

# REPRINTED

APR 10 1997  
WAYS & MEANS CALENDAR

HOUSE FILE 722  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 652)

(SUCCESSOR TO HF 375)

Passed House <sup>(P. 1435)</sup> Date 4/22/97 Passed Senate, Date <sup>(P. 1503)</sup> 4-28-97  
Vote: Ayes 57 Nays 43 Vote: Ayes 43 Nays 7  
Approved May 14, 1997

## A BILL FOR

1 An Act relating to establishing a capital investment board, tax  
2 credits, termination of the Iowa seed capital corporation,  
3 establishing a capital transition board, and providing an  
4 effective date.

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

### HOUSE FILE 722

H-1764

- 1 Amend House File 722 as follows:
- 2 1. Page 2, lines 12 and 13, by striking the words
- 3 "the current and anticipated value of any tax credits
- 4 given,".
- 5 2. Page 2, by striking lines 16 through 30.
- 6 3. Page 2, by striking lines 33 and 34 and
- 7 inserting the following: "moneys to be credited to
- 8 the board programs. The board in".
- 9 4. By striking page 3, line 15, through page 4,
- 10 line 3.
- 11 5. Page 5, by striking lines 6 and 7.
- 12 6. Title page, lines 1 and 2, by striking the
- 13 words "tax credits,".
- 14 7. By renumbering as necessary.

By WEIGEL of Chickasaw

H-1764 FILED APRIL 16, 1997

*Int 4/22/97 (P. 1432)*

HF 722

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1 Section 1. NEW SECTION. 15E.181 PURPOSE.

2 The purpose of this division is to enhance the quality of  
3 life for citizens of the state by encouraging the creation of  
4 new jobs, industry, products, and wealth through the increased  
5 availability and accessibility to capital, particularly at the  
6 seed capital and venture capital investment stages.

7 Sec. 2. NEW SECTION. 15E.182 IOWA CAPITAL INVESTMENT  
8 BOARD.

9 1. An Iowa capital investment board is established and  
10 shall be composed of the following members:

11 a. The treasurer of state.

12 b. The director of the department.

13 c. Three members selected by the governor and confirmed by  
14 the senate pursuant to section 2.32.

15 2. a. The three members selected by the governor shall  
16 serve six-year staggered terms as determined by the governor.  
17 A vacancy shall be filled by the governor for the remaining  
18 portion of the unexpired term. A member is eligible for  
19 reappointment.

20 b. Members of the board are entitled to receive a per diem  
21 as specified in section 7E.6 for each day spent in performance  
22 of duties as members and shall be reimbursed for all actual  
23 and necessary expenses incurred in the performance of duties  
24 as members.

25 c. The board shall annually elect a chairperson from among  
26 its members.

27 3. The Iowa capital investment board shall do the  
28 following:

29 a. Facilitate public and private investment in a series of  
30 state, regional, or national seed and venture capital funds  
31 willing to invest in Iowa seed and venture capital  
32 opportunities. Funds selected for investment must focus on  
33 economic or industry sectors targeted for development by the  
34 state. To the extent feasible, priority shall be given to  
35 state funds before consideration of regional or national

1 funds.

2 b. Facilitate the creation of a small business investment  
3 company to maximize the leverage from available federal and  
4 private sources for investment in seed and venture stage  
5 companies in the state.

6 c. Coordinate with other existing publicly created or  
7 supported seed and venture investment funds to gain the  
8 highest investment leverage with the lowest possible  
9 administrative costs for the state.

10 d. Report annually to the governor and the general  
11 assembly on the investments made pursuant to this division,  
12 the current and anticipated value of such investments, the  
13 current and anticipated value of any tax credits given, and  
14 the estimated current and anticipated impact such investments  
15 have on the state.

16 e. Conduct an annual risk analysis which matches the  
17 current and anticipated value of investments made pursuant to  
18 this division with the current and anticipated value of any  
19 tax credits given. If the anticipated value of any tax  
20 credits given exceeds the anticipated value of investments,  
21 the department shall establish a reserve account within the  
22 strategic investment fund sufficient to cover such losses to  
23 the general fund of the state in the event of the termination  
24 of the Iowa capital investment board.

25 4. If tax credits are used to facilitate investment  
26 pursuant to subsection 3, paragraph "a" or "b", the tax  
27 credits shall only be redeemed for the amount of principal  
28 invested, and only based on losses at the time of the  
29 termination or insolvency of the Iowa capital investment  
30 board.

31 5. The general assembly is not obligated to appropriate  
32 any moneys to pay for any defaults or to appropriate any  
33 moneys to be credited to the board programs beyond the tax  
34 credits approved in section 15E.183, and the board in  
35 administering this section shall not give or lend the credit

1 of the state of Iowa.

