

5-3/12/98 No Pass

5-3/26/98

UNFINISHED BUSINESS CALENDAR

FEB 9 1998

Place On Calendar

HOUSE FILE 2164
BY COMMITTEE ON ECONOMIC
DEVELOPMENT

(SUCCESSOR TO HSB 538)

Passed House, (P. 301) Date 2/19/98 Passed Senate, (P. 1109) Date 4-7-98
Vote: Ayes 94 Nays 0 Vote: Ayes 45 Nays 0

Approved May 6, 1998

(P. 1658) Passed 4-15-98
Vote 92-8

(P. 1326) Passed 4-16-98
Vote 45-2

A BILL FOR

1 An Act relating to local community and economic development
2 planning assistance and the community builder program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HSB 2164

1 Section 1. Section 15.108, subsection 3, paragraph a, Code
2 Supplement 1997, is amended by adding the following new
3 subparagraph:

4 NEW SUBPARAGRAPH. (5) Encourage cities, counties, local
5 and regional government organizations, and local and regional
6 economic development organizations to develop and implement
7 comprehensive community and economic development plans. In
8 evaluating financial assistance applications, the department
9 shall award supplementary credit to applications submitted by
10 cities, counties, local and regional government organizations,
11 and local and regional economic development organizations that
12 have developed a comprehensive community and economic
13 development plan.

14 Sec. 2. Section 15.108, subsection 3, paragraph b,
15 subparagraph (3), Code Supplement 1997, is amended to read as
16 follows:

17 (3) Provide planning assistance to cities, ~~other~~
18 ~~municipalities,~~ counties, ~~groups-of-adjacent-communities,~~
19 ~~metropolitan~~ local and regional areas, ~~and-official~~
20 ~~governmental-planning-agencies~~ government organizations, and
21 local and regional economic development organizations.
22 Subject to the availability of funds for this purpose, the
23 department may provide financial assistance to cities,
24 counties, local and regional government organizations, and
25 local and regional economic development organizations for the
26 purpose of developing community and economic development
27 plans.

28 Sec. 3. Section 15.282, Code 1997, is amended to read as
29 follows:

30 15.282 PURPOSE.

31 The purpose of this part is to assist communities and rural
32 areas of the state with their development and governmental
33 responsibilities by providing low-interest and no-interest
34 loans or grants for traditional infrastructure, new
35 infrastructure, and housing, ~~and-their-efforts-relating-to~~

1 community, business, and economic development under the
2 community builder program established in section 15.308.

3 The department may also provide assistance for
4 infrastructure assessment or planning efforts pursuant to
5 rules established by the department.

6 Sec. 4. Section 15.286A, Code 1997, is amended to read as
7 follows:

8 15.286A PLANNING.

9 1. The planning category contains projects that include
10 but are not limited to planning efforts leading to completion
11 of the community builder program established in section 15.308
12 and for statewide or regional infrastructure assessment or
13 planning.

14 2. A city, cluster of cities, county, group of counties,
15 council of governments, or regional planning commission, or
16 one of these entities on behalf of an unincorporated community
17 or group of unincorporated communities, is eligible to apply
18 for loans or grants from this category for planning efforts
19 related to the community builder program.

20 3. 2. The department may issue requests for proposals for
21 applications on a competitive basis or may negotiate with one
22 or more public or private contractors for statewide or
23 regional infrastructure assessment or planning.

24 4. 3. The department shall adopt rules pursuant to chapter
25 17A for administration of this category.

26 Sec. 5. Section 15.327, subsection 1, Code 1997, is
27 amended to read as follows:

28 1. "Community" means a city, county, or entity established
29 pursuant to chapter 28E that is a certified participant under
30 section 15.308 or has established a comprehensive plan
31 approved by the department.

32 Sec. 6. Section 15.308, Code 1997, is repealed.

33

EXPLANATION

34 This bill amends Code section 15.108 to require the
35 department of economic development to encourage cities,

1 counties, local and regional government organizations, and
2 local and regional economic development organizations to
3 develop and implement comprehensive community and economic
4 development plans. The bill provides that the department
5 shall award supplementary credit to financial assistance
6 applications submitted by cities, counties, local and regional
7 government organizations, and local and regional economic
8 development organizations that have developed comprehensive
9 community and economic development plans.

10 The bill repeals the community builder program in Code
11 section 15.308 which is intended to encourage cities,
12 counties, and unincorporated communities to implement planning
13 efforts for community, business, and economic development.
14 The bill makes conforming amendments related to the removal of
15 the community builder program from the Code.

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HOUSE FILE 2164

S-5335

1 Amend House File 2164, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, by inserting after line 31 the
4 following:
5 "Sec. ____ . Section 15E.192, subsection 1, Code
6 Supplement 1997, is amended to read as follows:
7 1. A county may create an economic development
8 enterprise zone as authorized in this division,
9 subject to certification by the department of economic
10 development, by designating up to one percent of the
11 county area for that purpose. An eligible county
12 containing a city whose boundaries extend into an
13 adjacent county may establish an enterprise zone in an
14 area of the city located in the adjacent county if the
15 adjacent county's board of supervisors adopts a
16 resolution approving the establishment of the
17 enterprise zone in the city and the two counties enter
18 into an agreement pursuant to chapter 28E regarding
19 the establishment of the enterprise zone. A county
20 may establish more than one enterprise zone.
21 Sec. ____ . Section 15E.193, subsection 1, paragraph
22 b, Code Supplement 1997, is amended to read as
23 follows:
24 b. ~~Pays-at-least-eighty-percent-of-the-cost-of-a~~
25 ~~standard-medical-and-dental-insurance-plan-for-all~~
26 ~~full-time-employees.~~ Provides all full-time employees
27 with the option of choosing one of the following:
28 (1) The business pays eighty percent of both of
29 the following:
30 (a) The cost of a standard medical insurance plan.
31 (b) The cost of a standard dental insurance plan
32 or an equivalent plan.
33 (2) The business provides the employee with a
34 monetarily equivalent plan to the plan provided for in
35 subparagraph (1).
36 Sec. ____ . Section 15E.195, subsection 1, Code
37 Supplement 1997, is amended to read as follows:
38 1. A county which designates an enterprise zone
39 pursuant to section 15E.194, subsection 1, and in
40 which an eligible enterprise zone is certified shall
41 establish an enterprise zone commission to review
42 applications from qualified businesses located within
43 or requesting to locate within an enterprise zone
44 designated pursuant to section 15E.194, subsection 1,
45 to receive incentives or assistance as provided in
46 section 15E.196. The commission shall consist of nine
47 members. Five of these members shall consist of one
48 representative of the board of supervisors, one member
49 with economic development expertise chosen by the
50 department of economic development, one representative

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1 of the county zoning board, one member of the local
2 community college board of directors, and one
3 representative of the local workforce development
4 center. These five members shall select the remaining
5 four members. If the enterprise zone consists of an
6 area meeting the requirements for eligibility for an
7 urban or rural enterprise community under Title XIII
8 of the federal Omnibus Budget Reconciliation Act of
9 1993, one of the remaining four members shall be a
10 representative of that zone community. However, ~~if~~
11 ~~the enterprise zone qualifies under the city criteria,~~
12 ~~one of the four members shall be a representative of~~
13 ~~an international labor organization and if an~~
14 ~~enterprise zone is located in any city, a~~
15 ~~representative, chosen by the city council, of each~~
16 ~~such city may be a member of the commission.~~ A county
17 shall have only one enterprise zone commission to
18 review applications for incentives and assistance for
19 businesses located within or requesting to locate
20 within a certified enterprise zone designated pursuant
21 to section 15E.194, subsection 1.

