described in section 427B.17 and places the property
16 into service on or after July 1, 1994, and who is the
17 first owner of the property, shall be entitled to a
18 refundable income tax credit under section 422.11D for
19 the property taxes paid on the property for the period
20 of time to be determined under this section.

21 2. Property under subsection 1 shall be assessed
22 at twenty percent of its net acquisition cost. The
23 duration of the period during which the taxpayer is
24 eligible for the refundable credit for the taxes paid
25 on any one item of property shall not exceed the
26 amount of time that item of property is scheduled to
27 fully depreciate, according to the applicable
28 depreciation schedule contained in the industrial
29 machinery and equipment guide published by the
30 department of revenue and finance or twenty years
31 whichever is less. The department is instructed to
32 revise the industrial machinery and equipment guide to
33 provide a depreciation schedule for machinery and
34 equipment with a life of at least twenty years.

35 3. On or before July 1 of each year, the assessor
36 shall, at the request of the taxpayer, provide a
37 statement listing for each item of property for which
38 the taxpayer is entitled to a refundable credit under
39 this section, and the amount of property taxes paid on
40 each item of property. The taxpayer shall attach the
41 statement to the taxpayer's income tax form when
42 requesting the refundable credit.

43 Sec. 28. Section 428A.8, unnumbered paragraph 1,
44 Code 1993, is amended to read as follows:

45 On or before the tenth day of each month the county
46 recorder shall determine and pay to the treasurer of
47 state eighty-two and three-fourths percent of the
48 receipts from the real estate transfer tax collected
49 during the preceding month and the treasurer of state
50 shall deposit ninety-five percent of the receipts in

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1 the general fund of the state and transfer five
2 percent of the receipts to the Iowa finance authority
3 for deposit in the housing improvement fund created in
4 section 16.100.

5 Sec. 29. LEGISLATIVE STUDY. The legislative
6 council is requested to establish a legislative study
7 committee to examine taxes and fees imposed on
8 businesses in Iowa as compared with taxes and fees
9 imposed on businesses in other states to determine
10 whether Iowa is placed at a competitive disadvantage
11 in attracting and retaining businesses.

12 Sec. 30. BUDGET UNIT DESIGNATIONS. The department
13 of management shall, prior to January 15, 1995,
14 conform all budget unit designations to the
15 designations used in the Code.

16 Sec. 31. EFFECTIVE DATE. Section 28 of this Act
17 takes effect July 1, 1995."

18 "____. Title page, line 4, by inserting after the
19 word "development" the following: "including
20 providing a tax break for certain property"."

By METCALF of Polk

H-6236 FILED APRIL 15, 1994

WITHDRAWN

4-18-94

HOUSE FILE 2415

H-6245

- 1 Amend the amendment, H-6236, to the Senate
 - 2 amendment, H-6069, to House File 2415, as amended,
 - 3 passed, and reprinted by the House as follows:
 - 4 1. Page 9, line 6, by striking the figure
 - 5 "3,899,863" and inserting the following: "4,180,863".
- By WISE of Lee

H-6245 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6246

- 1 Amend the amendment, H-6236, to the Senate
 - 2 amendment, H-6069, to House File 2415, as amended,
 - 3 passed, and reprinted by the House, as follows:
 - 4 1. Page 6, line 3, by striking the figure
 - 5 "951,574" and inserting the following: "1,000,000".
- By MORELAND of Wapello

H-6246 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6247

- 1 Amend the amendment, H-6236, to the Senate
 - 2 amendment, H-6069, to House File 2415, as amended,
 - 3 passed, and reprinted by the House, as follows:
 - 4 1. Page 3, line 18, by striking the figure
 - 5 "422,883" and inserting the following: "622,883".
- By BRAND of Benton

H-6247 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6243

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. By striking page 17, line 4, through page 18,
 5 the line 4, and inserting the following:
 6 "Sec. ____ . Section 422.73, Code 1993, is amended
 7 by adding the following new subsection:
 8 NEW SUBSECTION. 8. Notwithstanding subsection 2,
 9 a claim for credit or refund of individual income tax
 10 paid for any tax year beginning on or after January 1,
 11 1985, and before January 1, 1989, is considered timely
 12 if filed with the department on or before April 30,
 13 1995, if the taxpayer's claim is the result of the
 14 unconstitutional taxation of federal pension benefits
 15 based upon the decision in Davis v. Michigan
 16 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
 17 (1989).
 18 A taxpayer entitled to a credit or refund of tax
 19 paid under this subsection shall receive the credit or
 20 refund within four years. The amount of credit or
 21 refund shall be equally spread over those four years.
 22 Any claims for refund shall be payable from the
 23 special refund account established in section 422.105.
 24 The department shall state on the actual tax form for
 25 the next four tax years a notice that federal retirees
 26 may be entitled to a credit or refund under the
 27 provisions of this subsection.
 28 Sec. ____ . NEW SECTION. 422.105 SPECIAL REFUND
 29 ACCOUNT.
 30 The department shall establish a special refund
 31 account for the purpose of paying the refund claims of
 32 federal retirees pursuant to section 422.73,
 33 subsection 8. Beginning with the fiscal year
 34 beginning July 1, 1994, there is appropriated annually
 35 from the general fund of the state an amount
 36 sufficient to pay the refund claims of these federal
 37 retirees."
 38 2. Page 18, by striking lines 16 through 20.
 39 3. By renumbering as necessary.

By O'BRIEN of Boone

H-6243 FILED APRIL 15, 1994

Out of Order 4/18/94

HOUSE FILE 2415

H-6244

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House as follows:
 4 1. Page 6, line 21, by striking the figure
 5 "161,000" and inserting the following: "1,683,000".

By WISE of Lee

H-6244 FILED APRIL 15, 1994

Out of Order 4/18/94

HOUSE FILE 2415

H-6250

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 10, line 44, by striking the figure
5 "300,000" and inserting the following: "500,000".

By WISE of Lee

H-6250 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6251

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House as follows:
4 1. Page 18, lines 5 and 6, by striking the words
5 "The Legislative Council is requested to establish"
6 and inserting the following: "There is established".
7 2. Page 18, line 11, by inserting after the word
8 "businesses." the following: "The Legislative Council
9 shall determine the number and manner of choosing the
10 members and other matters pertaining to the
11 organization of the study committee."

By WISE of Lee

H-6251 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6252

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 3, line 33, by inserting after the word
5 "year." the following: "Of the moneys in the rural
6 community 2000 program revolving fund which remain
7 unencumbered on July 1, 1993, \$40,000 shall be used to
8 fund the Iowa members' cost share for the 1993 study
9 phase of the Lewis and Clark rural water system."

By VANDE HOEF of Osceola

H-6252 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6253

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House as follows:
4 1. Page 7, line 8, by striking the figure
5 "50,467" and inserting the following: "174,000".

By SHOULTZ of Black Hawk

H-6253 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6248

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 4, line 7, by inserting after the word
5 "conference," the following: "for allocating \$40,000
6 for Canadian marketing and \$50,000 for Mexican
7 trade,".

8 2. Page 4, line 9, by striking the figure
9 "686,114" and inserting the following: "776,114".

10 3. By striking page 4, line 47 through page 5,
11 line 4, and inserting the following:

12 "___". For transfer to the Iowa peace institute for
13 the purpose of continuing to expand conflict
14 resolution and negotiation efforts in Iowa's schools
15 and communities and reporting to the joint
16 appropriations subcommittee on economic development by
17 January 15, 1995, on all such activities undertaken:

18 \$ 96,000

19 "___". For transfer to the international development
20 foundation for the purposes of the foundation and
21 reporting to the joint appropriations subcommittee on
22 economic development by January 15, 1995, regarding
23 actual and planned expenditures for fiscal year 1995:

24 \$ 100,000".

25 4. By relettering as necessary.

By CATALDO of Poik

H-6248 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6249

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 8, by striking lines 31 through 33 and
5 inserting the following: "15E.158, for continuing, to
6 the extent possible, the current allocation of
7 apprenticeship funds to the community colleges, for
8 transferring \$50,000 of the funds appropriated in this
9 section to the Iowa quality coalition for productivity
10 enhancement projects, and for allocating \$350,000 to
11 the industrial technology assistance program, and".

12 2. Page 8, by inserting after line 37 the
13 following:

14 "It is the intent of the general assembly that for
15 the fiscal year beginning July 1, 1995, and for
16 subsequent fiscal years, apprenticeships shall only be
17 made available to community colleges on the basis of
18 requests for proposals submitted by the community
19 colleges for apprenticeship programs."

By WISE of Lee

H-6249 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6259

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 17, by striking lines 4 through 42 and
5 inserting the following:

6 "Sec. ____ . Section 425A.1, Code Supplement 1993,
7 is amended to read as follows:

8 425A.1 FAMILY FARM TAX CREDIT FUND.

9 The family farm tax credit fund is created in the
10 office of the treasurer of state. There shall be
11 transferred annually to the fund the first ~~ten~~
12 fourteen million dollars of the amount annually
13 appropriated to the agricultural land credit fund,
14 provided in section 426.1. Any balance in the fund on
15 June 30 shall revert to the general fund.

16 Sec. ____ . Section 426.1, Code Supplement 1993, is
17 amended to read as follows:

18 426.1 AGRICULTURAL LAND CREDIT FUND.

19 There is created as a permanent fund in the office
20 of the treasurer of state a fund to be known as the
21 agricultural land credit fund, and for the purpose of
22 establishing and maintaining this fund for each fiscal
23 year there is appropriated thereto from funds in the
24 general fund not otherwise appropriated the sum of
25 thirty-nine forty-three million one hundred thousand
26 dollars of which the first ~~ten~~ fourteen million
27 dollars shall be transferred to and deposited into the
28 family farm tax credit fund created in section 425A.1.
29 Any balance in said fund on June 30 shall revert to
30 the general fund."