2 6. On or before July 1, 1998, the Iowa capital investment  
3 board shall select and appoint, through a competitive  
4 selection process and based on criteria established by the  
5 board, an executive director to conduct the affairs of the  
6 board. To the extent feasible, the selection of any fund  
7 managers, investment advisors, or other consultants shall also  
8 be through a competitive selection process and based on  
9 criteria established by the board.

10 7. The Iowa capital investment board shall adopt  
11 procedures, policies, rules pursuant to chapter 17A, and other  
12 administrative measures necessary to carry out the purpose of  
13 this division and administer the programs and business of the  
14 board.

15 Sec. 3. NEW SECTION. 15E.183 TAX CREDITS.

16 1. The state of Iowa shall issue tax credits to the  
17 department of revenue and finance equaling fifty million  
18 dollars. The tax credits shall only be used as directed by  
19 the Iowa capital investment board for purposes consistent with  
20 section 15E.182, subsection 3, paragraphs "a" and "b". If the  
21 tax credits are claimed, they may be claimed as either a  
22 corporate or individual tax credit. An individual may claim  
23 the credit allowed a partnership, subchapter S corporation,  
24 estate, or trust electing to have the income taxed directly to  
25 the individual. The amount claimed by the individual shall be  
26 based on the pro rata share of the individual's earnings from  
27 the partnership, subchapter S corporation, estate, or trust.  
28 Any tax credit in excess of the taxpayer's liability for the  
29 tax year may be credited to the tax liability for the  
30 following five years or until depleted, whichever is earlier.

31 2. The department of revenue and finance shall, in  
32 consultation with the Iowa capital transition board, develop a  
33 system for the registration, issuance, transfer, or redemption  
34 of tax credits issued by the state under this section. The  
35 department shall also, in consultation with the Iowa capital

1 transition board, adopt any other policies, procedures, or  
2 rules pursuant to chapter 17A necessary for the administration  
3 of tax credits issued by the state under this section.

4 Sec. 4. NEW SECTION. 15E.184 SUPPORT.

5 The department shall provide staff assistance, physical  
6 facilities, and other support as necessary.

7 Sec. 5. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

8 On or before June 30, 1998, the board of directors of the Iowa  
9 seed capital corporation shall wind up the affairs of the  
10 corporation, including the transfer of remaining assets and  
11 liabilities to the Iowa capital investment board, termination  
12 of staff, and dissolution of the corporation. In the event  
13 that the remaining assets and liabilities cannot be  
14 transferred to the Iowa capital investment board, the board of  
15 directors of the Iowa seed capital corporation shall liquidate  
16 all assets, settle existing liabilities, and transfer  
17 remaining moneys to the general fund of the state.

18 Sec. 6. IOWA CAPITAL TRANSITION BOARD.

19 1. The Iowa capital transition board is created to  
20 coordinate the transition from the state's present seed and  
21 venture capital activity to the opportunities provided by the  
22 Iowa capital investment board.

23 2. The membership on the Iowa capital transition board  
24 shall consist of all of the following members:

25 a. The treasurer of state.

26 b. The director of the department.

27 c. The director of the department of personnel.

28 d. The chairperson of the board of directors of the Iowa  
29 seed capital corporation.

30 e. Three other private citizen members selected by a  
31 majority of the Iowa capital transition board members  
32 designated in paragraphs "a" through "d". Selection shall be  
33 based on established experience, expertise, and background in  
34 the areas of venture capital investments, entrepreneurial  
35 businesses, and seed and venture capital issues in general.

1 3. The Iowa capital transition board shall select a  
2 chairperson from among its members once all of the members of  
3 the board have been selected.

4 4. The duties of the Iowa capital transition board shall  
5 include, but are not limited to, the following:

6 a. Advise and consult with the department of revenue and  
7 finance in the development of the capital tax credits system.

8 b. Advise and consult with the board of directors of the  
9 Iowa seed capital corporation in the transition of Iowa seed  
10 capital corporation assets and liabilities to the Iowa capital  
11 investment board.

12 c. Advise and consult with the board of directors of the  
13 department of economic development on the coordination of  
14 existing department financial assistance programs with the  
15 seed and venture capital opportunities provided by this  
16 division.

17 d. Provide recommendations to the Iowa capital investment  
18 board regarding the carrying out of the Iowa capital  
19 investment board's duties.

20 5. The department of economic development shall provide  
21 the board with staff assistance, physical facilities, and  
22 other support as necessary.

23 6. The existence of the Iowa capital transition board  
24 shall be terminated on July 1, 1998, unless the board is  
25 terminated at an earlier time by a majority vote of the  
26 members.

27 Sec. 7. EFFECTIVE DATE. This Act, being deemed of  
28 immediate importance, takes effect upon enactment.

29 EXPLANATION

30 This bill provides for the creation of the Iowa capital  
31 investment board. The board shall consist of the treasurer of  
32 state, the director of the department of economic development,  
33 and three members to be selected by the governor. The bill  
34 provides that the board has the following four functions:

35 1. Facilitate public and private investment in state,

1 regional, or national seed and venture capital funds willing  
2 to invest in Iowa seed and venture capital opportunities in  
3 targeted sectors.