22 Sec. ____ . Section 15E.195, Code Supplement 1997,
23 is amended by adding the following new subsection:
24 NEW SUBSECTION. 1A. A city with a population of
25 twenty-four thousand or more which designates an
26 enterprise zone pursuant to section 15E.194,
27 subsection 2, and in which an eligible enterprise zone
28 is certified shall establish an enterprise zone
29 commission to review applications from qualified
30 businesses located within or requesting to locate
31 within an enterprise zone to receive incentives or
32 assistance as provided in section 15E.196. The
33 commission shall consist of nine members. Six of
34 these members shall consist of one representative of
35 an international labor organization, one member with
36 economic development expertise chosen by the
37 department of economic development, one representative
38 of the city council, one member of the local community
39 college board of directors, one member of the city
40 planning and zoning commission, and one representative
41 of the local workforce development center. These six
42 members shall select the remaining three members. If
43 the enterprise zone consists of an area meeting the
44 requirements for eligibility for an urban enterprise
45 community under Title XIII of the federal Omnibus
46 Budget Reconciliation Act of 1993, one of the
47 remaining three members shall be a representative of
48 that community. If a city contiguous to the city
49 designating the enterprise zone is included in an
50 enterprise zone, a representative of the contiguous

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1 city, chosen by the city council, shall be a member of
2 the commission. A city in which an eligible
3 enterprise zone is certified shall have only one
4 enterprise zone commission. If a city has established
5 an enterprise zone commission prior to the effective
6 date of this Act, the city may petition to the
7 department of economic development to change the
8 structure of the existing commission.

9 Sec. ____ . Section 15E.196, subsection 5, Code
10 Supplement 1997, is amended to read as follows:

11 5. The county or city for which an eligible
12 enterprise zone is certified may exempt from all
13 property taxation all or a portion of the value added
14 to the property upon which an eligible business
15 locates or expands in an enterprise zone and which is
16 used in the operation of the eligible business. The
17 amount of value added for purposes of this subsection
18 shall be the amount of the increase in assessed
19 valuation of the property following the location or
20 expansion of the business in the enterprise zone. If
21 an exemption provided pursuant to this subsection is
22 made applicable to only a portion of the property
23 within an enterprise zone, the definition of that
24 subset of eligible property must be by uniform
25 criteria which further some planning objective
26 established by the city or county enterprise zone
27 commission and approved by the eligible city or
28 county. The exemption may be allowed for a period not
29 to exceed ten years beginning the year the eligible
30 business enters into an agreement with the county or
31 city to locate or expand operations in an enterprise
32 zone."

33 2. Title page, line 1, by inserting after the
34 word "relating" the following: "to economic
35 development enterprise zones and to".

36 3. By renumbering as necessary.

37

By STEWART IVERSON, Jr.

S-5335 FILED MARCH 23, 1998

Adapted
4-7-98
(P.1109)

HOUSE FILE 2164

S-5345

1 Amend, the amendment, S-5335, to House File 2164,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 1, by inserting after line 20 the
5 following:
6 "Sec. ____ . Section 15E.192, subsection 2, Code
7 Supplement 1997, is amended to read as follows:
8 2. A city with a population of twenty-four
9 thousand or more, as shown by the 1990 certified
10 federal census, may create an economic development
11 enterprise zone as authorized in this division,
12 subject to certification by the department of economic
13 development, by designating one or more contiguous
14 census tracts, as determined in the most recent
15 federal census, or designating other geographic units
16 approved by the department of economic development for
17 that purpose. If there is an area in the city which
18 meets the requirements for eligibility for an urban or
19 rural enterprise community under Title XIII of the
20 federal Omnibus Budget Reconciliation Act of 1993,
21 such area shall be designated by the state as an
22 economic development enterprise zone. The area
23 meeting the requirements for eligibility for an urban
24 or rural enterprise community shall not be included
25 for the purpose of determining the area limitation
26 pursuant to subsection 3. In creating an enterprise
27 zone, a city with a population of twenty-four thousand
28 or more, as shown by the 1990 certified federal
29 census, may designate as part of the area-tracts-or
30 approved-geographic-units-located-in-a-contiguous-city
31 if-such-tracts-or-approved-geographic-units-meet-the
32 criteria-and enterprise zone an area contiguous to the
33 city if the city or county containing the area, as
34 applicable, agrees to being included and the entities
35 enter into an agreement pursuant to chapter 28E if
36 necessary. The city may establish more than one
37 enterprise zone. Reference in this division to "city"
38 means a city with a population of twenty-four thousand
39 or more, as shown by the 1990 certified federal
40 census."
41 2. By renumbering as necessary.

By ROD HALVORSON

S-5345 FILED MARCH 24, 1998

Loot
3/31/98
(p. 982)

HOUSE FILE 2164

S-5352

1 Amend the amendment, S-5335, to House File 2164, as
2 amended, passed, and reprinted by the House, as
3 follows:

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

6 "Sec. ____ Section 15E.192, subsection 2, Code
7 Supplement 1997, is amended to read as follows:

8 2. A city with a population of twenty-four
9 thousand or more, as shown by the 1996 certified
10 federal census may create an economic development
11 enterprise zone as authorized in this division,
12 subject to certification by the department of economic
13 development, by designating one or more contiguous
14 census tracts, as determined in the most recent
15 federal census, or designating other geographic units
16 approved by the department of economic development for
17 that purpose. If there is an area in the city which
18 meets the requirements for eligibility for an urban or
19 rural enterprise community under Title XIII of the
20 Federal Omnibus Budget Reconciliation Act of 1990,
21 such area shall be designated by the state an economic
22 development enterprise zone. The area meeting the
23 requirements for eligibility for an urban or rural
24 enterprise community shall not be included for the
25 purpose of determining the area limitation pursuant to
26 subsection 3. In creating an enterprise zone, a city
27 with a population of twenty-four thousand or more, as
28 shown by the 1996 certified federal census, may
29 designate as part of the area tracts or approved
30 geographic units located in a contiguous city if such
31 tracts or approved geographic units meet the criteria
32 and the city agrees to being included. The city may
33 establish more than one enterprise zone. Reference in
34 this division to "city" means a city with a population
35 of twenty-four thousand or more, as shown by the 1996
36 certified federal census."

37 2. By renumbering as necessary.

By EUGENE S. FRAISE
TOM FLYNN
DON GETTINGS

S-5352 FILED MARCH 24, 1998

LOST 3-31-98

(P. 983)

HOUSE FILE 2164

S-5455

1 Amend the amendment, S-5335, to House File 2164 as
2 follows:

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

5 "Sec. ____ . Section 15E.192, subsection 2, Code
6 Supplement 1997, is amended to read as follows:

7 2. A city with a population of ~~twenty-four~~ ten
8 thousand or more, as shown by the 1990 certified
9 federal census, may create an economic development
10 enterprise zone as authorized in this division,
11 subject to certification by the department of economic
12 development, by designating one or more contiguous
13 census tracts, as determined in the most recent
14 federal census, or designating other geographic units
15 approved by the department of economic development for
16 that purpose. If there is an area in the city which
17 meets the requirements for eligibility for an urban or
18 rural enterprise community under Title XIII of the
19 federal Omnibus Budget Reconciliation Act of 1993,
20 such area shall be designated by the state an economic
21 development enterprise zone. The area meeting the
22 requirements for eligibility for an urban or rural
23 enterprise community shall not be included for the
24 purpose of determining the area limitation pursuant to
25 subsection 3. In creating an enterprise zone, a city
26 with a population of ~~twenty-four~~ ten thousand or more,
27 as shown by the 1990 certified federal census, may
28 designate as part of the area tracts or approved
29 geographic units located in a contiguous city if such
30 tracts or approved geographic units meet the criteria
31 and the city agrees to being included. The city may
32 establish more than one enterprise zone. Reference in
33 this division to "city" means a city with a population
34 of ~~twenty-four~~ ten thousand or more, as shown by the
35 1990 certified federal census."