31 2. Page 18, by striking lines 16 through 20.

32 3. By renumbering as necessary.

By WEIGEL of Chickasaw

H-6259 FILED APRIL 15, 1994

out of order 4/13/94

HOUSE FILE 2415

H-6260

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 17, by striking lines 4 through 42.

By WISE of Lee

H-6260 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6254

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House as follows:
 4 1. Page 3, line 4, by striking the figure
 5 "350,484" and inserting the following: "503,944".

By WEIGEL of Chickasaw

H-6254 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6255

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. Page 3, by inserting after line 33 the
 5 following:
 6 "Notwithstanding the provisions in section 15.287
 7 or 16.100 or in other provision of law providing that
 8 moneys in the rural community 2000 revolving fund of
 9 the state shall remain in the fund, moneys deposited
 10 in the fund during the fiscal year beginning July 1,
 11 1993, and ending June 30, 1994, shall be carried
 12 forward and be available for expenditure in the fiscal
 13 year beginning July 1, 1994, and ending June 30, 1995,
 14 in the same amount and for the same purpose as
 15 described in 1993 Iowa Acts, chapter 180, section 66."

By SHOULTZ of Black Hawk

H-6255 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6257

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. Page 17, line 22, by striking the word
 5 "twenty" and inserting the following: "thirty".

By WEIGEL of Chickasaw

H-6257 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6258

1 Amend the amendment, H-6236, to the Senate
 2 amendment, H-6069, to House File 2415, as amended,
 3 passed, and reprinted by the House, as follows:
 4 1. Page 9, line 2, by inserting after the word
 5 "centers" the following: "and for establishing a new
 6 small business development center".
 7 2. Page 9, line 3, by striking the figure
 8 "1,079,389" and inserting the following: "1,139,389".

By HALVORSON of Webster

H-6258 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6261

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 17, by inserting after line 3 the
5 following:

6 "Sec. ____ . Section 364.17, subsection 5, Code
7 1993, is amended to read as follows:

8 5. Cities may establish reasonable fees for
9 inspection and enforcement procedures. Cities may
10 also assess additional fees for inspection and
11 enforcement procedures, if the additional fees are
12 deposited into a housing trust fund as defined in
13 section 384.6A.

14 Sec. ____ . NEW SECTION. 384.6A HOUSING TRUST
15 FUND.

16 A city may establish a housing trust fund which may
17 accept funds provided by ordinance appropriation,
18 gift, or other source.

19 For purposes of this section, "housing trust fund"
20 means a revolving fund established by a city through
21 ordinance for the purpose of meeting the housing needs
22 of low or moderate income families. For purposes of
23 this section, "low or moderate income families" means
24 as defined in section 16.1 or as defined by a
25 comprehensive housing affordability strategy conducted
26 by the city to comply with the federal Cranston-
27 Gonzales National Affordable Housing Act of 1990, Pub.
28 L. No. 101-625. Housing trust fund moneys may be used
29 for any of the purposes described in section 16.100 or
30 for other types of programs to meet needs identified
31 by the comprehensive housing affordability strategy.
32 All moneys in the fund, appropriated or dedicated to
33 the fund, and interest or earnings on moneys in the
34 fund shall be used solely for these purposes."

35 2. By striking page 17, line 43 through page 18,
36 line 4 and inserting the following:

37 "Sec. ____ . Section 428A.1, unnumbered paragraph 1,
38 Code 1993, is amended to read as follows:

39 There is imposed on each deed, instrument, or
40 writing by which any lands, tenements, or other realty
41 in this state are granted, assigned, transferred, or
42 otherwise conveyed, a tax consisting of the state tax
43 and any city tax determined in the following manner:
44 When there is no consideration or when the deed
45 instrument or writing is executed and tendered for
46 recording as an instrument corrective of title, and so
47 states, there is no tax. When there is consideration
48 and the actual market value of the real property
49 transferred is in excess of five hundred dollars, the
50 tax is eighty cents plus the applicable city tax, if

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1 any, for each five hundred dollars or fractional part
2 of five hundred dollars in excess of five hundred
3 dollars. The term "consideration", as used in this
4 chapter, means the full amount of the actual sale
5 price of the real property involved, paid or to be
6 paid, including the amount of an encumbrance or lien
7 on the property, whether assumed or not by the
8 grantee. It is presumed that the sale price so stated
9 includes the value of all personal property
10 transferred as part of the sale unless the dollar
11 value of personal property is stated on the instrument
12 of conveyance. When the dollar value of the personal
13 property included in the sale is so stated, it shall
14 be deducted from the consideration shown on the
15 instrument for the purpose of determining the tax.

16 Sec. ____ . NEW SECTION. 428A.1A CITY TAX.

17 The governing body of a city may impose by
18 ordinance a city real estate transfer tax. Revenues
19 from the tax shall only be deposited in a housing
20 trust fund to be used for purposes of the fund as
21 provided in section 384.6A and the ordinance shall so
22 state. The city real estate transfer tax shall be
23 imposed and collected in the same manner and at the
24 same time as the state real estate transfer tax.
25 Transfers exempt from the state tax are exempt from
26 the city tax. The rate of the tax shall not exceed
27 fifty cents per five hundred dollars of market value.

28 Sec. ____ . Section 428A.8, Code 1993, is amended to
29 read as follows:

30 428A.8 REMITTANCE TO STATE OR CITY TREASURER --
31 PORTION RETAINED IN COUNTY.

32 On or before the tenth day of each month the county
33 recorder shall determine and pay to the treasurer of
34 state eighty-two and three-fourths percent of the
35 receipts from the state real estate transfer tax
36 collected during the preceding month and the treasurer
37 of state shall deposit ninety-five percent of the
38 receipts amounts received by the treasurer of state in
39 the general fund of the state and transfer five
40 percent of the amounts received to the Iowa finance
41 authority for deposit in the housing improvement fund
42 created in section 16.100. At the time of remittance
43 of the state tax receipts, the county recorder shall
44 remit to the Iowa finance authority each city's tax
45 receipts collected during the previous month, if one
46 is imposed. The Iowa finance authority shall remit
47 the amounts collected from each city imposing a city
48 tax by the first day of the second month of the
49 quarter following the quarter in which the tax was
50 collected.

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1 The county recorder shall deposit the remaining
2 seventeen and one-fourth percent of the state receipts
3 in the county general fund.

4 The county recorder shall keep records and make
5 reports with respect to the real estate transfer tax
6 as the director of revenue and finance prescribes."

7 3. Page 18, line 20, by inserting after the word
8 "property" the following: ", authorizing a city to
9 impose a real estate transfer tax,".

10 4. By numbering, renumbering, and correcting
11 internal references.

By JOCHUM of Dubuque

H-6261 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6263

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 17, by striking lines 4 through 42 and
5 inserting the following:
6 "Sec. ____ . Section 422.73, Code 1993, is amended
7 by adding the following new subsection:
8 NEW SUBSECTION. 8. Notwithstanding subsection 2,
9 a claim for credit or refund of individual income tax
10 paid for any tax year beginning on or after January 1,
11 1985, and before January 1, 1989, is considered timely
12 if filed with the department on or before April 30,
13 1995, if the taxpayer's claim is the result of the
14 unconstitutional taxation of federal pension benefits
15 based upon the decision in Davis v. Michigan
16 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
17 (1989).
18 A taxpayer entitled to a credit or refund of tax
19 paid under this subsection shall receive the credit or
20 refund within four years. The amount of credit or
21 refund shall be equally spread over those four years.
22 Any claims for refund shall be payable from the
23 special refund account established in section 422.105.
24 The department shall state on the actual tax form for
25 the next four tax years a notice that federal retirees
26 may be entitled to a credit or refund under the
27 provisions of this subsection.
28 Sec. ____ . NEW SECTION. 422.105 SPECIAL REFUND
29 ACCOUNT.
30 The department shall establish a special refund
31 account for the purpose of paying the refund claims of
32 federal retirees pursuant to section 422.73,
33 subsection 8. Beginning with the fiscal year
34 beginning July 1, 1994, there is appropriated annually
35 from the general fund of the state an amount
36 sufficient to pay the refund claims of these federal
37 retirees."
38 2. Page 18, by striking lines 18 through 20.
39 3. By renumbering as necessary.

By O'BRIEN of Boone

H-6263 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6265

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 17, by striking lines 4 through 42 and
5 inserting the following:

6 "Sec. ____ . Section 422.73, Code 1993, is amended
7 by adding the following new subsection:

8 NEW SUBSECTION. 8. Notwithstanding subsection 2,
9 a claim for credit or refund of individual income tax
10 paid for any tax year beginning on or after January 1,
11 1985, and before January 1, 1989, is considered timely
12 if filed with the department on or before April 30,
13 1995, if the taxpayer's claim is the result of the
14 unconstitutional taxation of federal pension benefits
15 based upon the decision in Davis v. Michigan
16 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
17 (1989).

18 A taxpayer entitled to a credit or refund of tax
19 paid under this subsection shall receive the credit or
20 refund within four years. The amount of credit or
21 refund shall be equally spread over those four years.
22 Any claims for refund shall be payable from the
23 special refund account established in section 422.105.
24 The department shall state on the actual tax form for
25 the next four tax years a notice that federal retirees
26 may be entitled to a credit or refund under the
27 provisions of this subsection.

28 Sec. ____ . NEW SECTION. 422.105 SPECIAL REFUND
29 ACCOUNT.

30 The department shall establish a special refund
31 account for the purpose of paying the refund claims of
32 federal retirees pursuant to section 422.73,
33 subsection 8. Beginning with the fiscal year
34 beginning July 1, 1994, there is appropriated annually
35 from the general fund of the state an amount
36 sufficient to pay the refund claims of these federal
37 retirees."

38 2. Page 18, by striking lines 16 through 20.

