

S-3-17-97 Small Bus. Econ. Dev.  
S-3-25-97 Do Pass

FEB 26 1997

Place On Calendar

HOUSE FILE 368  
BY COMMITTEE ON ECONOMIC  
DEVELOPMENT

(SUCCESSOR TO HSB 33)

Passed House, Date <sup>(p.610)</sup> 3-17-97 Passed Senate, Date <sup>(p.987)</sup> 4-7-97  
Vote: Ayes 96 Nays 0 Vote: Ayes 45 Nays 0  
Approved April 18, 1997

A BILL FOR

1 An Act relating to the establishment of the entrepreneurial  
2 ventures assistance program and allocating funds from the Iowa  
3 strategic investment fund for the administration and operation  
4 of the program.

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

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HF 368

1 Section 1. NEW SECTION. 15.338 SHORT TITLE.

2 This part shall be known and may be cited as the  
3 "Entrepreneurial Ventures Assistance Program".

4 Sec. 2. NEW SECTION. 15.339 ENTREPRENEURIAL VENTURES  
5 ASSISTANCE.

6 1. As used in this section, unless the context otherwise  
7 requires, "early-stage industry company" means a company with  
8 three years or less of experience in a particular industry.

9 2. The department shall establish a program to provide  
10 financial and technical assistance to early-stage industry  
11 companies and entrepreneurs. The purpose of the program is to  
12 encourage the development of entrepreneurial venture planning  
13 and managerial skills in conjunction with the delivery of a  
14 financial assistance program for business start-ups and  
15 expansions. An applicant eligible for the program includes an  
16 individual who is participating in or has successfully  
17 completed a recognized entrepreneurial venture development  
18 curriculum, or a business whose principal participants have  
19 successfully completed a recognized entrepreneurial venture  
20 development curriculum.

21 3. Each application for financial assistance submitted to  
22 the department must include a business plan, a marketing plan,  
23 a budget, and a statement of purpose stating how the financial  
24 assistance will be used.

25 4. Unless otherwise authorized by the director, the  
26 department shall not provide more than five thousand dollars  
27 of technical assistance per project, and shall not provide  
28 more than a total of twenty thousand dollars in financial  
29 assistance per project.

30 5. In addition to funds appropriated for the program, the  
31 department may allocate resources from the Iowa strategic  
32 investment fund under section 15.313 for the administration  
33 and operation of the program.

34 6. The department shall adopt administrative rules  
35 pursuant to chapter 17A to administer this section.

## EXPLANATION

1  
2 This bill requires the department of economic development  
3 to establish an entrepreneurial ventures assistance program  
4 which will provide financial and technical assistance to  
5 early-stage industry companies and entrepreneurs. An eligible  
6 applicant is an individual who is participating in or has  
7 successfully completed a recognized entrepreneurial venture  
8 development curriculum, or a business whose principal  
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10 entrepreneurial venture development curriculum. Applications  
11 for assistance must include a business plan, a marketing plan,  
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13 shall not exceed \$5,000 per project. In addition to the  
14 technical assistance, financial assistance shall not exceed  
15 \$20,000 per project. In addition to appropriated funds, the  
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**HOUSE FILE 368  
FISCAL NOTE**

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A fiscal note for **House File 368** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 368 requires the Department of Economic Development (DED) to establish an Entrepreneurial Ventures Assistance Program within the Strategic Investment Fund. The Program would provide early stage technical (up to \$5,000) and financial (up to \$20,000) assistance to entrepreneurial projects after the principal participants in the project have successfully completed a recognized venture capital curriculum.

**FISCAL IMPACT**

The DED estimates approximately 23 projects in FY 1998 and 40 in FY 1999 will receive funding through the Program. Total funding required would be \$350,000 in FY 1998 and \$510,000 in FY 1999. The Economic Development Appropriations Bill, as passed by the House Appropriations Committee, allows the DED to expend up to \$600,000 on the Program in FY 1998. That Bill also provides \$369,000 in new funding to the Strategic Investment Fund to finance the new Program.