4 2. Facilitate the creation of a small business investment  
5 company.

6 3. Coordinate with other existing publicly created or  
7 supported seed and venture investment funds.

8 4. Report annually to the governor and the general  
9 assembly regarding the current and anticipated value of the  
10 investments, tax credits, and impact of the investments on the  
11 state.

12 5. Conduct an annual risk analysis of investments and task  
13 credits and establish a reserve account to cover losses to the  
14 state if the Iowa capital investment board is terminated.

15 The bill provides that the tax credits shall only be  
16 redeemed for the amount of principal invested, and only based  
17 on losses at the time of the termination or insolvency of the  
18 Iowa capital investment board.

19 The bill provides that the Iowa capital investment board  
20 shall select and appoint, through a competitive selection  
21 process, an executive director to conduct the affairs of the  
22 board. To the extent feasible, any fund managers, investment  
23 advisors, or other consultants shall be selected in the same  
24 manner. The board shall adopt procedures, policies,  
25 administrative rules, and other administrative measures  
26 necessary to carry out the purpose of the bill.

27 The bill provides that the state shall issue \$50,000,000 in  
28 tax credits to be held by the department of revenue and  
29 finance. The tax credits shall only be used as directed by  
30 the Iowa capital investment board for purposes consistent with  
31 this chapter. If the tax credits are claimed, they may be  
32 claimed as either a corporate or individual tax credit. The  
33 department of revenue and finance, in consultation with the  
34 Iowa capital transition board, shall develop a system for the  
35 registration, issuance, transfer, or redemption of the tax

1 credits.

2 The bill provides that the department of economic  
3 development shall provide staff assistance, physical  
4 facilities, and other support as necessary.

5 The bill provides that the Iowa seed capital corporation  
6 shall wind up its affairs on or before July 1, 1998. The  
7 winding up of affairs shall include the transfer of remaining  
8 assets and liabilities to the Iowa capital investment board,  
9 termination of staff, and dissolution of the corporation.

10 The bill provides for the establishment of the Iowa capital  
11 transition board. This board shall coordinate the transition  
12 from the state's present seed and venture capital activity to  
13 the opportunities provided by the Iowa capital investment  
14 board. The duties of the Iowa capital transition board shall  
15 include the following:

16 1. Advise and consult with the department of revenue and  
17 finance in the development of the capital tax credits system.

18 2. Advise and consult with the Iowa seed capital  
19 corporation in the transition of the Iowa seed capital  
20 corporation assets and liabilities to the Iowa capital  
21 investment board.

22 3. Advise and consult with the board of directors of the  
23 department of economic development on the coordination of  
24 existing department financial assistance programs with the  
25 seed and venture capital opportunities provided for in this  
26 Act.

27 4. Provide recommendations to the Iowa capital investment  
28 board regarding the carrying out of the Iowa capital  
29 investment board's duties.

30 The bill provides that the department of economic  
31 development shall provide assistance to the Iowa capital  
32 transition board as necessary. The bill provides that the  
33 existence of the Iowa capital transition board shall terminate  
34 on July 1, 1998, unless the board is terminated at an earlier  
35 time by a majority vote of its members.

**HOUSE FILE 722  
FISCAL NOTE**

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A fiscal note for **House File 722** 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 722 relates to venture capital investment by creating a Capital Investment Board, Capital Transition Board, and by establishing a capital investment tax credit. The Bill also terminates the Iowa Seed Capital Corporation effective June 30, 1998, and transfers the assets of the Corporation to the Capital Investment Board.

The total of all tax credits allowed under the Bill is limited to \$50,000,000. The tax credit is used as "insurance" on the principal invested in qualified venture capital funds. The tax credit is available to investors in qualified venture capital funds at the time of termination or insolvency of the Iowa Capital Investment Board. The tax credit is available only to the extent that the principal value of invested funds in the qualified venture capital fund has been lost.

The Bill requires the Iowa Capital Investment Board to annually evaluate the value of the Fund. If the Fund value is less than the principal invested, the Department of Economic Development is required to establish a reserve account within the Strategic Investment Fund sufficient to cover the difference.

The Bill does not specify how the assets of the Iowa Seed Capital Corporation (valued by the State Auditor at \$5.9 million at the end of FY 1996) are to be used by the Capital Investment Board, nor does the Bill specify what funding source will be used to pay the expenses of the two Boards or the management necessary to implement the Bill.