39 3. By renumbering as necessary.

By O'BRIEN of Boone

H-6265 FILED APRIL 15, 1994

out of order
4/18/94

HOUSE FILE 2415

H-6264

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 17, by striking lines 4 through 42 and
5 inserting the following:

6 "Sec. ____ . Section 425A.1, Code Supplement 1993,
7 is amended to read as follows:

8 425A.1 FAMILY FARM TAX CREDIT FUND.

9 The family farm tax credit fund is created in the
10 office of the treasurer of state. There shall be
11 transferred annually to the fund the first ten
12 fourteen million dollars of the amount annually
13 appropriated to the agricultural land credit fund,
14 provided in section 426.1. Any balance in the fund on
15 June 30 shall revert to the general fund.

16 Sec. ____ . Section 426.1, Code Supplement 1993, is
17 amended to read as follows:

18 426.1 AGRICULTURAL LAND CREDIT FUND.

19 There is created as a permanent fund in the office
20 of the treasurer of state a fund to be known as the
21 agricultural land credit fund, and for the purpose of
22 establishing and maintaining this fund for each fiscal
23 year there is appropriated thereto from funds in the
24 general fund not otherwise appropriated the sum of
25 thirty-nine forty-three million one hundred thousand
26 dollars of which the first ten fourteen million
27 dollars shall be transferred to and deposited into the
28 family farm tax credit fund created in section 425A.1.
29 Any balance in said fund on June 30 shall revert to
30 the general fund."

31 2. Page 18, by striking lines 18 through 20.

32 3. By renumbering as necessary.

By WEIGEL of Chickasaw

H-6264 FILED APRIL 15, 1994

out of order 4/15/94

HOUSE FILE 2415

H-6266

1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House as follows:

4 1. Page 17, by striking lines 4 through 42 and
5 inserting the following:

6 "Sec. ____ . Section 427B.17, Code Supplement 1993,
7 is amended by adding the following new subsection:

8 NEW SUBSECTION. 8. Property acquired or initially
9 leased on or after January 1, 1995, and prior to
10 January 1, 1997, shall not be assessed for taxation in
11 the 1995 and 1996 calendar years, subject to the
12 provisions of this subsection.

13 To be eligible to receive the benefits of this
14 subsection, a business shall meet all of the following
15 requirements:

16 a. The business has not closed or substantially
17 reduced its operation in one area of the state and
18 relocated substantially the same operation in the
19 community. This subsection does not prohibit a
20 business from expanding its operation in the community
21 if existing operations of a similar nature in the
22 state are not closed or substantially reduced.

23 b. The business provides and pays at least eighty
24 percent of the cost of a standard medical and dental
25 insurance plan for all full-time employees working at
26 the business.

27 c. The business pays a median wage for full-time
28 hourly nonmanagement production jobs of at least
29 eleven dollars per hour indexed to 1993 dollars based
30 on the gross national product implicit price deflator
31 published by the bureau of economic analysis of the
32 United States department of commerce or one hundred
33 thirty percent of the average wage in the county in
34 which the community is located, whichever is higher.

35 d. The business has or will make a capital
36 investment of at least ten million dollars indexed to
37 1993 dollars based on the gross national product
38 implicit price deflator published by the bureau of
39 economic analysis of the United States department of
40 commerce. If the business is occupying a vacant
41 building suitable for industrial use, the fair market
42 value of the building shall be counted toward the
43 capital investment threshold.

44 e. In addition, the business shall do at least
45 three of the following in order to be eligible for the
46 benefits of this subsection:

47 (1) Offer a pension or profit-sharing plan to
48 full-time employees.

49 (2) Produce or manufacture high value-added goods
50 or services or be in one of the following industries:

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- 1 (a) Value-added agricultural products.
- 2 (b) Insurance and financial services.
- 3 (c) Plastics.
- 4 (d) Metals.
- 5 (e) Printing paper or packaging products.
- 6 (f) Drugs and pharmaceuticals.
- 7 (g) Software development.
- 8 (h) Instruments and measuring devices and medical
- 9 instruments.
- 10 (i) Recycling and waste management.
- 11 (j) Telecommunications.
- 12 (3) The business makes day care services available
- 13 to its employees.
- 14 (4) Invest annually no less than one percent of
- 15 pretax profits from the business located in Iowa or
- 16 expanded in Iowa in research and development in Iowa.
- 17 (5) Invest annually no less than one percent of
- 18 pretax profits from the business in worker training
- 19 and skills enhancement.
- 20 (6) Have an active productivity and safety
- 21 improvement program involving management and worker
- 22 participation and cooperation with benchmarks for
- 23 gauging compliance.
- 24 (7) Occupy an existing facility at least one of
- 25 the buildings of which shall be vacant and shall
- 26 contain at least twenty thousand square feet.
- 27 If a business has a record of violations of the
- 28 law, including but not limited to environmental and
- 29 worker safety statutes, rules, and regulations, over a
- 30 period of time that tends to show a consistent
- 31 pattern, the business shall not qualify for the
- 32 benefits under this subsection, unless it can be
- 33 demonstrated that the violations did not seriously
- 34 affect public health or safety, or the environment, or
- 35 if it did that there were mitigating circumstances."
- 36 2. By renumbering as necessary.

By WISE of Lee

H-6266 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6267

- 1 Amend the amendment, H-6236, to the Senate
- 2 amendment, H-6069, to House File 2415, as amended,
- 3 passed, and reprinted by the House, as follows:
- 4 1. Page 1, line 34, by striking the figure
- 5 "182,664" and inserting the following: "232,644".

By HAMMOND of Story

H-6267 FILED APRIL 15, 1994

out of order 4/18/94

HOUSE FILE 2415

H-6268

- 1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 4, by striking lines 38 through 46.
5 2. By relettering as necessary.

By GILL of Woodbury

H-6268 FILED APRIL 15, 1994

out of order 4/15/94

HOUSE FILE 2415

H-6269

- 1 Amend the amendment, H-6236, to the Senate
2 amendment, H-6069, to House File 2415, as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 8, by striking lines 31 through 33 and
5 inserting the following: "15E.158, for continuing, to
6 the extent possible, the currently existing
7 apprenticeship programs under section 260C.44 at the
8 community colleges, for transferring \$50,000 of the
9 funds appropriated in this section to the Iowa quality
10 coalition for productivity enhancement projects, and
11 for allocating \$350,000 to the industrial technology
12 assistance program, and".

- 13 2. Page 8, by inserting after line 37 the
14 following:

15 "It is the intent of the general assembly that for
16 the fiscal year beginning July 1, 1995, and for
17 subsequent fiscal years, apprenticeships shall only be
18 made available to community colleges on the basis of
19 requests for proposals submitted by the community
20 colleges for apprenticeship programs."

By WISE of Lee

H-6269 FILED APRIL 16, 1994

out of order 4/16/94

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 2415

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 2415, a bill for an Act appropriating funds to the department of economic development, the Iowa finance authority, and the Wallace technology transfer foundation, and making statutory changes relating to economic development, and providing effective dates, respectfully make the following report:

1. That the Senate recedes from its amendment, H-6069.

2. That House File 2415, as amended, passed, and reprinted by the House, is amended as follows:

1. By striking everything after the enacting clause and inserting the following:

"Section 1. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1994, and ending June 30, 1995, on the condition that the department shall not use any moneys appropriated under this Act for further expansion of industrial site locator programs until the industrial site locator program at the university of northern Iowa is completed and fully implemented and the department and the university have reported to the general assembly on plans for coordination and cooperation between the department and the university, including access by the department to the database and technology of the university

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program, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants, who are qualified for the jobs created, and for providing a written report to the joint economic development appropriations subcommittee and the legislative fiscal bureau not later than January 15, 1995, regarding the structure of or plans to implement an advertising sales program:

.....	\$	992,000
.....	FTEs	22.00

The director shall coordinate efforts with the workforce coordinator to implement the intent of the general assembly regarding businesses receiving job creation moneys and shall report to the joint economic development appropriations subcommittee regarding the number of jobs to be created by each business, the number of qualified promise jobs participants applying with the business, and the number of promise jobs participants hired.

b. Primary research and computer center

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	326,000
.....	FTEs	5.50

c. Film office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	185,000
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..... FTEs 2.00

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,000,000

..... FTEs 16.00

b. Small business programs

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for the small business program, the small business advisory council, targeted small business program, business incubators, for providing 1.00 FTE for the targeted small business compliance officer who shall continue to work jointly with the department of management, and for deaf interpreters funded through the economic development deaf interpreters revolving fund established in section 15.108, subsection 7, paragraph "j":

..... \$ 380,000

..... FTEs 6.50

The department shall report to the joint economic development appropriations subcommittee and the legislative fiscal bureau regarding the utilization of the deaf interpreters by January 15, 1995, and the department shall coordinate with the division of deaf services in the provision of deaf interpreter services.

c. Federal procurement office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 98,000

..... FTEs 3.00

Notwithstanding section 8.33, moneys remaining unencumbered or unobligated on June 30, 1995, shall not revert and shall be

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available for expenditure during the fiscal year beginning July 1, 1995, for the same purposes.

d. Strategic investment fund

For deposit in the strategic investment fund for salaries, support, and for not more than the following full-time equivalent positions:

.....	\$	5,649,000
.....	FTEs	10.00

e. Targeted small business incubator

For transfer directly to the targeted small business incubator in Des Moines, for computer equipment and other equipment, for the fiscal year beginning July 1, 1994, and ending June 30, 1995:

.....	\$	10,000
-------	----	--------

Moneys appropriated for fiscal year 1994 and not expended by June 30, 1994, shall not revert but shall be held by the department for funding, with local matching funds, the targeted small business incubator in Des Moines for the fiscal year beginning July 1, 1994, and ending June 30, 1995:

There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary to be used for funding, with local matching funds, the targeted small business incubator in Des Moines:

.....	\$	40,000
-------	----	--------

f. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

.....	\$	200,000
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3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

.....	\$	571,000
.....	FTEs	7.50

b. Main street/rural main street program

For salaries and support for not more than the following full-time equivalent positions:

.....	\$	375,000
.....	FTEs	3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

c. Rural development program

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions for rural resource coordination, rural community leadership, and the rural enterprise fund:

.....	\$	422,000
.....	FTEs	4.50

There is also appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

.....	\$	226,000
-------	----	---------

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or

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from the rural community 2000 program revolving fund that remain unexpended at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	380,000
.....	FTEs	18.75

e. Councils of governments

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance funds to assist local governments to develop community development strategies for addressing long-term and short-term community needs:

.....	\$	178,000
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4. INTERNATIONAL DIVISION

a. International trade operations

For conducting foreign trade missions on behalf of Iowa businesses, salaries, support, maintenance, miscellaneous purposes, for allocating \$100,000, or so much thereof as is necessary, to fund the United States midwest Japan conference, for allocating \$45,000 for marketing in Mexico, and for not more than the following full-time equivalent positions:

.....	\$	731,000
.....	FTEs	7.00

b. Foreign trade offices

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	585,000
-------	----	---------

c. Export trade assistance program

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For export 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, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, provided that the department shall consult with the department of agriculture and land stewardship prior to allocating export trade assistance program moneys, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	317,000
.....	FTEs	0.25

d. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

.....	\$	1,330
-------	----	-------

e. For transfer to the partner state program which the department may use to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this subsection of the funds transferred, and \$4,000 shall be used only to establish a partner state program with Vietnam:

.....	\$	100,000
-------	----	---------

If a partner state program has not been established with Vietnam by April 1, 1995, the department of management shall not disburse the \$4,000 allocated for that program.

f. For transfer to the Iowa peace institute for the purpose of continuing to expand conflict resolution and negotiation efforts in Iowa's schools and communities and reporting to the joint appropriations subcommittee on economic development by January 15, 1995, on all such activities

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undertaken:

..... \$ 96,000

g. For transfer to the international development foundation, on the condition that the foundation not pay for or reimburse the expenses of travel by members of the general assembly for any purpose, for the purposes of the foundation and reporting to the joint appropriations subcommittee on economic development by January 15, 1995, regarding actual and planned expenditures for fiscal year 1995:

..... \$ 200,000

Notwithstanding section 8.33, moneys that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for the purposes of the foundation during the succeeding fiscal year.

5. TOURISM DIVISION

a. Tourism operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions, provided that the appropriation shall not be used for advertising placements for in-state and out-of-state tourism marketing:

..... \$ 710,000

..... FTEs 17.77

b. Tourism advertising

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

..... \$ 2,437,000

The department shall not use the moneys appropriated in this lettered paragraph unless the department develops 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. The department shall, to

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the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

c. Welcome center program

To implement the recommendations of the statewide long-range plan for developing and operating welcome centers throughout the state, to allocate \$100,000 to the Northwood welcome center, and for planning for a welcome center at living history farms:

..... \$ 350,000

It is the intent of the general assembly that the Northwood welcome center receive an additional \$50,000 in fiscal year 1995-1996.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

6. WORKFORCE DEVELOPMENT DIVISION

a. Youth work force programs

For purposes of the conservation corps, including salary, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 950,000

..... FTEs 2.40

The department may combine for administrative and budget purposes the youth workforce conservation program and the Iowa corps program.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

b. Job retraining program

To the community college job training fund created in section 260F.6, including salaries and support for not more

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than the following full-time equivalent positions:

.....	\$	11,000
.....	FTEs	1.30

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the community college job training fund created in section 260F.6, subsection 1, \$325,000. It is the intent of the general assembly that up to \$100,000 of all funds appropriated to the program and some or all of the full-time equivalent positions may be used for the administration of the Iowa small business new jobs training Act.

c. Workforce investment program

For allocating \$450,000 for funding, to the extent possible, the currently existing high technology apprenticeship programs under section 260C.44 at the community colleges, and for the purposes of the workforce investment program, for a competitive grant program by the department in consultation with the state job training coordinating council for projects that increase Iowa's pool of available labor via training and support services with priority given to projects which serve displaced homemakers or welfare recipients, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	926,000
.....	FTEs	0.90

It is the intent of the general assembly that for the fiscal year beginning July 1, 1995, and for subsequent years, apprenticeships shall only be made available to community colleges on the basis of rules adopted by the department of economic development.

The department shall ensure that the workforce investment program is coordinated with services provided under the federal Job Training Partnership Act and that welfare recipients receive priority for services under both programs.

Notwithstanding section 8.33, moneys committed to grantees

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under contract that remain unexpended at the end of the fiscal year, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

d. Labor management councils

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	114,000
.....	FTEs	0.50

The department shall not use moneys appropriated in this lettered paragraph for grants to grantees who do not facilitate the active participation of labor as members of labor management councils or who fail to make a good faith effort to either schedule meetings during nonworking hours or obtain voluntary agreements with employers to allow employees time off to attend labor management council meetings with no loss of pay or other benefits.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

Sec. 2. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund from the moneys available during the fiscal year beginning July 1, 1994, and ending June 30, 1995, to the department of economic development for the rural development program to be used by the department for the purposes of the program.

Sec. 3. Notwithstanding section 15.25i, subsection 2, there is appropriated from the job training fund created in the office of the treasurer of state to the department of economic development for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so

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much thereof as is necessary, to be used for the purposes designated:

1. For administration of chapter 260E, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	150,000
.....	FTEs	2.40

2. For the target alliance program:

.....	\$	30,000
-------	----	--------

3. Youth work force programs:

.....	\$	50,000
-------	----	--------

4. All moneys in the job training fund not appropriated in subsections 1, 2, and 3 shall be used for job training and retraining programs under section 260F.6:

Sec. 4. There is appropriated from the general fund of the state to the Wallace technology transfer foundation for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes, for administering the industrial technology access program, for approving and submitting to the governor and general assembly not later than January 15 an annual report relating to performance goals of and efforts by the foundation to improve the modernization of industrial facilities, for funding the small business innovation research program, for transferring \$50,000 of the funds appropriated in this section to the Iowa quality coalition for productivity enhancement projects, and for allocating \$350,000 to the industrial technology assistance program and for not more than the following full-time equivalent positions:

.....	\$	2,000,000
.....	FTEs	4.00

Sec. 5. There is appropriated from the general fund of the state to the Iowa seed capital corporation fund established in

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section 15E.89, for not more than the following full-time equivalent positions:

.....	\$	853,000
.....	FTEs	5.00

Sec. 6. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, \$60,000 for establishing a new small business development center, and for using \$38,000 or so much thereof as is necessary for salary increases of up to four percent for non-Iowa state university employees:

.....	\$	1,139,000
-------	----	-----------

2. For funding the institute for physical research and technology:

.....	\$	3,900,000
-------	----	-----------

It is the intent of the general assembly that the incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university shall report annually to the joint

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economic development subcommittee of the senate and house appropriations committees the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated for any fiscal year which remain unobligated and unexpended at the end of the fiscal year shall not revert but shall be available for expenditure the following fiscal year and the appropriation for the incentive program for the following year shall be reduced by an equal amount.

Sec. 7. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For funding the advanced drug development program at the Oakdale research park:

..... \$ 491,389

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the chairpersons of the joint appropriations subcommittee on economic development, the joint appropriations subcommittee on education, the majority leader, and minority leader of the senate, the majority and minority leaders of the house of representatives, the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by November 1, 1994.

Sec. 8. Notwithstanding section 8.33, moneys appropriated to the department of economic development in 1993 Iowa Acts, chapter 180, section 66, and remaining unspent as of June 30, 1994, shall not revert, but shall remain available for expenditure for the purposes set out in 1993 Iowa Acts,

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chapter 180, section 66.

Sec. 9. Not later than July 1, 1995, the department of economic development, with consultation and input from the general assembly, and representatives from business, labor, and education shall study and present recommendations to the general assembly which shall include but not be limited to the privatization and decentralization of Iowa's economic development efforts, the identification of areas appropriate to statewide economic development efforts and areas appropriate for regional economic development efforts, benchmark budgeting for statewide and regional efforts, the deregulation of economic development activities, and collaboration between public and private entities.

Sec. 10. 1993 Iowa Acts, chapter 167, section 3, subsection 3, is amended to read as follows:

3. For the workforce coordinator:

.....	\$	73,000
.....	FTEs	1.00

Any funds allocated for salary and benefits for the workforce coordinator, and not expended on June 30, 1994, shall not revert, notwithstanding section 8.33, but shall be carried forward and be available for use for the workforce coordinator during the succeeding year.

Sec. 11. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the housing improvement fund created in section 16.100 for purposes of the fund:

.....	\$	400,000
-------	----	---------

Sec. 12. There is appropriated from the deaf interpreters revolving fund established in section 15.108, subsection 7, paragraph "j", to the strategic investment fund for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the

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following amount:

..... S 40,000

Sec. 13. Section 12.43, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 5. A preference shall be given to those persons who are less able than other persons to secure funds for a targeted small business without participation in the targeted small business linked investment program.

Sec. 14. Section 15.318, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 16. In cases where projects being reviewed at the same time are given equivalent ratings under subsections 1 through 15, preference in funding shall be given to the project which is located in the county which has the highest percentage of low-and-moderate-income individuals. If the projects are located in the same county, preference in funding shall be given to the project which is located in the city which has the highest percentage of low-and-moderate-income individuals.

Sec. 15. Section 15E.81, Code 1993, is amended to read as follows:

15E.81 TITLE.

This division may be cited as the "Iowa Product-Development Seed Capital Corporation Act".