36 2. By renumbering as necessary.

By EUGENE S. FRAISE
DON GETTINGS

S-5455 FILED MARCH 31, 1998

LOST

(P. 985)

HOUSE FILE 2164

5387

Amend the amendment, S-5335, to House File 2164, as passed by House, as follows:

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

"Sec. ____ . Section 15E.192, subsection 2, Code Supplement 1997, is amended to read as follows:

2. A city with a population of twenty-four thousand or more, or a county seat city with a total population that exceeds forty percent of the population of the county or county seat cities located in the same county with a combined total population that exceeds forty percent of the population of the county, as shown by the 1990 certified federal census, may create an economic development enterprise zone as authorized in this division, subject to certification by the department of economic development, by designating one or more contiguous census tracts, as determined in the most recent federal census, or designating other geographic units approved by the department of economic development for that purpose. If there is an area in the city which meets the requirements for eligibility for an urban or rural enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, such area shall be designated by the state an economic development enterprise zone. The area meeting the requirements for eligibility for an urban or rural enterprise community shall not be included for the purpose of determining the area limitation pursuant to subsection 3. In creating an enterprise zone, a city with a population of twenty-four thousand or more, or a county seat city with a total population that exceeds forty percent of the population of the county or county seat cities located in the same county with a combined total population that exceeds forty percent of the population of the county, as shown by the 1990 certified federal census, may designate as part of the area tracts or approved geographic units located in a contiguous city if such tracts or approved geographic units meet the criteria and the city agrees to being included. The city may establish more than one enterprise zone. Reference in this division to "city" means a city with a population of twenty-four thousand or more, or a county seat city with a total population that exceeds forty percent of the population of the county or county seat cities located in the same county with a combined total population that exceeds forty percent of the population of the county, as shown by the 1990 certified federal census."

2. By renumbering as necessary.

EUGENE J. FRAISE
DON GETTINGS
RICHARD W. DRAKE

DENNIS H. BLACK
JOHN P. KIBBIE

S-5387 FILE MARCH 25, 1998

Lost 3/31/98 (p. 982)

HOUSE FILE 2164

S-5467

1 Amend the amendment, S-5335, to House File 2164 as
2 follows:

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

5 "Sec. ____ Section 15E.192, subsection 2, Code
6 Supplement 1997, is amended by striking the subsection
7 and inserting in lieu thereof the following:

8 2. A city may create an economic development
9 enterprise zone as authorized in this division,
10 subject to certification by the department of economic
11 development, by designating one or more contiguous
12 census tracts, as determined in the most recent
13 federal census, or designating other geographic units
14 approved by the department of economic development for
15 that purpose. If there is an area in the city which
16 meets the requirements for eligibility for an urban or
17 rural enterprise community under Title XIII of the
18 federal Omnibus Budget Reconciliation Act of 1993,
19 such area shall be designated by the state as an
20 economic development enterprise zone. The area
21 meeting the requirements for eligibility for an urban
22 or rural enterprise community shall not be included
23 for the purpose of determining the area limitation
24 pursuant to subsection 3. In creating an enterprise
25 zone, a city may designate as part of the area tracts
26 or approved geographic units located in a contiguous
27 city if such tracts or approved geographic units meet
28 the criteria and the city agrees to being included.
29 The city may establish more than one enterprise zone."

30 2. By renumbering as necessary.

By EUGENE S. FRAISE
DON GETTINGS

S-5467 FILED APRIL 1, 1998

WILLOW DAWN

4-7-98

(p. 1108)

HOUSE FILE 2164

S-5466

1 Amend the amendment, S-5335, to House File 2164, as
2 passed by the House, as follows:

3 1. Page 1, by inserting after line 35 the
4 following:

5 "Sec. ____ . Section 15E.194, subsection 1, Code
6 Supplement 1997, is amended to read as follows:

7 1. An enterprise zone may be designated by a
8 county which shares a border with the state of
9 Illinois or by a county which meets at least two of
10 the following criteria:

11 a. The county has an average weekly wage that
12 ranks among the bottom twenty-five counties in the
13 state based on the 1995 annual average weekly wage for
14 employees in private business.

15 b. The county has a family poverty rate that ranks
16 among the top twenty-five counties in the state based
17 on the 1990 census.

18 c. The county has experienced a percentage
19 population loss that ranks among the top twenty-five
20 counties in the state between 1990 and 1995.

21 d. The county has a percentage of persons sixty-
22 five years of age or older that ranks among the top
23 twenty-five counties in the state based on the 1990
24 census."

By EUGENE S. FRAISE

S-5466 FILED APRIL 1, 1998

WITHDRAWN

4-7-98

HOUSE FILE 2164

-5470

1 Amend the amendment, S-5335, to House File 2164 as
2 follows:

3 1. Page 1, by inserting after line 35 the
4 following:

5 "Sec. ____ . Section 15E.194, subsection 1, Code
6 Supplement 1997, is amended to read as follows:

7 1. An enterprise zone may be designated by a
8 county which meets-at-least-two-of-the-following
9 criteria: experienced a population loss between 1980
10 and 1995.

11 a.--~~The county has an average weekly wage that~~
12 ~~ranks among the bottom twenty-five counties in the~~
13 ~~state based on the 1995 annual average weekly wage for~~
14 ~~employees in private business.~~

15 b.--~~The county has a family poverty rate that ranks~~
16 ~~among the top twenty-five counties in the state based~~
17 ~~on the 1990 census.~~

18 c.--~~The county has experienced a percentage~~
19 ~~population loss that ranks among the top twenty-five~~
20 ~~counties in the state between 1990 and 1995.~~

21 d.--~~The county has a percentage of persons sixty-~~
22 ~~five years of age or older that ranks among the top~~
23 ~~twenty-five counties in the state based on the 1990~~
24 ~~census."~~

By PATTY JUDGE

S-5470 FILED APRIL 1, 1998

WITHDRAWN

4-7-98

(P.1109)

WITHDRAWN

HOUSE FILE 2164

S-5469

1 Amend the amendment, S-5335, to House File 2164, as
2 passed by the House, as follows:

3 1. Page 1, by inserting after line 35 the
4 following:

5 "Sec. ____ . Section 15E.194, subsection 1, Code
6 Supplement 1997, is amended to read as follows:

7 1. An enterprise zone may be designated by a
8 county which shares a border with the state of
9 Missouri or by a county which meets at least two of
10 the following criteria:

11 a. The county has an average weekly wage that
12 ranks among the bottom twenty-five counties in the
13 state based on the 1995 annual average weekly wage for
14 employees in private business.

15 b. The county has a family poverty rate that ranks
16 among the top twenty-five counties in the state based
17 on the 1990 census.

18 c. The county has experienced a percentage
19 population loss that ranks among the top twenty-five
20 counties in the state between 1990 and 1995.

21 d. The county has a percentage of persons sixty-
22 five years of age or older that ranks among the top
23 twenty-five counties in the state based on the 1990
24 census."