**ASSUMPTIONS**

1. Assume the principal guarantee does not conflict with Article VII, Section 1, and Article VIII, Section 3, Constitution of the State of Iowa related to a prohibition on State assumption of private debt or liability.
2. Assume the Iowa Seed Capital Corporation's value at the end of FY 1998 will be similar to its value at the end of FY 1996.
3. Assume the assets of the Corporation would revert to the General Fund if not for the provision transferring them to the Capital Investment Board.
4. Assume the Capital Investment Board uses a portion of the Corporation assets to provide support for the Board and management of the program.
5. Assume the Iowa Capital Investment Board is not terminated and does not become insolvent for at least five fiscal years.

FISCAL IMPACT

The fiscal impact of the tax credit on the General Fund will be a maximum of \$50,000,000, beginning in FY 2003. The minimum fiscal impact is zero.

The establishment of a loss reserve within the Strategic Investment Fund will not impact the risk to the General Fund because the Bill does not provide for actual expenditure of the loss reserve. However, the loss reserve could negatively impact the DED's ability to expend funds on programs financed through the Strategic Investment Fund, such as the Community Economic Betterment Account (CEBA), because every dollar held as a loss reserve would not be available for program expenditure.

The General Fund fiscal impact of shifting assets of the Iowa Seed Capital Corporation to the Capital Investment Board is \$5.9 million. Administrative expenses will consume a portion of the assets.

There would be a positive impact on the State economy and tax revenues to the extent the tax credit and activities of the Capital Investment Board create economic opportunities within the State that would not otherwise exist.

SOURCE

Department of Economic Development

(LSB 2157hz, JWR)

FILED APRIL 17, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 722

H-1797

1 Amend House File 722 as follows:

- 2 1. Page 4, by striking lines 10 through 15 and
- 3 inserting the following: "corporation and shall
- 4 liquidate".
- 5 2. Page 5, by striking lines 8 through 11.
- 6 3. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-1797 FILED APRIL 17, 1997

*Roll 4/22/97 (P. 1434)*

HOUSE FILE 722

H-1765

1 Amend House File 722 as follows:

- 2 1. Page 2, line 28, by inserting after the word
- 3 "invested" the following: "in Iowa businesses".
- 4 2. Page 2, line 30, by inserting after the word
- 5 "board" the following: "attributable to investments
- 6 made in Iowa businesses".

By WEIGEL of Chickasaw

H-1765 FILED APRIL 16, 1997

*Roll 4/22/97 (P. 1433)*

HOUSE FILE 722

H-1766

1 Amend House File 722 as follows:

- 2 1. By striking everything after the enacting
- 3 clause and inserting the following:
- 4 "Sec. \_\_\_\_ . The legislative council is requested to
- 5 establish an interim committee to examine the costs,
- 6 benefits, and feasibility of the venture capital
- 7 investment proposal in House File 652. In addition to
- 8 members of the general assembly, the committee shall
- 9 include representatives of the state university
- 10 research parks, the Iowa seed capital corporation, the
- 11 John Pappajohn entrepreneurial centers, the Iowa
- 12 banking industry, the Iowa brokerage industry, the
- 13 department of revenue and finance, and the securities
- 14 bureau of the insurance division of the department of
- 15 commerce. The committee shall submit a report of its
- 16 findings and recommendations to the general assembly
- 17 by December 15, 1997."
- 18 2. Title page, by striking lines 1 through 4 and
- 19 inserting the following: "An Act relating to the
- 20 establishment of a committee to study the venture
- 21 capital investment proposal."
- 22 3. By renumbering as necessary.

By WEIGEL of Chickasaw

H-1766 FILED APRIL 16, 1997

*Roll 4/22/97  
(P. 1435)*

## HOUSE FILE 722

H-1821

1 Amend House File 722 as follows:

2 1. Page 3, by striking lines 16 through 30 and  
3 inserting the following:

4 "1. For tax years beginning on or after January 1,  
5 1997, there shall be allowed a tax credit against the  
6 taxes imposed in chapter 422, divisions II and III,  
7 for cash invested in the Iowa capital investment  
8 board. An individual may claim the credit of a  
9 partnership, limited liability company, subchapter S  
10 corporation, estate, or trust electing to have the  
11 income taxed directly to the individual. The amount  
12 claimed by the individual shall be based upon the pro  
13 rata share of the individual's earnings from the  
14 partnership, limited liability company, subchapter S  
15 corporation, estate, or trust. Any tax credit in  
16 excess of the taxpayer's liability for the tax year  
17 may be credited to the tax liability for the following  
18 three years or until depleted, whichever is earlier.  
19 A tax credit shall not be carried back to the tax year  
20 prior to the tax year in which the termination or  
21 insolvency of the Iowa capital investment board  
22 occurs. A tax credit shall not be refunded.

23 a. The Iowa capital investment board shall furnish  
24 to each person making an investment in the Iowa  
25 capital investment board during the preceding year a  
26 written statement showing the name of the investor,  
27 taxpayer identification number, the total amount of  
28 investment in the Iowa capital investment board made  
29 by such person, and such other information as the  
30 director of revenue and finance may require. The  
31 statement shall be attached to the income tax return  
32 of such person in order to qualify for the tax credit.