Sec. 16. Section 15E.82, subsections 1, 2, and 5, Code 1993, are amended to read as follows:

1. "Board" means the board of directors of the Iowa product-development seed capital corporation.

2. "Corporation" means the Iowa product-development seed capital corporation.

5. "President" means the president of the Iowa product development seed capital corporation.

Sec. 17. Section 15E.83, Code 1993, is amended to read as follows:

15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION.

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1. ~~There is created a corporate body called the "Iowa product development corporation".~~ ~~The corporation is a quasi-public instrumentality and the exercise of the powers granted to the corporation in this division is an essential governmental function.~~ The Iowa seed capital corporation shall be incorporated under chapter 504A. The purpose of the corporation shall be to provide seed capital to start-up and emerging growth companies in Iowa that are bringing new products and processes to the marketplace, and it shall be the goal of the corporation to financially support the establishment and growth of start-up and emerging growth companies that can contribute to the economic diversity of the state and provide general and specific economic benefits to the state. The corporation shall only provide seed capital or financial assistance to Iowa businesses. The corporation shall not be regarded as a state agency, except for purposes of chapters 17A and 69, and a member of the board is not considered a state employee, except for purposes of chapter 669. An individual employed by the corporation is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefit plans and chapter 669. Chapters 8, 18, 19A, and 20 and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the corporation and any employees of the board or corporation except to the extent provided in this division. Chapters 21 and 22 shall apply to activities of the corporation and to employees of the board or corporation except to the extent provided in this division.

2. The corporation shall be governed by a board of seven directors who shall serve a term of four years. ~~Each term shall begin and end as provided in section 69:19.~~ ~~No more than a simple majority of the members of the board shall belong to the same political party as provided in section 69:16.~~ Of the seven directors, four shall be persons

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experienced in business finance and employed at a bank or other financial institution, be a certified public accountant, be an attorney, or be a licensed stockbroker. Each director shall serve at the pleasure of the governor and shall be appointed by the governor, subject to confirmation by the senate pursuant to section 2.32. A director is eligible for reappointment. A vacancy on the board of directors shall be filled in the same manner as an original appointment. ~~For the initial appointments to the board of directors, the governor shall appoint three members whose terms shall commence upon appointment and shall expire April 30, 1985, and four members whose terms shall commence upon appointment and shall expire April 30, 1987.~~

3. The board of directors shall annually elect one member as chairperson and one member as secretary. The board may elect other officers of the corporation as necessary. Members shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the Iowa department of economic development corporation.

4. Each director of the corporation shall take an oath of office and the record of each oath shall be filed in the office of the secretary of state.

5. The corporation shall receive information and cooperate with other agencies of the state and the political subdivisions of the state.

~~6. The corporation shall be a part of the Iowa department of economic development which shall provide all staff and administrative assistance. The corporation shall submit to the department for its approval all plans, programs, initiatives and budgets.~~

Sec. 18. Section 15E.86, Code 1993, is amended to read as follows:

15E.86 PRESIDENT.

The ~~director of the department of economic development~~ board shall appoint employ a president of the corporation who

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shall serve at the pleasure of the ~~director~~ board and shall receive the compensation determined by the ~~director~~ board. ~~The-president-is-a-state-employee~~. The president shall not be a member of the board of directors. The president is the chief administrative and operational officer of the corporation and shall direct and supervise the administrative affairs and the general management of the corporation subject to the direction and oversight of the ~~director~~ board. The president may employ other employees as designated by the board. The president shall provide copies of all minutes, documents, and other records of the corporation and shall provide a certificate which attests to truthfulness of the copies, if requested. Persons dealing with the corporation may rely upon the certificates. The president shall keep a record of all proceedings, documents, and papers filed with the corporation.

Sec. 19. Section 15E.87, subsection 1, Code 1993, is amended to read as follows:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business consistent with the purposes of this division.

Sec. 20. Section 15E.87, subsection 4, Code 1993, is amended by striking the subsection.

Sec. 21. Section 15E.87, subsection 7, Code 1993, is amended to read as follows:

7. To employ assistants, agents, and other employees ~~who shall-be-state-employees~~ and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

Sec. 22. Section 15E.88, Code 1993, is amended to read as follows:

15E.88 APPLICATIONS FOR FINANCIAL AID.

~~1.--Applications-for-financial-aid-shall-be-forwarded, together-with-an-application-fee-prescribed-by-the~~

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corporation; to the president of the corporation; the president after preparing the necessary records for the corporation; shall forward each application to the staff of the corporation for an investigation and report concerning the advisability of approving the financial aid for the company and concerning any other factors found relevant by the corporation; the investigation and report shall include one or more items as follows:

- a. The history of the applicant; its wage standards; job opportunities; and stability of employment;
- b. The extent of the applicant's dependence on agriculture;
- c. The applicant's past, present, and future financial condition and structure;
- d. The applicant's pro forma income statements;
- e. The present and future market prospects for the product;
- f. The feasibility of the proposed project or invention to be given financial aid and the integrity of management;
- g. The state of the project's development;
2. After receipt and consideration of the report and any other action the corporation finds necessary, the corporation shall approve or deny the application; the president shall promptly notify an applicant by certified mail of the disposition of its application; the corporation shall give priority to those applicants whose business is agriculture related or whose business is located in an area which the corporation determines has been severely adversely affected by depressed agricultural prices and whose proposed product or invention is to be used to convert all or a portion of the business to nonagriculture related industrial or commercial activity or to create a new nonagriculture related industrial or commercial business;

1. Applications for financial aid shall be received and considered by the corporation pursuant to rules adopted by the

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board pursuant to chapter 17A.

§ 2. Notwithstanding the requirements of chapter 21, relating to open meetings, and chapter 22, relating to examination of public records, the corporation shall keep as confidential those items on the application for financial aid that the applicant has specifically requested to be held in confidence. These items shall remain confidential until the applicant says otherwise or the corporation determines the items no longer need to be held confidential.

Sec. 23. Section 15E.89, Code Supplement 1993, is amended to read as follows:

15E.89 IOWA ~~PROBUEY-DEVELOPMENT~~ SEED CAPITAL CORPORATION FUND.

1. There is created an "Iowa product-development seed capital corporation fund". All funds of the corporation including the proceeds from the issuance of notes or sale of bonds under this division, any funds appropriated to the corporation, and income derived from other sources from the exercise of powers granted to the corporation under this division shall be paid into the Iowa product-development seed capital corporation fund notwithstanding section 12.10. The money in the Iowa product-development seed capital corporation fund, except moneys held by a trustee or a depository pursuant to a bond resolution or indenture relating to the issuance of bonds or notes pursuant to section 15E.90 or 15E.91, shall be paid out on the order of the person authorized by the corporation. The money in the Iowa product-development seed capital corporation fund shall be used for repayment of notes and bonds issued under this division and the extension of financial aid granted by the corporation under this division, and the amount remaining may be used for the payment of the administrative and overhead costs of the corporation to the extent required. ~~There is also created in the Iowa product development corporation fund an Iowa technology assistance program account, which shall provide seed capital for the~~

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~~commercialization-of-products,-or-the-development-of-processes
or-materials-through-research-at-Iowa-colleges-and
universities-or-by-private-industry.~~

2. Notwithstanding section 8.33, no part of the ~~Iowa
product-development-corporation~~ this fund shall revert at or
after the close of a fiscal year unless otherwise provided by
the general assembly, but shall remain in the fund and
appropriated for the purposes of this division. The board
shall seek to repay the state for appropriations by
recommending to the general assembly reversions from income
received from successful ventures. The board shall recommend
such action at any time when the revenue available to the
board is deemed sufficient to continue existing operations.

3. Upon dissolution of the corporation, all remaining
moneys in the Iowa seed capital corporation fund, as well as
the net proceeds realized by the corporation through the
liquidation of the assets of the corporation, shall revert to
the state.

Sec. 24. Section 15E.90, Code 1993, is amended to read as
follows:

15E.90 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION FUND
NOTES.

The corporation may issue Iowa product-development seed
capital corporation fund notes, the principal and interest of
which shall be payable solely from the Iowa product
development seed capital corporation fund established by this
division. The fund notes of each issue shall be dated, shall
mature at such times and may be made redeemable before
maturity, at prices and under terms and conditions as
determined by the corporation. The corporation shall
determine the form and manner of execution of the fund notes,
including any interest coupons to be attached, and shall fix
the denominations and the places of payment of principal and
interest, which may be any financial institution within or
without the state or any agent, including the lender. If an

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officer whose signature or a facsimile of whose signature appears on fund notes or coupons ceases to be that officer before the delivery of the notes or coupons, the signature or facsimile is valid and sufficient for all purposes the same as if the officer had remained in office until delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation determines, and provision may be made for the registration of coupon fund notes as to principal alone and also as to both principal and interest, and for the conversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Fund notes shall bear interest at rates as determined by the corporation and may be sold in a manner, either at public or private sale, and for a price as the corporation determines to be best to effectuate the purposes of the Iowa product-development seed capital corporation fund. The proceeds of fund notes shall be used solely for the purposes for which issued and shall be disbursed in a manner and under restrictions as provided in this division and in the resolution of the corporation providing for their issuance. The corporation may provide for the replacement of fund notes which become mutilated or are destroyed or lost.

Sec. 25. Section 15E.92, Code Supplement 1993, is amended to read as follows:

15E.92 REPORTING AND FUND SOLVENCY.

The chairperson of the corporation on or before December 31 of each fiscal year shall make and deliver a report to the governor and the legislative fiscal committee. The report shall include all transactions conducted by the corporation in the preceding fiscal year. The report shall also include a balance sheet outlining the financial solvency of the Iowa product-development seed capital corporation fund, a certified copy of any audits of the corporation conducted in the preceding fiscal year, and other information requested by the

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governor or the legislative fiscal committee.