By PATTY JUDGE

S-5469 FILED APRIL 1, 1998

WITHDRAWN

4-7-98
(P. 110B)

SENATE AMENDMENT TO HOUSE FILE 2164

H-8994

1 Amend House File 2164, as passed by the House, as
2 follows:

3 1. Page 2, by inserting after line 31 the
4 following:

5 "Sec. _____. Section 15E.192, subsection 1, Code
6 Supplement 1997, is amended to read as follows:

7 1. A county may create an economic development
8 enterprise zone as authorized in this division,
9 subject to certification by the department of economic
10 development, by designating up to one percent of the
11 county area for that purpose. An eligible county
12 containing a city whose boundaries extend into an
13 adjacent county may establish an enterprise zone in an
14 area of the city located in the adjacent county if the
15 adjacent county's board of supervisors adopts a
16 resolution approving the establishment of the
17 enterprise zone in the city and the two counties enter
18 into an agreement pursuant to chapter 28E regarding
19 the establishment of the enterprise zone. A county
20 may establish more than one enterprise zone.

21 Sec. _____. Section 15E.193, subsection 1, paragraph
22 b, Code Supplement 1997, is amended to read as
23 follows:

24 ~~b. Pays-at-least-eighty-percent-of-the-cost-of-a~~
25 ~~standard-medical-and-dental-insurance-plan-for-all~~
26 ~~full-time-employees. Provides all full-time employees~~
27 ~~with the option of choosing one of the following:~~

28 (1) The business pays eighty percent of both of
29 the following:

30 (a) The cost of a standard medical insurance plan.

31 (b) The cost of a standard dental insurance plan
32 or an equivalent plan.

33 (2) The business provides the employee with a
34 monetarily equivalent plan to the plan provided for in
35 subparagraph (1).

36 Sec. _____. Section 15E.195, subsection 1, Code
37 Supplement 1997, is amended to read as follows:

38 1. A county which designates an enterprise zone
39 pursuant to section 15E.194, subsection 1, and in
40 which an eligible enterprise zone is certified shall
41 establish an enterprise zone commission to review
42 applications from qualified businesses located within
43 or requesting to locate within an enterprise zone
44 designated pursuant to section 15E.194, subsection 1,
45 to receive incentives or assistance as provided in
46 section 15E.196. The commission shall consist of nine
47 members. Five of these members shall consist of one
48 representative of the board of supervisors, one member
49 with economic development expertise chosen by the
50 department of economic development, one representative

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1 of the county zoning board of
2 community college of the local
3 representative of the members
4 center. These five members
5 four members. If the enterprise
6 area meeting the requirements for
7 urban or rural Omnibus commun-
8 1993, one of the remaining Budget Reconcilia-
9 representative of that zone four mem-
10 the enterprise shall be a rep-
11 an international labor organization and
12 enterprise is located in any city,
13 such city may be chosen by the commis-
14 representative of the zone commis-
15 shall have only one enterprise request-
16 review applications for incentives and assist-
17 businesses located within or adjacent to
18 within a certified enterprise zone designated
19 to section 15E.194, subsection 1.
20 Sec. _____
21 is amended by adding the following new subsection
22 NEW SUBSECTION.
23 twenty-four thousand or more which a population
24 enterprise shall in which an eligible enterprise zone
25 subsection 2, and provide applications to locate
26 is certified, shall consist of nine members. Six of
27 businesses located within or adjacent to the zone
28 assistance shall consist of one representative of
29 within an enterprise shall consist of one representative of
30 commission shall consist of one representative of
31 these members shall consist of one representative of
32 an international labor organization, one representative of
33 economic development, one representative of
34 department of economic development, one representative of
35 college city council, one representative of the city
36 planning and zoning commission, one representative of
37 the enterprise shall select the remaining three members of
38 of the local work force development, one representative of
39 college city council, one representative of the city
40 planning and zoning commission, one representative of
41 members shall select the remaining three members of
42 the enterprise shall select the remaining three members of
43 requirements for an enterprise zone. If a city shall be a representative of
44 Budget Reconciliation Act of 1993, one of the
45 remaining three members shall be a representative of
46 that community. If a city shall be a representative of
47 designating the enterprise zone is included in an
48 enterprise zone, a representative of the contiguous
49
50

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1 city, chosen by the city council, shall be a member of
2 the commission. A city in which an eligible
3 enterprise zone is certified shall have only one
4 enterprise zone commission. If a city has established
5 an enterprise zone commission prior to the effective
6 date of this Act, the city may petition to the
7 department of economic development to change the
8 structure of the existing commission.

9 Sec. _____. Section 15E.196, subsection 5, Code
10 Supplement 1997, is amended to read as follows:

11 5. The county or city for which an eligible
12 enterprise zone is certified may exempt from all
13 property taxation all or a portion of the value added
14 to the property upon which an eligible business
15 locates or expands in an enterprise zone and which is
16 used in the operation of the eligible business. The
17 amount of value added for purposes of this subsection
18 shall be the amount of the increase in assessed
19 valuation of the property following the location or
20 expansion of the business in the enterprise zone. If
21 an exemption provided pursuant to this subsection is
22 made applicable to only a portion of the property
23 within an enterprise zone, the definition of that
24 subset of eligible property must be by uniform
25 criteria which further some planning objective
26 established by the city or county enterprise zone
27 commission and approved by the eligible city or
28 county. The exemption may be allowed for a period not
29 to exceed ten years beginning the year the eligible
30 business enters into an agreement with the county or
31 city to locate or expand operations in an enterprise
32 zone."

33 2. Title page, line 1, by inserting after the
34 word "relating" the following: "to economic
35 development enterprise zones and to".

36 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-8994 FILED APRIL 8, 1998

*House Concurred**4-15-98**(p. 1658)*

HOUSE FILE 2164

H-9021

1 Amend the Senate amendment, H-8994, to House File
 2 2164, as passed by the House, as follows:
 3 1. Page 1, by inserting after line 20 the
 4 following:
 5 "Sec. ____ . Section 15E.192, subsection 2, Code
 6 Supplement 1997, is amended to read as follows:
 7 2. A city with a population of twenty-four
 8 thousand or more, as shown by the 1990 certified
 9 federal census, may create an economic development
 10 enterprise zone as authorized in this division,
 11 subject to certification by the department of economic
 12 development, by designating one or more contiguous
 13 census tracts, block numbering areas, or block groups,
 14 or by designating census-designated places, as
 15 determined in the most recent federal census, or
 16 designating other geographic units approved by the
 17 department of economic development for that purpose.
 18 If there is an area in the city which meets the
 19 requirements for eligibility for an urban or rural
 20 enterprise community under Title XIII of the federal
 21 Omnibus Budget Reconciliation Act of 1993, such area
 22 shall be designated by the state an economic
 23 development enterprise zone. The area meeting the
 24 requirements for eligibility for an urban or rural
 25 enterprise community shall not be included for the
 26 purpose of determining the area limitation pursuant to
 27 subsection 3. In creating an enterprise zone, a city
 28 with a population of twenty-four thousand or more, as
 29 shown by the 1990 certified federal census, may
 30 designate as part of the area tracts, block numbering
 31 areas, block groups, designated places, or approved
 32 geographic units located in a contiguous city if such
 33 tracts, block numbering areas, block groups,
 34 designated places, or approved geographic units meet
 35 the criteria and the city agrees to being included.
 36 The city may establish more than one enterprise zone.
 37 Reference in this division to "city" means a city with
 38 a population of twenty-four thousand or more, as shown
 39 by the 1990 certified federal census."
 40 2. By renumbering as necessary.