33 b. The taxpayer making the original investment in  
34 the Iowa capital investment board may, during the year  
35 of the termination or insolvency of the Iowa capital  
36 investment board or during the three years following  
37 such termination or insolvency, transfer any unused  
38 tax credit to another taxpayer who may use the tax  
39 credit against the taxes imposed under chapter 422,  
40 divisions II and III, for any tax year the original  
41 investor could have claimed the tax credit."

By TEIG of Hamilton

H-1821 FILED APRIL 21, 1997

*a doyle 4/22/97 (P. 1434)*

S-4/23/97 W & Means  
S-4/24/97 Amend/Do Pass W/  
53768

HOUSE FILE 722  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 652)  
(SUCCESSOR TO HF 375)

(As Amended and Passed by the House, April 22, 1997)

(P. 1647) Passed House, Date 4-28-97 (P. 1503) Passed Senate, Date 4-28-97  
Vote: Ayes 53 Nays 45 Vote: Ayes 43 Nays 7  
Approved May 14, 1997

A BILL FOR

1 An Act relating to establishing a capital investment board, tax  
2 credits, termination of the Iowa seed capital corporation,  
3 establishing a capital transition board, and providing an  
4 effective date.

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

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House Amendments \_\_\_\_\_

1 Section 1. NEW SECTION. 15E.181 PURPOSE.

2 The purpose of this division is to enhance the quality of  
3 life for citizens of the state by encouraging the creation of  
4 new jobs, industry, products, and wealth through the increased  
5 availability and accessibility to capital, particularly at the  
6 seed capital and venture capital investment stages.

7 Sec. 2. NEW SECTION. 15E.182 IOWA CAPITAL INVESTMENT  
8 BOARD.

9 1. An Iowa capital investment board is established and  
10 shall be composed of the following members:

11 a. The treasurer of state.

12 b. The director of the department.

13 c. Three members selected by the governor and confirmed by  
14 the senate pursuant to section 2.32.

15 2. a. The three members selected by the governor shall  
16 serve six-year staggered terms as determined by the governor.  
17 A vacancy shall be filled by the governor for the remaining  
18 portion of the unexpired term. A member is eligible for  
19 reappointment.

20 b. Members of the board are entitled to receive a per diem  
21 as specified in section 7E.6 for each day spent in performance  
22 of duties as members and shall be reimbursed for all actual  
23 and necessary expenses incurred in the performance of duties  
24 as members.

25 c. The board shall annually elect a chairperson from among  
26 its members.

27 3. The Iowa capital investment board shall do the  
28 following:

29 a. Facilitate public and private investment in a series of  
30 state, regional, or national seed and venture capital funds  
31 willing to invest in Iowa seed and venture capital  
32 opportunities. Funds selected for investment must focus on  
33 economic or industry sectors targeted for development by the  
34 state. To the extent feasible, priority shall be given to  
35 state funds before consideration of regional or national

1 funds.

2 b. Facilitate the creation of a small business investment  
3 company to maximize the leverage from available federal and  
4 private sources for investment in seed and venture stage  
5 companies in the state.

6 c. Coordinate with other existing publicly created or  
7 supported seed and venture investment funds to gain the  
8 highest investment leverage with the lowest possible  
9 administrative costs for the state.

10 d. Report annually to the governor and the general  
11 assembly on the investments made pursuant to this division,  
12 the current and anticipated value of such investments, the  
13 current and anticipated value of any tax credits given, and  
14 the estimated current and anticipated impact such investments  
15 have on the state.

16 e. Conduct an annual risk analysis which matches the  
17 current and anticipated value of investments made pursuant to  
18 this division with the current and anticipated value of any  
19 tax credits given. If the anticipated value of any tax  
20 credits given exceeds the anticipated value of investments,  
21 the department shall establish a reserve account within the  
22 strategic investment fund sufficient to cover such losses to  
23 the general fund of the state in the event of the termination  
24 of the Iowa capital investment board.

25 4. If tax credits are used to facilitate investment  
26 pursuant to subsection 3, paragraph "a" or "b", the tax  
27 credits shall only be redeemed for the amount of principal  
28 invested, and only based on losses at the time of the  
29 termination or insolvency of the Iowa capital investment  
30 board.

31 5. The general assembly is not obligated to appropriate  
32 any moneys to pay for any defaults or to appropriate any  
33 moneys to be credited to the board programs beyond the tax  
34 credits approved in section 15E.183, and the board in  
35 administering this section shall not give or lend the credit

1 of the state of Iowa.

2 6. On or before July 1, 1998, the Iowa capital investment  
3 board shall select and appoint, through a competitive  
4 selection process and based on criteria established by the  
5 board, an executive director to conduct the affairs of the  
6 board. To the extent feasible, the selection of any fund  
7 managers, investment advisors, or other consultants shall also  
8 be through a competitive selection process and based on  
9 criteria established by the board.