Sec. 26. Section 15E.152, Code Supplement 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Establishment of a seed capital fund which shall be administered by the board to provide seed capital for the commercialization of product, or the development of processes or materials through research at Iowa colleges and universities or by private industry.

Sec. 27. Section 38.3, Code 1993, is amended to read as follows:

38.3 NONPROFIT CORPORATION.

The institute as a corporation has perpetual succession until the existence of the corporation is terminated by law. If the corporation is terminated, ~~the rights and properties of the corporation shall pass to the state.~~ However, debts and other financial obligations shall not succeed to the state.

Sec. 28. Section 428A.8, unnumbered paragraph 1, Code 1993, is amended to read as follows:

On or before the tenth day of each month the county recorder shall determine and pay to the treasurer of state eighty-two and three-fourths percent of the receipts from the real estate transfer tax collected during the preceding month and the treasurer of state shall deposit ninety-five percent of the receipts in the general fund of the state and transfer five percent of the receipts to the Iowa finance authority for deposit in the housing improvement fund created in section 16.100.

Sec. 29. 1992 Iowa Acts, chapter 1244, section 1, subsection 2, paragraph e, as amended by 1993 Iowa Acts, chapter 180, section 46, is amended to read as follows:

e. Small business investment company capitalization

For transfer to the treasurer of state for the purpose of facilitating the organization and private capitalization of the small business investment company or other entity under sections 15E.169 through 15E.171. If the small business

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investment company or another entity for which the funds are to be used is not organized within ~~twenty-four~~ thirty-six months of the effective date of this Act, unused funds shall revert to the general fund of the state:

..... \$ 200,000

The Iowa business investment corporation established pursuant to section 15E.169 is directed to develop a proposal, to be presented to the general assembly no later than January 9, 1995, for a venture capital company to facilitate the development of Iowa small businesses. The proposal shall include recommendations relating to the organization, capitalization, consolidation, and coordination of programs or initiatives intended to facilitate investments in seed and venture capital for Iowa small businesses.

Sec. 30. LEASE-PURCHASE -- BUDGET SUBMISSION. This section applies to each state agency receiving an appropriation in this Act. The departmental estimate required under section 8.23 for the fiscal period beginning July 1, 1995, which includes the state agency, shall provide an itemized list indicating the nature and amount of each lease-purchase contract payment included in the estimate for proposed contracts which have not been reported by the state agency to the legislative fiscal committee of the legislative council pursuant to section 8.46 prior to the submission of the estimate. The governor shall include in the governor's budget for the fiscal year beginning July 1, 1995, a listing indicating the nature and amount of each lease-purchase contract which was itemized in a departmental estimate in accordance with this section and is included in the governor's budget. A state agency receiving an appropriation in this Act shall not enter into a lease-purchase contract during the fiscal year beginning July 1, 1995, unless the contract was itemized in a departmental estimate and included in the governor's budget in accordance with this section.

Sec. 31. BUDGET UNIT DESIGNATIONS. The department of

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management shall, prior to January 15, 1995, conform all budget unit designations to the designations used in the Code.

Sec. 32. Chapter 38, Code 1993, is repealed, effective July 1, 1995."

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

JANET METCALF, Chairperson
RON CORBETT
PAT GILL
MICHAEL MORELAND 10800
CHRISTOPHER RANTS

TONY BISIGNANO, Chairperson
LARRY MURPHY
JIM RIORDAN

CCH-2415 FILED APRIL 19, 1994

*Accepted
4/20/94
P. 1997*

*Accepted
4/20/94
(P. 1393)*



OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

May 13, 1994

MAY 17 94

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2415, an act appropriating funds to the Department of Economic Development, the Iowa Finance Authority, and the Wallace Technology Transfer Foundation, and making statutory changes relating to economic development, and providing effective dates.

House File 2415 is, therefore, approved on this date with the following exception which I hereby disapprove.

I am unable to approve the items designated as Sections 27 and 32, in their entirety. These provisions would repeal the Iowa Peace Institute effective July 1, 1995. The Peace Institute is performing valuable services and should not be terminated.

I am unable to approve the item designated as Section 30, in its entirety. This provision restricts executive branch agencies in their ability to enter into lease-purchase agreements. While the additional review and oversight of lease-purchase contracting by state agencies may be worthwhile, this provision does not allow agencies the flexibility necessary to respond to situations which cannot be planned, e.g. emergencies and new federal requirements.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2415 are hereby approved as of this date.

Sincerely,

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 2415

AN ACT

APPROPRIATING FUNDS TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, THE IOWA FINANCE AUTHORITY, AND THE WALLACE TECHNOLOGY TRANSFER FOUNDATION, AND MAKING STATUTORY CHANGES RELATING TO ECONOMIC DEVELOPMENT, AND PROVIDING EFFECTIVE DATES.

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

Section 1. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1994, and ending June 30, 1995, on the condition that the department shall not use any moneys appropriated under this Act for further expansion of industrial site locator programs until the industrial site locator program at the university of northern Iowa is completed and fully implemented and the department and the university have reported to the general assembly on plans for coordination and cooperation between the department and the university, including access by the department to the database and technology of the university program, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants, who are qualified for the jobs created, and for providing a written report to the joint economic development appropriations subcommittee and the legislative fiscal bureau not later than January 15, 1995, regarding the structure of or plans to implement an advertising sales program

..... \$ 892,000
..... FTEs 22.00

The director shall coordinate efforts with the workforce coordinator to implement the intent of the general assembly regarding businesses receiving job creation moneys and shall report to the joint economic development appropriations subcommittee regarding the number of jobs to be created by each business, the number of qualified promise jobs participants applying with the business, and the number of promise jobs participants hired.

b. Primary research and computer center

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 326,000
..... FTEs 5.50

c. Film office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 185,000
..... FTEs 2.00

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,000,000
..... FTEs 16.00

b. Small business programs

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for the small business program, the small business advisory council, targeted small business program, business incubators, for providing 1.00 FTE for the targeted small business compliance officer who shall continue to work jointly

with the department of management, and for deaf interpreters funded through the economic development deaf interpreters revolving fund established in section 15.108, subsection 7, paragraph "j":

..... \$ 380,000
..... FTEs 6.50

The department shall report to the joint economic development appropriations subcommittee and the legislative fiscal bureau regarding the utilization of the deaf interpreters by January 15, 1995, and the department shall coordinate with the division of deaf services in the provision of deaf interpreter services.

c. Federal procurement office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 98,000
..... FTEs 3.00

Notwithstanding section 8.33, moneys remaining unencumbered or unobligated on June 30, 1995, shall not revert and shall be available for expenditure during the fiscal year beginning July 1, 1995, for the same purposes.

d. Strategic investment fund

For deposit in the strategic investment fund for salaries, support, and for not more than the following full-time equivalent positions:

..... \$ 5,849,000
..... FTEs 10.00

e. Targeted small business incubator

For transfer directly to the targeted small business incubator in Des Moines, for computer equipment and other equipment, for the fiscal year beginning July 1, 1994, and ending June 30, 1995:

..... \$ 10,000

Moneys appropriated for fiscal year 1994 and not expended by June 30, 1994, shall not revert but shall be held by the

department for funding, with local matching funds, the targeted small business incubator in Des Moines for the fiscal year beginning July 1, 1994, and ending June 30, 1995:

There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary to be used for funding, with local matching funds, the targeted small business incubator in Des Moines:
..... \$ 40,000

f. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 200,000

3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

..... \$ 591,000
..... FTEs 7.50

b. Main street/rural main street program

For salaries and support for not more than the following full-time equivalent positions:

..... \$ 375,000
..... FTEs 3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30 of the fiscal year shall not revert to

any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

c. Rural development program

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions for rural resource coordination, rural community leadership, and the rural enterprise fund:

..... \$ 222,000
..... FTEs 4.50

There is also appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 226,000

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or from the rural community 2000 program revolving fund that remain unexpended at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 380,000
..... FTEs 18.75

e. Councils of governments

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance funds to assist local governments to develop community development strategies for addressing long-term and short-term community needs:

..... \$ 178,000

4. INTERNATIONAL DIVISION

a. International trade operations

For conducting foreign trade missions on behalf of Iowa businesses, salaries, support, maintenance, miscellaneous purposes, for allocating \$100,000, or so much thereof as is necessary, to fund the United States midwest Japan conference, for allocating \$45,000 for marketing in Mexico, and for not more than the following full-time equivalent positions:

..... \$ 731,000
..... FTEs 7.00

b. Foreign trade offices

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 585,000

c. Export trade assistance program

For export 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, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, provided that the department shall consult with the department of agriculture and land stewardship prior to allocating export trade assistance program moneys, including salaries and support for not more than the following full-time equivalent positions:

..... \$ 117,000
..... FTEs 0.25

d. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

..... \$ 1,330

e. For transfer to the partner state program which the department may use to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this subsection of the funds transferred, and \$4,000 shall be used only to establish a partner state program with Vietnam:

..... \$ 100,000

If a partner state program has not been established with Vietnam by April 1, 1995, the department of management shall not disburse the \$4,000 allocated for that program.

f. For transfer to the Iowa peace institute for the purpose of continuing to expand conflict resolution and negotiation efforts in Iowa's schools and communities and reporting to the joint appropriations subcommittee on economic development by January 15, 1995, on all such activities undertaken:

..... \$ 96,000

g. For transfer to the international development foundation, on the condition that the foundation not pay for or reimburse the expenses of travel by members of the general assembly for any purpose, for the purposes of the foundation and reporting to the joint appropriations subcommittee on economic development by January 15, 1995, regarding actual and planned expenditures for fiscal year 1995:

..... \$ 200,000

Notwithstanding section 8.33, moneys that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for the purposes of the foundation during the succeeding fiscal year.