By WEIGEL of Chickasaw

H-9021 FILED APRIL 8, 1998

Adopted — Motion to R/L by Greiner 4/14/98
 4.14-98 Motion Prevailed 4/15/98
 (P.1598)

H-9021 — LOST 4/15/98 (P.1658)

HOUSE FILE 2164

H-9009

1 Amend the Senate amendment, H-8994, to House File
2 2164, as passed by the House, as follows:

3 1. Page 1, by inserting after line 35 the
4 following:

5 "Sec. ____ . NEW SECTION. 15E.193A ALTERNATIVE
6 ELIGIBLE BUSINESS CRITERIA.

7 1. A business which is not located in an
8 enterprise zone is eligible to receive incentives and
9 assistance under section 15E.196 if the business has
10 not closed or reduced its operation in one area of the
11 state and relocated substantially the same operation
12 in a location which qualifies the business under this
13 section and if the business meets all of the following
14 criteria:

15 a. Satisfies the requirements in section 15E.193,
16 subsection 1, paragraphs "a", "b", "d", and "e".

17 b. Is or will be located in a city with a
18 population between eight thousand and twenty-four
19 thousand as determined by population estimates by the
20 United States bureau of the census for the year of
21 1995.

22 c. Is or will be located in a city which is not
23 more than thirty-five miles from an existing
24 enterprise zone in this state or an equivalent zone in
25 an adjacent state.

26 d. Satisfies the requirement in section 15.329,
27 subsection 1, paragraph "d".

28 e. Is or will be located in an area which meets
29 two of the criteria listed in section 15E.194,
30 subsection 2.

31 f. Receives approval by ordinance or resolution
32 from the city in which the project is located.

33 2. After approval of a project by ordinance or
34 resolution, the city shall submit an application for
35 incentives and assistance to the department of
36 economic development. As part of the application, the
37 city shall submit information relating the
38 requirements listed in subsection 1 and in section
39 15E.193, subsection 2. The department may approve,
40 defer, or deny the application.

41 3. If a business has received incentives or
42 assistance under section 15E.196 and fails to maintain
43 the requirements of subsection 1 to be an eligible
44 business, the business is subject to repayment of all
45 or a portion of the incentives and assistance that it
46 has received. The city shall have the authority to
47 take action to recover the value of taxes not
48 collected as a result of an exemption provided by the
49 community to the business. The department of revenue
50 and finance shall have the authority to recover the

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1 value of state taxes or incentives provided under
2 section 15E.196. The value of state incentives
3 provided under section 15E.196 includes applicable
4 interest and penalties. The department of economic
5 development and the city shall enter into agreements
6 with the business specifying the method for
7 determining the amount of incentives or assistance
8 paid which will be repaid in the event of failure to
9 maintain the requirements of subsection 1. In
10 addition, a business that fails to maintain the
11 requirements of subsection 1 shall not receive
12 incentives or assistance for each year during which
13 the business is not in compliance.

14 4. In making its decision regarding an
15 application, the department of economic development
16 shall consider the impact of the eligible business on
17 other businesses in competition with it and compare
18 the compensation package of businesses in competition
19 with the business being considered for incentives or
20 assistance. The department shall make a good faith
21 effort to identify existing Iowa businesses within an
22 industry in competition with the business being
23 considered for incentives or assistance. The
24 department shall also make a good faith effort to
25 determine the probability that the proposed incentives
26 or assistance will displace employees of existing
27 businesses. In determining the impact on businesses
28 in competition with the business seeking incentives or
29 assistance, jobs created as a result of other jobs
30 being displaced elsewhere in the state shall not be
31 considered direct jobs created.

32 However, if the department finds that an eligible
33 business has a record of violations of the law,
34 including but not limited to environmental and worker
35 safety statutes, rules, and regulations, over a period
36 of time that tends to show a consistent pattern, the
37 eligible business shall not qualify for incentives or
38 assistance under section 15E.196, unless the
39 department finds that the violations did not seriously
40 affect public health or safety or the environment, or
41 if it did that there were mitigating circumstances.
42 In making the findings and determinations regarding
43 violations, mitigating circumstances, and whether an
44 eligible business is eligible for incentives or
45 assistance under section 15E.196, the department is
46 exempt from chapter 17A. If requested by the
47 department, the business shall provide copies of
48 materials documenting the type of violation, any fees
49 or penalties assessed, court filings, final
50 disposition of any findings, and any other information

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- 1 which would assist the department in assessing the
 2 nature of any violation.
 3 5. A business that is approved to receive
 4 incentives or assistance shall, for the length of its
 5 designation as an enterprise zone business, certify
 6 annually to the department of economic development its
 7 compliance with the requirements of this section."
 8 2. By renumbering as necessary.

By WISE of Lee

HEATON of Henry

LARKIN of Lee

Adopted 4/14/98 (p. 1601)

H-9009 FILED APRIL 8, 1998

HOUSE FILE 2164

H-109

- 1 Amend the Senate amendment, H-8994, to House File
 2 2164, as passed by the House, as follows:
 3 1. Page 1, by inserting after line 20 the
 4 following:
 5 "Sec. ____ . Section 15E.193, subsection 1,
 6 paragraph a, Code Supplement 1997, is amended to read
 7 as follows:
 8 a. Is not a retail business, a business holding a
 9 sales tax permit, or a business where entrance is
 10 limited by a cover charge or membership requirement."

By WARNSTADT of Woodbury

WHITEAD of Woodbury

H-9109 FILED APRIL 9, 1998

Adopted 4-14-98 (p. 1598)

HOUSE FILE 2164

H-9137

- 1 Amend the amendment, H-9119, to the Senate
- 2 amendment, H-8994, to House File 2164, as passed by
- 3 the House, as follows:
- 4 1. Page 1, lines 10 and 11, by striking the words
- 5 "a business holding a sales tax permit for".

By WARNSTADT of Woodbury

H-9137 FILED APRIL 13, 1998

*O/Order 4-6-98
(P. 1658)*

HOUSE FILE 2164

H-9138

- 1 Amend the amendment, H-9109, to the Senate
- 2 amendment, H-8994, to House File 2164, as passed by
- 3 the House, as follows:
- 4 1. Page 1, lines 8 and 9, by striking the words
- 5 ", a business holding a sales tax permit,".

By WARNSTADT of Woodbury

H-9138 FILED APRIL 13, 1998

*Adopted
4-14-98 (P. 1598)*

HOUSE FILE 2164

H-9119

1 Amend the Senate amendment, H-8994, to House File
 2 2164, as passed by the House, as follows:
 3 1. Page 3, by inserting after line 8 the
 4 following:
 5 "Sec. ____ . Section 15E.195, subsection 2, Code
 6 Supplement 1997, is amended to read as follows:
 7 2. The commission may adopt more stringent
 8 requirements, including requirements related to
 9 compensation and benefits and a prohibition against
 10 providing benefits or assistance to a business holding
 11 a sales tax permit for a business where entrance is
 12 limited by a cover charge of membership requirement,
 13 for a business to be eligible for incentives or
 14 assistance than provided in section 15E.193. The
 15 commission may develop as an additional requirement
 16 that preference in hiring be given to individuals who
 17 live within the enterprise zone. The commission shall
 18 work with the local workforce development center to
 19 determine the labor availability in the area."