10 7. The Iowa capital investment board shall adopt  
11 procedures, policies, rules pursuant to chapter 17A, and other  
12 administrative measures necessary to carry out the purpose of  
13 this division and administer the programs and business of the  
14 board.

15 Sec. 3. NEW SECTION. 15E.183 TAX CREDITS.

16 1. For tax years beginning on or after January 1, 1997,  
17 there shall be allowed a tax credit against the taxes imposed  
18 in chapter 422, divisions II and III, for cash invested in the  
19 Iowa capital investment board. An individual may claim the  
20 credit of a partnership, limited liability company, subchapter  
21 S corporation, estate, or trust electing to have the income  
22 taxed directly to the individual. The amount claimed by the  
23 individual shall be based upon the pro rata share of the  
24 individual's earnings from the partnership, limited liability  
25 company, subchapter S corporation, estate, or trust. Any tax  
26 credit in excess of the taxpayer's liability for the tax year  
27 may be credited to the tax liability for the following three  
28 years or until depleted, whichever is earlier. A tax credit  
29 shall not be carried back to the tax year prior to the tax  
30 year in which the termination or insolvency of the Iowa  
31 capital investment board occurs. A tax credit shall not be  
32 refunded.

33 a. The Iowa capital investment board shall furnish to each  
34 person making an investment in the Iowa capital investment  
35 board during the preceding year a written statement showing

1 the name of the investor, taxpayer identification number, the  
2 total amount of investment in the Iowa capital investment  
3 board made by such person, and such other information as the  
4 director of revenue and finance may require. The statement  
5 shall be attached to the income tax return of such person in  
6 order to qualify for the tax credit.

7 b. The taxpayer making the original investment in the Iowa  
8 capital investment board may, during the year of the  
9 termination or insolvency of the Iowa capital investment board  
10 or during the three years following such termination or  
11 insolvency, transfer any unused tax credit to another taxpayer  
12 who may use the tax credit against the taxes imposed under  
13 chapter 422, divisions II and III, for any tax year the  
14 original investor could have claimed the tax credit.

15 2. The department of revenue and finance shall, in  
16 consultation with the Iowa capital transition board, develop a  
17 system for the registration, issuance, transfer, or redemption  
18 of tax credits issued by the state under this section. The  
19 department shall also, in consultation with the Iowa capital  
20 transition board, adopt any other policies, procedures, or  
21 rules pursuant to chapter 17A necessary for the administration  
22 of tax credits issued by the state under this section.

23 Sec. 4. NEW SECTION. 15E.184 SUPPORT.

24 The department shall provide staff assistance, physical  
25 facilities, and other support as necessary.

26 Sec. 5. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

27 On or before June 30, 1998, the board of directors of the Iowa  
28 seed capital corporation shall wind up the affairs of the  
29 corporation, including the transfer of remaining assets and  
30 liabilities to the Iowa capital investment board, termination  
31 of staff, and dissolution of the corporation. In the event  
32 that the remaining assets and liabilities cannot be  
33 transferred to the Iowa capital investment board, the board of  
34 directors of the Iowa seed capital corporation shall liquidate  
35 all assets, settle existing liabilities, and transfer

1 remaining moneys to the general fund of the state.

2 Sec. 6. IOWA CAPITAL TRANSITION BOARD.

3 1. The Iowa capital transition board is created to  
4 coordinate the transition from the state's present seed and  
5 venture capital activity to the opportunities provided by the  
6 Iowa capital investment board.

7 2. The membership on the Iowa capital transition board  
8 shall consist of all of the following members:

9 a. The treasurer of state.

10 b. The director of the department.

11 c. The director of the department of personnel.

12 d. The chairperson of the board of directors of the Iowa  
13 seed capital corporation.

14 e. Three other private citizen members selected by a  
15 majority of the Iowa capital transition board members  
16 designated in paragraphs "a" through "d". Selection shall be  
17 based on established experience, expertise, and background in  
18 the areas of venture capital investments, entrepreneurial  
19 businesses, and seed and venture capital issues in general.

20 3. The Iowa capital transition board shall select a  
21 chairperson from among its members once all of the members of  
22 the board have been selected.

23 4. The duties of the Iowa capital transition board shall  
24 include, but are not limited to, the following:

25 a. Advise and consult with the department of revenue and  
26 finance in the development of the capital tax credits system.

27 b. Advise and consult with the board of directors of the  
28 Iowa seed capital corporation in the transition of Iowa seed  
29 capital corporation assets and liabilities to the Iowa capital  
30 investment board.

31 c. Advise and consult with the board of directors of the  
32 department of economic development on the coordination of  
33 existing department financial assistance programs with the  
34 seed and venture capital opportunities provided by this  
35 division.

1 d. Provide recommendations to the Iowa capital investment  
2 board regarding the carrying out of the Iowa capital  
3 investment board's duties.