5. TOURISM DIVISION

a. Tourism operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions, provided that the appropriation shall not be used

for advertising placements for in-state and out-of-state tourism marketing:

..... \$ 710,000

..... FTEs 17.77

b. Tourism advertising

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

..... \$ 2,437,000

The department shall not use the moneys appropriated in this lettered paragraph unless the department develops 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. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

c. Welcome center program

To implement the recommendations of the statewide long-range plan for developing and operating welcome centers throughout the state, to allocate \$100,000 to the Northwood welcome center, and for planning for a welcome center at living history farms:

..... \$ 350,000

It is the intent of the general assembly that the Northwood welcome center receive an additional \$50,000 in fiscal year 1995-1996.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

6. WORKFORCE DEVELOPMENT DIVISION

a. Youth work force programs

For purposes of the conservation corps, including salary, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	950,000
.....	FTEs	2.40

The department may combine for administrative and budget purposes the youth workforce conservation program and the Iowa corps program.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

b. Job retraining program

To the community college job training fund created in section 260F.6, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	11,000
.....	FTEs	1.30

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the community college job training fund created in section 260F.6, subsection 1, \$125,000. It is the intent of the general assembly that up to \$100,000 of all funds appropriated to the program and some or all of the full-time equivalent positions may be used for the administration of the Iowa small business new jobs training Act.

c. Workforce investment program

For allocating \$450,000 for funding, to the extent possible, the currently existing high technology apprenticeship programs under section 260C.44 at the community colleges, and for the purposes of the workforce investment program, for a competitive grant program by the department in consultation with the state job training coordinating council for projects that increase Iowa's pool of available labor via training and support services with priority given to projects

which serve displaced homemakers or welfare recipients, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	926,000
.....	FTEs	0.90

It is the intent of the general assembly that for the fiscal year beginning July 1, 1995, and for subsequent years, apprenticeships shall only be made available to community colleges on the basis of rules adopted by the department of economic development.

The department shall ensure that the workforce investment program is coordinated with services provided under the federal Job Training Partnership Act and that welfare recipients receive priority for services under both programs.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended at the end of the fiscal year, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the succeeding fiscal year.

d. Labor management councils

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	114,000
.....	FTEs	0.50

The department shall not use moneys appropriated in this lettered paragraph for grants to grantees who do not facilitate the active participation of labor as members of labor management councils or who fail to make a good faith effort to either schedule meetings during nonworking hours or obtain voluntary agreements with employers to allow employees time off to attend labor management council meetings with no loss of pay or other benefits.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30 of the fiscal year shall not revert to any fund but shall be available for

expenditure for purposes of the contract during the succeeding fiscal year.

Sec. 2. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund from the moneys available during the fiscal year beginning July 1, 1994, and ending June 30, 1995, to the department of economic development for the rural development program to be used by the department for the purposes of the program.

Sec. 3. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund created in the office of the treasurer of state to the department of economic development for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For administration of chapter 260E, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	150,000
.....	FTEs	2.40

2. For the target alliance program:

.....	\$	30,000
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3. Youth work force programs:

.....	\$	50,000
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4. All moneys in the job training fund not appropriated in subsections 1, 2, and 3 shall be used for job training and retraining programs under section 260F.6:

Sec. 4. There is appropriated from the general fund of the state to the Wallace technology transfer foundation for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes, for administering the industrial technology access program, for approving and submitting to the governor and

general assembly not later than January 15 an annual report relating to performance goals of and efforts by the foundation to improve the modernization of industrial facilities, for funding the small business innovation research program, for transferring \$50,000 of the funds appropriated in this section to the Iowa quality coalition for productivity enhancement projects, and for allocating \$350,000 to the industrial technology assistance program and for not more than the following full-time equivalent positions:

.....	\$	2,000,000
.....	FTEs	4.00

Sec. 5. There is appropriated from the general fund of the state to the Iowa seed capital corporation fund established in section 15E.89, for not more than the following full-time equivalent positions:

.....	\$	853,000
.....	FTEs	5.00

Sec. 6. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, \$60,000 for establishing a new small business development center, and for using \$38,000 or so much thereof as is necessary for salary increases of up to four percent for non-Iowa state university employees:

.....	\$	1,133,000
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2. For funding the institute for physical research and technology:

.....	\$	3,400,000
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It is the intent of the general assembly that the incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys

for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university shall report annually to the joint economic development subcommittee of the senate and house appropriations committees the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated for any fiscal year which remain unobligated and unexpended at the end of the fiscal year shall not revert but shall be available for expenditure the following fiscal year and the appropriation for the incentive program for the following year shall be reduced by an equal amount.

Sec. 7. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For funding the advanced drug development program at the Oakdale research park:
..... \$ 491,389

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the chairpersons of the joint appropriations subcommittee on

economic development, the joint appropriations subcommittee on education, the majority leader, and minority leader of the senate, the majority and minority leaders of the house of representatives, the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by November 1, 1994.

Sec. 8. Notwithstanding section 8.33, moneys appropriated to the department of economic development in 1993 Iowa Acts, chapter 180, section 66, and remaining unspent as of June 30, 1994, shall not revert, but shall remain available for expenditure for the purposes set out in 1993 Iowa Acts, chapter 180, section 66.

Sec. 9. Not later than July 1, 1995, the department of economic development, with consultation and input from the general assembly, and representatives from business, labor, and education shall study and present recommendations to the general assembly which shall include but not be limited to the privatization and decentralization of Iowa's economic development efforts, the identification of areas appropriate to statewide economic development efforts and areas appropriate for regional economic development efforts, benchmark budgeting for statewide and regional efforts, the deregulation of economic development activities, and collaboration between public and private entities.

Sec. 10. 1993 Iowa Acts, chapter 167, section 3, subsection 3, is amended to read as follows:

3. For the workforce coordinator:
..... \$ 13,000
..... FTEs 1.00

Any funds allocated for salary and benefits for the workforce coordinator, and not expended on June 30, 1994, shall not revert, notwithstanding section 8.33, but shall be carried forward and be available for use for the workforce coordinator during the succeeding year.

Sec. 11. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year

beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the housing improvement fund created in section 16.100 for purposes of the fund:

..... \$ 400,000

Sec. 12. There is appropriated from the deaf interpreters revolving fund established in section 15.108, subsection 7, paragraph "j)", to the strategic investment fund for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount:

..... \$ 40,000

Sec. 13. Section 12.43, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 5. A preference shall be given to those persons who are less able than other persons to secure funds for a targeted small business without participation in the targeted small business linked investment program.

Sec. 14. Section 15.310, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 16. In cases where projects being reviewed at the same time are given equivalent ratings under subsections 1 through 15, preference in funding shall be given to the project which is located in the county which has the highest percentage of low-and-moderate-income individuals. If the projects are located in the same county, preference in funding shall be given to the project which is located in the city which has the highest percentage of low-and-moderate-income individuals.

Sec. 15. Section 15E.81, Code 1993, is amended to read as follows:

15E.81 TITLE.

This division may be cited as the "Iowa Product-Development Seed Capital Corporation Act".

Sec. 16. Section 15E.82, subsections 1, 2, and 5, Code 1993, are amended to read as follows:

1. "Board" means the board of directors of the Iowa product-development seed capital corporation.

2. "Corporation" means the Iowa product-development seed capital corporation.

5. "President" means the president of the Iowa product-development seed capital corporation.

Sec. 17. Section 15E.83, Code 1993, is amended to read as follows:

15E.83 PRODUCT-DEVELOPMENT SEED CAPITAL CORPORATION.

1. There is created a corporate body called the "Iowa product-development corporation"; the corporation is a quasi-public instrumentality and the exercise of the powers granted to the corporation in this division is an essential governmental function. The Iowa seed capital corporation shall be incorporated under chapter 504A. The purpose of the corporation shall be to provide seed capital to start-up and emerging growth companies in Iowa that are bringing new products and processes to the marketplace, and it shall be the goal of the corporation to financially support the establishment and growth of start-up and emerging growth companies that can contribute to the economic diversity of the state and provide general and specific economic benefits to the state. The corporation shall only provide seed capital or financial assistance to Iowa businesses. The corporation shall not be regarded as a state agency, except for purposes of chapters 17A and 69, and a member of the board is not considered a state employee, except for purposes of chapter 669. An individual employed by the corporation is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefit plans and chapter 663. Chapters 8, 13, 19A, and 20 and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the corporation and any employees of the board or corporation except to the extent provided in this division. Chapters 21 and 22 shall apply to activities of the

corporation and to employees of the board or corporation except to the extent provided in this division.

2. The corporation shall be governed by a board of seven directors who shall serve a term of four years. ~~Each term shall begin and end as provided in section 69.19. No more than a simple majority of the members of the board shall belong to the same political party as provided in section 69.16.~~ Of the seven directors, four shall be persons experienced in business finance and employed at a bank or other financial institution, be a certified public accountant, be an attorney, or be a licensed stockbroker. Each director shall serve at the pleasure of the governor and shall be appointed by the governor, subject to confirmation by the senate pursuant to section 2.32. A director is eligible for reappointment. A vacancy on the board of directors shall be filled in the same manner as an original appointment. ~~For the initial appointments to the board of directors, the governor shall appoint three members whose terms shall commence upon appointment and shall expire April 30, 1985, and four members whose terms shall commence upon appointment and shall expire April 30, 1987.~~

3. The board of directors shall annually elect one member as chairperson and one member as secretary. The board may elect other officers of the corporation as necessary. Members shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the ~~Iowa department of economic development corporation.~~

4. Each director of the corporation shall take an oath of office and the record of each oath shall be filed in the office of the secretary of state.

5. The corporation shall receive information and cooperate with other agencies of the state and the political subdivisions of the state.

~~6. The corporation shall be a part of the Iowa department of economic development which shall provide all staff and administrative assistance. The corporation shall submit to~~

~~the department for its approval all plans, programs, initiatives and budgets.~~

Sec. 18. Section 15E.86, Code 1993, is amended to read as follows:

15E.86 PRESIDENT.