By WARNSTADT of Woodbury

H-9119 FILED APRIL 13, 1998

WID 4/6/98 (p. 1658)

HOUSE FILE 2164

H-9128

1 Amend the Senate amendment, H-8994, to House File
 2 2164, as passed by the House as follows:
 3 1. Page 1, by inserting after line 35 the
 4 following:
 5 "Sec. ____ . Section 15E.193, subsection 1,
 6 paragraph d, Code Supplement 1997, is amended to read
 7 as follows:
 8 d. Creates at least ten full-time positions and
 9 maintains them for at least ten years. For an
 10 existing business in counties with a population of ten
 11 thousand or less or in cities with a population of two
 12 thousand or less, the commission may adopt a provision
 13 that allows the business to create at least five
 14 initial jobs with the additional jobs to be added in
 15 five years. The business shall include in its
 16 strategic plan the timeline for job creation. If the
 17 existing business fails to meet the ten-job creation
 18 requirement within the five-year period, all
 19 incentives or assistance will cease immediately."
 20 2. Page 3, line 35, by striking the word "to".
 21 3. By renumbering as necessary.

By THOMAS of Clayton

H-9128 FILED APRIL 13, 1998

*Adopted
4-15-98
(p. 1658)*

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2164

S-5696

1 Amend the Senate amendment, H-3994, to House File
2 2164, as passed by the House, as follows:

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

5 "Sec. ____ . Section 15E.193, subsection 1,
6 paragraph a, Code Supplement 1997, is amended to read
7 as follows:

8 a. Is not a retail business or a business where
9 entrance is limited by a cover charge or membership
10 requirement."

11 2. Page 1, by inserting after line 35 the
12 following:

13 "Sec. ____ . Section 15E.193, subsection 1,
14 paragraph d, Code Supplement 1997, is amended to read
15 as follows:

16 d. Creates at least ten full-time positions and
17 maintains them for at least ten years. For an
18 existing business in counties with a population of ten
19 thousand or less or in cities with a population of two
20 thousand or less, the commission may adopt a provision
21 that allows the business to create at least five
22 initial jobs with the additional jobs to be added in
23 five years. The business shall include in its
24 strategic plan the timeline for job creation. If the
25 existing business fails to meet the ten-job creation
26 requirement within the five-year period, all
27 incentives or assistance will cease immediately."

28 3. Page 1, by inserting after line 35 the
29 following:

30 "Sec. ____ . NEW SECTION. 15E.193A ALTERNATIVE
31 ELIGIBLE BUSINESS CRITERIA.

32 1. A business which is not located in an
33 enterprise zone is eligible to receive incentives and
34 assistance under section 15E.196 if the business has
35 not closed or reduced its operation in one area of the
36 state and relocated substantially the same operation
37 in a location which qualifies the business under this
38 section and if the business meets all of the following
39 criteria:

40 a. Satisfies the requirements in section 15E.193,
41 subsection 1, paragraphs "a", "b", "d", and "e".

42 b. Is or will be located in a city with a
43 population between eight thousand and twenty-four
44 thousand as determined by population estimates by the
45 United States bureau of the census for the year of
46 1995.

47 c. Is or will be located in a city which is not
48 more than thirty-five miles from an existing
49 enterprise zone in this state or an equivalent zone in
50 an adjacent state.

S-5696

S-5698

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1 d. Satisfies the requirement in section 15.329,
2 subsection 1, paragraph "d".
3 e. Is or will be located in an area which meets
4 two of the criteria listed in section 15E.194,
5 subsection 2.
6 f. Receives approval by ordinance or resolution
7 from the city in which the project is located.
8 2. After approval of a project by ordinance or
9 resolution, the city shall submit an application for
10 incentives and assistance to the department of
11 economic development. As part of the application, the
12 city shall submit information relating the
13 requirements listed in subsection 1 and in section
14 15E.193, subsection 2. The department may approve,
15 defer, or deny the application.
16 3. If a business has received incentives or
17 assistance under section 15E.196 and fails to maintain
18 the requirements of subsection 1 to be an eligible
19 business, the business is subject to repayment of all
20 or a portion of the incentives and assistance that it
21 has received. The city shall have the authority to
22 take action to recover the value of taxes not
23 collected as a result of an exemption provided by the
24 community to the business. The department of revenue
25 and finance shall have the authority to recover the
26 value of state taxes or incentives provided under
27 section 15E.196. The value of state incentives
28 provided under section 15E.196 includes applicable
29 interest and penalties. The department of economic
30 development and the city shall enter into agreements
31 with the business specifying the method for
32 determining the amount of incentives or assistance
33 paid which will be repaid in the event of failure to
34 maintain the requirements of subsection 1. In
35 addition, a business that fails to maintain the
36 requirements of subsection 1 shall not receive
37 incentives or assistance for each year during which
38 the business is not in compliance.
39 4. In making its decision regarding an
40 application, the department of economic development
41 shall consider the impact of the eligible business on
42 other businesses in competition with it and compare
43 the compensation package of businesses in competition
44 with the business being considered for incentives or
45 assistance. The department shall make a good faith
46 effort to identify existing Iowa businesses within an
47 industry in competition with the business being
48 considered for incentives or assistance. The
49 department shall also make a good faith effort to
50 determine the probability that the proposed incentives

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1 or assistance will displace employees of existing
2 businesses. In determining the impact on businesses
3 in competition with the business seeking incentives or
4 assistance, jobs created as a result of other jobs
5 being displaced elsewhere in the state shall not be
6 considered direct jobs created.

7 However, if the department finds that an eligible
8 business has a record of violations of the law,
9 including but not limited to environmental and worker
10 safety statutes, rules, and regulations, over a period
11 of time that tends to show a consistent pattern, the
12 eligible business shall not qualify for incentives or
13 assistance under section 15E.198, unless the
14 department finds that the violations did not seriously
15 affect public health or safety or the environment, or
16 if it did that there were mitigating circumstances.
17 In making the findings and determinations regarding
18 violations, mitigating circumstances, and whether an
19 eligible business is eligible for incentives or
20 assistance under section 15E.198, the department is
21 exempt from chapter 17A. If requested by the
22 department, the business shall provide copies of
23 materials documenting the type of violation, any fees
24 or penalties assessed, court filings, final
25 disposition of any findings, and any other information
26 which would assist the department in assessing the
27 nature of any violation.

28 5. A business that is approved to receive
29 incentives or assistance shall, for the length of its
30 designation as an enterprise zone business, certify
31 annually to the department of economic development its
32 compliance with the requirements of this section."

33 4. Page 3, line 35, by striking the word "to".

34 5. By renumbering, relettering, or redesignating
35 and correcting internal references as necessary.

RECEIVED FROM TEL HOUSE

S-5698 FILED APRIL 15, 1998

Senate Council
4-16-98
(P.1326)

Bogges, Ch
Barry
Scherrman

HSB 538

ECONOMIC DEVELOPMENT

Succeeded By

SENATE/HOUSE FILE

HF 2164

BY (PROPOSED DEPARTMENT OF

ECONOMIC DEVELOPMENT BILL)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to local community and economic development
2 planning assistance and the community builder program.

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

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1 Section 1. Section 15.108, subsection 3, paragraph a, Code
2 Supplement 1997, is amended by adding the following new
3 subparagraph:

4 NEW SUBPARAGRAPH. (5) Encourage cities, counties, local
5 and regional government organizations, and local and regional
6 economic development organizations to develop and implement
7 comprehensive community and economic development plans. In
8 evaluating financial assistance applications, the department
9 shall award supplementary credit to applications submitted by
10 cities, counties, local and regional government organizations,
11 and local and regional economic development organizations that
12 have developed a comprehensive community and economic
13 development plan.