4 5. The department of economic development shall provide  
5 the board with staff assistance, physical facilities, and  
6 other support as necessary.

7 6. The existence of the Iowa capital transition board  
8 shall be terminated on July 1, 1998, unless the board is  
9 terminated at an earlier time by a majority vote of the  
10 members.

11 Sec. 7. EFFECTIVE DATE. This Act, being deemed of  
12 immediate importance, takes effect upon enactment.

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## HOUSE FILE 722

S-3768

- 1 Amend House File 722, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 2, line 1, by inserting after the word  
4 "funds." the following: "In selecting funds for  
5 investment, the board shall seek to maximize benefits  
6 which inure to seed and venture capital opportunities  
7 in Iowa."
- 8 2. Page 3, line 11, by inserting after the word  
9 "policies," the following: "and".
- 10 3. Page 3, line 18, by striking the words "cash  
11 invested in" and inserting the following: "net losses  
12 incurred by".
- 13 4. Page 3, line 19, by inserting after the word  
14 "board." the following: "The aggregate amount of tax  
15 credits issued under this section shall not exceed  
16 fifty million dollars."
- 17 5. Page 3, line 25, by inserting after the word  
18 "trust." the following: "A taxpayer shall not claim  
19 tax credits under this section which exceed the total  
20 amount invested by the taxpayer in the Iowa capital  
21 investment board."
- 22 6. Page 3, line 29, by striking the words  
23 "carried back to" and inserting the following: "used  
24 before".
- 25 7. Page 3, lines 31 and 32, by striking the words  
26 "not be refunded" and inserting the following: "be  
27 refundable".
- 28 8. Page 3, line 33, by striking the word "a." and  
29 inserting the following: "2."
- 30 9. Page 4, by striking lines 7 through 14.
- 31 10. Page 4, line 15, by striking the figure "2."  
32 and inserting the following: "3."
- 33 11. Page 4, line 17, by striking the word  
34 "transfer,".
- 35 12. By renumbering, relettering, and  
36 redesignating as necessary.

By COMMITTEE ON WAYS AND MEANS  
JoANN DOUGLAS, Chairperson

S-3768 FILED APRIL 24, 1997

*Withdrawn*  
*4/28/97*  
*(P1502)*

## HOUSE FILE 722

S-3803

1 Amend the amendment, S-3768, to House File 722, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 1, by inserting after line 7 the  
5 following:  
6 "\_\_\_\_\_. Page 2, line 25, by inserting after the  
7 word "credits" the following: "allowed under section  
8 15E.183".  
9 2. Page 1, by inserting after line 9 the  
10 following:  
11 "\_\_\_\_\_. Page 3, by inserting after line 14 the  
12 following:  
13 "8. An investor in the Iowa capital investment  
14 board shall designate at the time of investment  
15 whether a tax credit for all or a portion of the  
16 amounts invested under section 15E.183A is desired,  
17 provided the aggregate limit allowed under section  
18 15E.183A has not been met."  
19 3. Page 1, line 16, by striking the words "fifty  
20 million" and inserting the following: "thirty-three  
21 million three hundred thousand".  
22 4. Page 1, by inserting after line 34 the  
23 following:  
24 "\_\_\_\_\_. Page 4, by inserting after line 22 the  
25 following:  
26 "Sec. \_\_\_\_\_. NEW SECTION. 15E.183A FRONT END TAX  
27 CREDITS.  
28 1. For tax years beginning on or after January 1,  
29 1997, there shall be allowed a tax credit against the  
30 taxes imposed in chapter 422, divisions II and III,  
31 for cash invested in the Iowa capital investment  
32 board. The aggregate amount of tax credits issued  
33 under this section shall not exceed sixteen million  
34 seven hundred thousand dollars. An individual may  
35 claim the credit of a partnership, limited liability  
36 company, subchapter S corporation, estate, or trust  
37 electing to have the income taxed directly to the  
38 individual. The amount claimed by the individual  
39 shall be based upon the pro rata share of the  
40 individual's earnings from the partnership, limited  
41 liability company, subchapter S corporation, estate,  
42 or trust. Any tax credit in excess of the taxpayer's  
43 liability for the tax year may be credited to the tax  
44 liability for the following three years or until  
45 depleted, whichever is earlier. A tax credit shall be  
46 refundable.  
47 2. The Iowa capital investment board shall furnish  
48 to each person making an investment in the Iowa  
49 capital investment board during the preceding year a  
50 written statement showing the name of the investor,

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Page 2

1 taxpayer identification number, the total amount of  
2 investment in the Iowa capital investment board made  
3 by such person, the amount for which credit is granted  
4 under this section, and such other information as the  
5 director of revenue and finance may require. The  
6 statement shall be attached to the income tax return  
7 of such person in order to qualify for the tax  
8 credit."

9 5. By renumbering, relettering, and redesignating  
10 as necessary.