The ~~director of the department of economic development board~~ shall appoint employ a president of the corporation who shall serve at the pleasure of the director board and shall receive the compensation determined by the director board. ~~The president is a state employee.~~ The president shall not be a member of the board of directors. The president is the chief administrative and operational officer of the corporation and shall direct and supervise the administrative affairs and the general management of the corporation subject to the direction and oversight of the director board. The president may employ other employees as designated by the board. The president shall provide copies of all minutes, documents, and other records of the corporation and shall provide a certificate which attests to truthfulness of the copies, if requested. Persons dealing with the corporation may rely upon the certificates. The president shall keep a record of all proceedings, documents, and papers filed with the corporation.

Sec. 19. Section 15E.87, subsection 1, Code 1993, is amended to read as follows:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business consistent with the purposes of this division.

Sec. 20. Section 15E.87, subsection 1, Code 1993, is amended by striking the subsection.

Sec. 21. Section 15E.87, subsection 2, Code 1993, is amended to read as follows:

7. To employ assistants, agents, and other employees who shall be state employees and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

Sec. 22. Section 15E.88, Code 1993, is amended to read as follows:

15E.88 APPLICATIONS FOR FINANCIAL AID.

1--Applications for financial aid shall be forwarded, together with an application fee prescribed by the corporation, to the president of the corporation. The president, after preparing the necessary records for the corporation, shall forward each application to the staff of the corporation, for an investigation and report concerning the advisability of approving the financial aid for the company and concerning any other factors found relevant by the corporation. The investigation and report shall include but are not limited to the following:

a--The history of the applicant, its wage standards, job opportunities, and stability of employment;

b--The extent of the applicant's dependence on agriculture;

c--The applicant's past, present, and future financial condition and structure;

d--The applicant's pro forma income statements;

e--The present and future market prospects for the product;

f--The feasibility of the proposed project or invention to be given financial aid and the integrity of management;

g--The state of the project's development;

2--After receipt and consideration of the report and any other action the corporation finds necessary, the corporation shall approve or deny the application. The president shall promptly notify an applicant by certified mail of the disposition of the application. The corporation shall give priority to those applicants whose business is agriculture related or whose business is located in an area which the corporation determines has been severely adversely affected by depressed agricultural prices and whose proposed product or invention is to be used to convert all or a portion of the business to nonagriculture-related industrial or commercial

activity or to create a new nonagriculture-related industrial or commercial business.

1. Applications for financial aid shall be received and considered by the corporation pursuant to rules adopted by the board pursuant to chapter 17A.

3 2. Notwithstanding the requirements of chapter 21, relating to open meetings, and chapter 22, relating to examination of public records, the corporation shall keep as confidential those items on the application for financial aid that the applicant has specifically requested to be held in confidence. These items shall remain confidential until the applicant says otherwise or the corporation determines the items no longer need to be held confidential.

Sec. 23. Section 15E.89, Code Supplement 1993, is amended to read as follows:

15E.89 IOWA PRODUCE-DEVELOPMENT SEED CAPITAL CORPORATION FUND.

1. There is created an "Iowa produce-development seed capital corporation fund". All funds of the corporation including the proceeds from the issuance of notes or sale of bonds under this division, any funds appropriated to the corporation, and income derived from other sources from the exercise of powers granted to the corporation under this division shall be paid into the Iowa produce-development seed capital corporation fund notwithstanding section 17.10. The money in the Iowa produce-development seed capital corporation fund, except moneys held by a trustee or a depository pursuant to a bond resolution or indenture relating to the issuance of bonds or notes pursuant to section 15E.90 or 15E.91, shall be paid out on the order of the person authorized by the corporation. The money in the Iowa produce-development seed capital corporation fund shall be used for repayment of notes and bonds issued under this division and the extension of financial aid granted by the corporation under this division, and the amount remaining may be used for the payment of the administrative and overhead costs of the corporation to the

extent required. ~~There is also created in the Iowa product development corporation fund an Iowa technology assistance program account, which shall provide seed capital for the commercialization of products or the development of processes or materials through research at Iowa colleges and universities or by private industry.~~

2. Notwithstanding section 8.33, no part of the Iowa product development corporation this fund shall revert at or after the close of a fiscal year unless otherwise provided by the general assembly, but shall remain in the fund and appropriated for the purposes of this division. The board shall seek to repay the state for appropriations by recommending to the general assembly reversions from income received from successful ventures. The board shall recommend such action at any time when the revenue available to the board is deemed sufficient to continue existing operations.

3. Upon dissolution of the corporation, all remaining moneys in the Iowa seed capital corporation fund, as well as the net proceeds realized by the corporation through the liquidation of the assets of the corporation, shall revert to the state.

Sec. 24. Section 15E.90, Code 1993, is amended to read as follows:

15E.90 ~~PRODUCT-DEVELOPMENT~~ SEED CAPITAL CORPORATION FUND NOTES.

The corporation may issue Iowa product development seed capital corporation fund notes, the principal and interest of which shall be payable solely from the Iowa product development seed capital corporation fund established by this division. The fund notes of each issue shall be dated, shall mature at such times and may be made redeemable before maturity, at prices and under terms and conditions as determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached, and shall fix the denominations and the places of payment of principal and

interest, which may be any financial institution within or without the state or any agent, including the lender. If an officer whose signature or a facsimile of whose signature appears on fund notes or coupons ceases to be that officer before the delivery of the notes or coupons, the signature or facsimile is valid and sufficient for all purposes the same as if the officer had remained in office until delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation determines, and provision may be made for the registration of coupon fund notes as to principal alone and also as to both principal and interest, and for the conversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Fund notes shall bear interest at rates as determined by the corporation and may be sold in a manner, either at public or private sale, and for a price as the corporation determines to be best to effectuate the purposes of the Iowa product development seed capital corporation fund. The proceeds of fund notes shall be used solely for the purposes for which issued and shall be disbursed in a manner and under restrictions as provided in this division and in the resolution of the corporation providing for their issuance. The corporation may provide for the replacement of fund notes which become mutilated or are destroyed or lost.

Sec. 25. Section 15E.92, Code Supplement 1993, is amended to read as follows:

15E.92 REPORTING AND FUND SOLVENCY.

The chairperson of the corporation on or before December 31 of each fiscal year shall make and deliver a report to the governor and the legislative fiscal committee. The report shall include all transactions conducted by the corporation in the preceding fiscal year. The report shall also include a balance sheet outlining the financial solvency of the Iowa product development seed capital corporation fund, a certified copy of any audits of the corporation conducted in the

preceding fiscal year, and other information requested by the governor or the legislative fiscal committee.

Sec. 26. Section 15E.152, Code Supplement 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Establishment of a seed capital fund which shall be administered by the board to provide seed capital for the commercialization of product, or the development of processes or materials through research at Iowa colleges and universities or by private industry.

Sec. 27. Section 38.3, Code 1993, is amended to read as follows:

38.3 NONPROFIT CORPORATION.

The institute as a corporation has perpetual succession until the existence of the corporation is terminated by law. ~~If the corporation is terminated, the rights and properties of the corporation shall pass to the state. However, debts and other financial obligations shall not succeed to the state.~~

Ueto

Sec. 28. Section 428A.8, unnumbered paragraph 1, Code 1993, is amended to read as follows:

On or before the tenth day of each month the county recorder shall determine and pay to the treasurer of state eighty-two and three-fourths percent of the receipts from the real estate transfer tax collected during the preceding month and the treasurer of state shall deposit ninety-five percent of the receipts in the general fund of the state and transfer five percent of the receipts to the Iowa finance authority for deposit in the housing improvement fund created in section 16.100.

Ueto

Sec. 29. 1992 Iowa Acts, chapter 1741, section 1, subsection 2, paragraph e, as amended by 1993 Iowa Acts, chapter 180, section 46, is amended to read as follows:

e. Small business investment company capitalization

For transfer to the treasurer of state for the purpose of facilitating the organization and private capitalization of the small business investment company or other entity under sections 15E.169 through 15E.171. If the small business

investment company or another entity for which the funds are to be used is not organized within twenty-four thirty-six months of the effective date of this Act, unused funds shall revert to the general fund of the state:

..... \$ 200,000

The Iowa business investment corporation established pursuant to section 15E.169 is directed to develop a proposal, to be presented to the general assembly no later than January 9, 1995, for a venture capital company to facilitate the development of Iowa small businesses. The proposal shall include recommendations relating to the organization, capitalization, consolidation, and coordination of programs or initiatives intended to facilitate investments in seed and venture capital for Iowa small businesses.

Sec. 30. LEASE-PURCHASE -- BUDGET SUBMISSION. This section applies to each state agency receiving an appropriation in this Act. The departmental estimate required under section 8.23 for the fiscal period beginning July 1, 1995, which includes the state agency, shall provide an itemized list indicating the nature and amount of each lease-purchase contract payment included in the estimate for proposed contracts which have not been reported by the state agency to the legislative fiscal committee of the legislative council pursuant to section 8.46 prior to the submission of the estimate. The governor shall include in the governor's budget for the fiscal year beginning July 1, 1995, a listing indicating the nature and amount of each lease-purchase contract which was itemized in a departmental estimate in accordance with this section and is included in the governor's budget. A state agency receiving an appropriation in this Act shall not enter into a lease-purchase contract during the fiscal year beginning July 1, 1995, unless the contract was itemized in a departmental estimate and included in the governor's budget in accordance with this section.

Sec. 31. BUDGET UNIT DESIGNATIONS. The department of management shall, prior to January 15, 1995, conform all budget unit designations to the designations used in the Code.

Sec. 32. Chapter 38, Code 1993, is repealed, effective July 1, 1995.

Vetoed

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2415, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Item Veto
Approved 5/13/94, 1994

TERRY E. BRANSTAD
Governor