14 Sec. 2. Section 15.108, subsection 3, paragraph b,
15 subparagraph (3), Code Supplement 1997, is amended to read as
16 follows:

17 (3) Provide planning assistance to cities, other
18 municipalities, counties, ~~groups-of-adjacent-communities,~~
19 ~~metropolitan local~~ and regional areas, ~~and-official~~
20 ~~governmental-planning-agencies~~ government organizations, and
21 local and regional economic development organizations.
22 Subject to the availability of funds for this purpose, the
23 department may provide financial assistance to cities,
24 counties, local and regional government organizations, and
25 local and regional economic development organizations for the
26 purpose of developing community and economic development
27 plans.

28 Sec. 3. Section 15.282, Code 1997, is amended to read as
29 follows:

30 15.282 PURPOSE.

31 The purpose of this part is to assist communities and rural
32 areas of the state with their development and governmental
33 responsibilities by providing low-interest and no-interest
34 loans or grants for traditional infrastructure, new
35 infrastructure, and housing, ~~and-their-efforts-relating-to~~

1 community, business, and economic development under the
2 community builder program established in section 15.308.

3 The department may also provide assistance for
4 infrastructure assessment or planning efforts pursuant to
5 rules established by the department.

6 Sec. 4. Section 15.286A, Code 1997, is amended to read as
7 follows:

8 15.286A PLANNING.

9 1. The planning category contains projects that include
10 but are not limited to planning efforts leading to completion
11 of the community builder program established in section 15.308
12 and for statewide or regional infrastructure assessment or
13 planning.

14 ~~2. A city, cluster of cities, county, group of counties,~~
15 ~~council of governments, or regional planning commission, or~~
16 ~~one of these entities on behalf of an unincorporated community~~
17 ~~or group of unincorporated communities, is eligible to apply~~
18 ~~for loans or grants from this category for planning efforts~~
19 ~~related to the community builder program.~~

20 ~~3. 2.~~ The department may issue requests for proposals for
21 applications on a competitive basis or may negotiate with one
22 or more public or private contractors for statewide or
23 regional infrastructure assessment or planning.

24 ~~4. 3.~~ The department shall adopt rules pursuant to chapter
25 17A for administration of this category.

26 Sec. 5. Section 15.327, subsection 1, Code 1997, is
27 amended to read as follows:

28 1. "Community" means a city, county, or entity established
29 pursuant to chapter 28E that is a certified participant under
30 section 15.308 or has established a comprehensive plan
31 approved by the department.

32 Sec. 6. Section 15.308, Code 1997, is repealed.

33

EXPLANATION

34 This bill amends Code section 15.108 to require the
35 department of economic development to encourage cities,

1 counties, local and regional government organizations, and
2 local and regional economic development organizations to
3 develop and implement comprehensive community and economic
4 development plans. The bill provides that the department
5 shall award supplementary credit to financial assistance
6 applications submitted by cities, counties, local and regional
7 government organizations, and local and regional economic
8 development organizations that have developed comprehensive
9 community and economic development plans.

10 The bill repeals the community builder program in Code
11 section 15.308 which is intended to encourage cities,
12 counties, and unincorporated communities to implement planning
13 efforts for community, business, and economic development.
14 The bill makes conforming amendments related to the removal of
15 the community builder program from the Code.

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MEMORANDUM ON PROPOSED LEGISLATION

TO: Members of the Iowa General Assembly
FROM: Iowa Department of Economic Development
DATE: January 12, 1997
RE: Community Builder Program

The Community Builder Program was created for the purpose of promoting community planning activities on the local level. Since the creation of the program, many communities have developed long range plans. Although planning continues to be an essential activity for community economic development, the Iowa Department of Economic Development is shifting from a formal state planning structure to a community based planning process. Therefore, this legislative proposal removes the Community Builder Program from the code and replaces it with language that stresses the importance of comprehensive community planning.

HOUSE FILE 2164

AN ACT

RELATING TO ECONOMIC DEVELOPMENT ENTERPRISE ZONES AND
TO LOCAL COMMUNITY AND ECONOMIC DEVELOPMENT PLANNING
ASSISTANCE AND THE COMMUNITY BUILDER PROGRAM.

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

Section 1. Section 15.108, subsection 3, paragraph a, Code Supplement 1997, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (5) Encourage cities, counties, local and regional government organizations, and local and regional economic development organizations to develop and implement comprehensive community and economic development plans. In evaluating financial assistance applications, the department shall award supplementary credit to applications submitted by cities, counties, local and regional government organizations, and local and regional economic development organizations that have developed a comprehensive community and economic development plan.

Sec. 2. Section 15.108, subsection 3, paragraph b, subparagraph (3), Code Supplement 1997, is amended to read as follows:

(3) Provide planning assistance to cities, other municipalities, counties, groups of adjacent communities, metropolitan local and regional areas, and official government planning agencies, government organizations, and local and regional economic development organizations. Subject to the availability of funds for this purpose, the department may provide financial assistance to cities, counties, local and regional government organizations, and local and regional economic development organizations for the purpose of developing community and economic development plans.

Sec. 3. Section 15.282, Code 1997, is amended to read as follows:

15.282 PURPOSE.

The purpose of this part is to assist communities and rural areas of the state with their development and governmental responsibilities by providing low-interest and no-interest loans or grants for traditional infrastructure, new infrastructure, and housing, and their efforts relating to community, business, and economic development under the community builder program established in section 15.300.

The department may also provide assistance for infrastructure assessment or planning efforts pursuant to rules established by the department.

Sec. 4. Section 15.286A, Code 1997, is amended to read as follows:

15.286A PLANNING.

1. The planning category contains projects that include but are not limited to planning efforts leading to completion of the community builder program established in section 15.300 and for statewide or regional infrastructure assessment or planning.

2. A city, cluster of cities, county, group of counties, council of governments, or regional planning commission, or one of these entities on behalf of an unincorporated community or group of unincorporated communities, is eligible to apply for loans or grants from this category for planning efforts related to the community builder program.

3. The department may issue requests for proposals for applications on a competitive basis or may negotiate with one or more public or private contractors for statewide or regional infrastructure assessment or planning.

4. The department shall adopt rules pursuant to chapter 17A for administration of this category.

Sec. 5. Section 15.327, subsection 1, Code 1997, is amended to read as follows:

1. "Community" means a city, county, or entity established pursuant to chapter 28E ~~that is a certified participant under section 15.308 or has established a comprehensive plan approved by the department.~~

Sec. 6. Section 15E.192, subsection 1, Code Supplement 1997, is amended to read as follows:

1. A county may create an economic development enterprise zone as authorized in this division, subject to certification by the department of economic development, by designating up to one percent of the county area for that purpose. An eligible county containing a city whose boundaries extend into an adjacent county may establish an enterprise zone in an area of the city located in the adjacent county if the adjacent county's board of supervisors adopts a resolution approving the establishment of the enterprise zone in the city and the two counties enter into an agreement pursuant to chapter 28E regarding the establishment of the enterprise zone. A county may establish more than one enterprise zone.

Sec. 7. Section 15E.193, subsection 1, paragraph a, Code Supplement 1997, is amended to read as follows:

a. Is not a retail business or a business where entrance is limited by a cover charge or membership requirement.