**SOURCE**

Department of Economic Development

(LSB 1325hv, JWR)

FILED MARCH 17, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR

Tieg, Ch  
Jenkins  
Kinzer

HSB33

ECONOMIC DEVELOPMENT

Succeeded By  
SF (HF) 368

SENATE/HOUSE FILE  
BY (PROPOSED DEPARTMENT OF  
ECONOMIC DEVELOPMENT BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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**MEMORANDUM ON PROPOSED LEGISLATION  
LSB # 1325DP**

TO: Members of the Iowa General Assembly  
FROM: Iowa Department of Economic Development  
DATE: January 8, 1997  
RE: Entrepreneurial Ventures Assistance Program

**Entrepreneurial Ventures Assistance Program (EVA)**

Over the past ten years, Iowa has ranked at or near the bottom among states in the capacity to generate new businesses. The reasons for Iowa's lagging performance are many, including the inability to develop close relationships between young entrepreneurs and tenured business mentors, as well as the lack of networking between these businesses and the financial industry.

The EVA program will make these essential tools available to businesses and work to place Iowa into the upper half of the states when measuring rates of new business formation. It will coordinate activity with the recently announced John Pappajohn entrepreneurial initiative to assist new business development, market expansion, and communications technology modernization projects for early-stage targeted industry, agriculture, and value-added manufacturing and services in Iowa. Initial efforts will concentrate on assisting managerial personnel to develop the necessary entrepreneurial skill levels. Ultimately, the technical and financial assistance offered will contribute towards creating an environment for maximum business success.

The Iowa Department of Economic Development (IDED) will work with educational organizations and private sector partners to plan and deliver the program. For example, EVA will create a statewide integration of the John Pappajohn Entrepreneurial Centers, or similar 'entrepreneurial colleges,' with IDED small business development activities.

**Comments or questions regarding this issue? Contact IDED's Legislative Liaison, Elliott Smith (ph: 242-4777).**



HOUSE FILE 368

AN ACT

RELATING TO THE ESTABLISHMENT OF THE ENTREPRENEURIAL VENTURES ASSISTANCE PROGRAM AND ALLOCATING FUNDS FROM THE IOWA STRATEGIC INVESTMENT FUND FOR THE ADMINISTRATION AND OPERATION OF THE PROGRAM.

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

Section 1. NEW SECTION. 15.338 SHORT TITLE.

This part shall be known and may be cited as the "Entrepreneurial Ventures Assistance Program".

Sec. 2. NEW SECTION. 15.339 ENTREPRENEURIAL VENTURES ASSISTANCE.

1. As used in this section, unless the context otherwise requires, "early-stage industry company" means a company with three years or less of experience in a particular industry.
2. The department shall establish a program to provide financial and technical assistance to early-stage industry companies and entrepreneurs. The purpose of the program is to encourage the development of entrepreneurial venture planning and managerial skills in conjunction with the delivery of a financial assistance program for business start-ups and expansions. An applicant eligible for the program includes an individual who is participating in or has successfully completed a recognized entrepreneurial venture development curriculum, or a business whose principal participants have successfully completed a recognized entrepreneurial venture development curriculum.
3. Each application for financial assistance submitted to the department must include a business plan, a marketing plan, a budget, and a statement of purpose stating how the financial assistance will be used.
4. Unless otherwise authorized by the director, the department shall not provide more than five thousand dollars

of technical assistance per project, and shall not provide more than a total of twenty thousand dollars in financial assistance per project.

5. In addition to funds appropriated for the program, the department may allocate resources from the Iowa strategic investment fund under section 15.313 for the administration and operation of the program.

6. The department shall adopt administrative rules pursuant to chapter 17A to administer this section.

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RON J. CORBETT  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 368, Seventy-seventh General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved  18, 1997

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TERRY E. BRANSTAD  
Governor