Sec. 8. Section 15E.193, subsection 1, paragraph b, Code Supplement 1997, is amended to read as follows:

b. Pays at least eighty percent of the cost of a standard medical and dental insurance plan for all full-time employees. Provides all full-time employees with the option of choosing one of the following:

(1) The business pays eighty percent of both of the following:

- (a) The cost of a standard medical insurance plan.
- (b) The cost of a standard dental insurance plan or an equivalent plan.

(2) The business provides the employee with a monetarily equivalent plan to the plan provided for in subparagraph (1).

Sec. 9. Section 15E.193, subsection 1, paragraph d, Code Supplement 1997, is amended to read as follows:

d. Creates at least ten full-time positions and maintains them for at least ten years. For an existing business in counties with a population of ten thousand or less or in cities with a population of two thousand or less, the commission may adopt a provision that allows the business to create at least five initial jobs with the additional jobs to be added in five years. The business shall include in its strategic plan the timeline for job creation. If the existing business fails to meet the ten-job creation requirement within the five-year period, all incentives or assistance will cease immediately.

Sec. 10. NEW SECTION. 15E.193A ALTERNATIVE ELIGIBLE BUSINESS CRITERIA.

1. A business which is not located in an enterprise zone is eligible to receive incentives and assistance under section 15E.196 if the business has not closed or reduced its operation in one area of the state and relocated substantially the same operation in a location which qualifies the business under this section and if the business meets all of the following criteria:

a. Satisfies the requirements in section 15E.193, subsection 1, paragraphs "a", "b", "d", and "e".

b. Is or will be located in a city with a population between eight thousand and twenty-four thousand as determined by population estimates by the United States bureau of the census for the year of 1995.

c. Is or will be located in a city which is not more than thirty-five miles from an existing enterprise zone in this state or an equivalent zone in an adjacent state.

d. Satisfies the requirement in section 15.329, subsection 1, paragraph "d".

e. Is or will be located in an area which meets two of the criteria listed in section 15E.194, subsection 2.

f. Receives approval by ordinance or resolution from the city in which the project is located.

2. After approval of a project by ordinance or resolution, the city shall submit an application for incentives and assistance to the department of economic development. As part of the application, the city shall submit information relating the requirements listed in subsection 1 and in section 15E.193, subsection 2. The department may approve, defer, or deny the application.

3. If a business has received incentives or assistance under section 15E.196 and fails to maintain the requirements of subsection 1 to be an eligible business, the business is subject to repayment of all or a portion of the incentives and assistance that it has received. The city shall have the authority to take action to recover the value of taxes not collected as a result of an exemption provided by the community to the business. The department of revenue and finance shall have the authority to recover the value of state taxes or incentives provided under section 15E.196. The value of state incentives provided under section 15E.196 includes applicable interest and penalties. The department of economic development and the city shall enter into agreements with the business specifying the method for determining the amount of incentives or assistance paid which will be repaid in the event of failure to maintain the requirements of subsection 1. In addition, a business that fails to maintain the requirements of subsection 1 shall not receive incentives or assistance for each year during which the business is not in compliance.

4. In making its decision regarding an application, the department of economic development shall consider the impact of the eligible business on other businesses in competition with it and compare the compensation package of businesses in competition with the business being considered for incentives or assistance. The department shall make a good faith effort to identify existing Iowa businesses within an industry in

competition with the business being considered for incentives or assistance. The department shall also make a good faith effort to determine the probability that the proposed incentives or assistance will displace employees of existing businesses. In determining the impact on businesses in competition with the business seeking incentives or assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

However, if the department finds that an eligible business has a record of violations of the law, including but not limited to environmental and worker safety statutes, rules, and regulations, over a period of time that tends to show a consistent pattern, the eligible business shall not qualify for incentives or assistance under section 15E.196, unless the department finds that the violations did not seriously affect public health or safety or the environment, or if it did that there were mitigating circumstances. In making the findings and determinations regarding violations, mitigating circumstances, and whether an eligible business is eligible for incentives or assistance under section 15E.196, the department is exempt from chapter 17A. If requested by the department, the business shall provide copies of materials documenting the type of violation, any fees or penalties assessed, court filings, final disposition of any findings, and any other information which would assist the department in assessing the nature of any violation.

5. A business that is approved to receive incentives or assistance shall, for the length of its designation as an enterprise zone business, certify annually to the department of economic development its compliance with the requirements of this section.

Sec. 11. Section 15E.195, subsection 1, Code Supplement 1997, is amended to read as follows:

1. A county which designates an enterprise zone pursuant to section 15E.194, subsection 1, and in which an eligible

enterprise zone is certified shall establish an enterprise zone commission to review applications from qualified businesses located within or requesting to locate within an enterprise zone designated pursuant to section 15E.194, subsection 1, to receive incentives or assistance as provided in section 15E.196. The commission shall consist of nine members. Five of these members shall consist of one representative of the board of supervisors, one member with economic development expertise chosen by the department of economic development, one representative of the county zoning board, one member of the local community college board of directors, and one representative of the local workforce development center. These five members shall select the remaining four members. If the enterprise zone consists of an area meeting the requirements for eligibility for an urban or rural enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, one of the remaining four members shall be a representative of that zone community. ~~However, if the enterprise zone qualifies under the city criteria, one of the four members shall be a representative of an international labor organization and if an enterprise zone is located in any city, a representative chosen by the city council, of each such city may be a member of the commission.~~ A county shall have only one enterprise zone commission to review applications for incentives and assistance for businesses located within or requesting to locate within a certified enterprise zone designated pursuant to section 15E.194, subsection 1.

Sec. 12. Section 15E.195, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. A city with a population of twenty-four thousand or more which designates an enterprise zone pursuant to section 15E.194, subsection 2, and in which an eligible enterprise zone is certified shall establish an enterprise zone commission to review applications from qualified businesses located within or requesting to locate

within an enterprise zone to receive incentives or assistance as provided in section 15E.196. The commission shall consist of nine members. Six of these members shall consist of one representative of an international labor organization, one member with economic development expertise chosen by the department of economic development, one representative of the city council, one member of the local community college board of directors, one member of the city planning and zoning commission, and one representative of the local workforce development center. These six members shall select the remaining three members. If the enterprise zone consists of an area meeting the requirements for eligibility for an urban enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, one of the remaining three members shall be a representative of that community. If a city contiguous to the city designating the enterprise zone is included in an enterprise zone, a representative of the contiguous city, chosen by the city council, shall be a member of the commission. A city in which an eligible enterprise zone is certified shall have only one enterprise zone commission. If a city has established an enterprise zone commission prior to the effective date of this Act, the city may petition to the department of economic development to change the structure of the existing commission.

Sec. 13. Section 15E.196, subsection 5, Code Supplement 1997, is amended to read as follows:

5. The county or city for which an eligible enterprise zone is certified may exempt from all property taxation all or a portion of the value added to the property upon which an eligible business locates or expands in an enterprise zone and which is used in the operation of the eligible business. The amount of value added for purposes of this subsection shall be the amount of the increase in assessed valuation of the property following the location or expansion of the business in the enterprise zone. If an exemption provided pursuant to this subsection is made applicable to only a portion of the

property within an enterprise zone, the definition of that subset of eligible property must be by uniform criteria which further some planning objective established by the city or county enterprise zone commission and approved by the eligible city or county. The exemption may be allowed for a period not to exceed ten years beginning the year the eligible business enters into an agreement with the county or city to locate or expand operations in an enterprise zone.

Sec. 14. Section 15.308, Code 1997, is repealed.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2164, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved May 6, 1998

TERRY E. BRANSTAD
Governor