By TOM VILSACK

S-3803 FILED APRIL 28, 1997

RULED OUT OF ORDER

(P.150a)

HOUSE FILE 722

S-3810

1 Amend House File 722, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 2, line 1, by inserting after the word  
4 "funds." the following: "In selecting funds for  
5 investment, the board shall seek to maximize benefits  
6 which inure to seed and venture capital opportunities  
7 in Iowa."

8 2. Page 3, line 11, by inserting after the word  
9 "policies," the following: "and".

10 3. Page 3, line 18, by striking the words "cash  
11 invested in" and inserting the following: "net losses  
12 incurred by".

13 4. Page 3, line 19, by inserting after the word  
14 "board." the following: "The aggregate amount of tax  
15 credits issued under this section shall not exceed  
16 thirty million dollars."

17 5. Page 3, line 25, by inserting after the word  
18 "trust." the following: "A taxpayer shall not claim  
19 tax credits under this section which exceed the total  
20 amount invested by the taxpayer in the Iowa capital  
21 investment board."

22 6. By renumbering, relettering, and redesignating  
23 as necessary.

By LARRY McKIBBEN  
TOM FLYNN

S-3810 FILED APRIL 28, 1997

ADOPTED

(P.150a)

## HOUSE FILE 722

S-3813

1 Amend the amendment, S-3810, to House File 722, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 1, by inserting after line 7 the  
5 following:  
6 "\_\_\_\_\_. Page 2, line 25, by inserting after the  
7 word "credits" the following: "allowed under section  
8 15E.183".  
9 2. Page 1, by inserting after line 9 the  
10 following:  
11 "\_\_\_\_\_. Page 3, by inserting after line 14 the  
12 following:  
13 "8. An investor in the Iowa capital investment  
14 board shall designate at the time of investment  
15 whether a tax credit for all or a portion of the  
16 amounts invested under section 15E.183A is desired,  
17 provided the aggregate limit allowed under section  
18 15E.183A has not been met."  
19 3. Page 1, line 16, by striking the words  
20 "thirty" and inserting the following: "twenty".  
21 4. Page 1, by inserting after line 21 the  
22 following:  
23 "\_\_\_\_\_. Page 4, by inserting after line 22 the  
24 following:  
25 "Sec. \_\_\_\_\_. NEW SECTION. 15E.183A FRONT END TAX  
26 CREDITS.  
27 1. For tax years beginning on or after January 1,  
28 1997, there shall be allowed a tax credit against the  
29 taxes imposed in chapter 422, divisions II and III,  
30 for cash invested in the Iowa capital investment  
31 board. The aggregate amount of tax credits issued  
32 under this section shall not exceed ten million  
33 dollars. An individual may claim the credit of a  
34 partnership, limited liability company, subchapter S  
35 corporation, estate, or trust electing to have the  
36 income taxed directly to the individual. The amount  
37 claimed by the individual shall be based upon the pro  
38 rata share of the individual's earnings from the  
39 partnership, limited liability company, subchapter S  
40 corporation, estate, or trust. Any tax credit in  
41 excess of the taxpayer's liability for the tax year  
42 may be credited to the tax liability for the following  
43 three years or until depleted, whichever is earlier.  
44 A tax credit shall be refundable.  
45 2. The Iowa capital investment board shall furnish  
46 to each person making an investment in the Iowa  
47 capital investment board during the preceding year a  
48 written statement showing the name of the investor,  
49 taxpayer identification number, the total amount of  
50 investment in the Iowa capital investment board made

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1 by such person, the amount for which credit is granted  
2 under this section, and such other information as the  
3 director of revenue and finance may require. The  
4 statement shall be attached to the income tax return  
5 of such person in order to qualify for the tax  
6 credit."  
7 5. By renumbering, relettering, and redesignating  
8 as necessary.

By TOM VILSACK

S-3813 FILED APRIL 28, 1997

LOST

(P.1502)

## HOUSE FILE 722

## H-1968

1 Amend the Senate amendment, H-1958, to House File  
2 722, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 7, by inserting after the word  
5 "Iowa." the following: "However, no such benefits  
6 shall inure to opportunities involving gambling."

By FALLON of Polk

H-1968 FILED APRIL 28, 1997

NOT GERMANE - MOTION TO SUSPEND RULES, LOST

(P. 1645)

## HOUSE FILE 722

## H-1970

1 Amend the Senate amendment, H-1958, to House File  
2 722, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, lines 5 and 6, by striking the words  
5 "seek to maximize benefits which" and inserting the  
6 following: "only invest in funds which cause benefits  
7 to".

By RICHARDSON of Warren

H-1970 FILED APRIL 28, 1997

LOST

(P. 1645)

## HOUSE FILE 722

## H-1973

1 Amend the Senate amendment, H-1958, to House File  
2 722, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 7, by inserting after the word  
5 "Iowa." the following: "If the funds selected have  
6 made no significant investments in seed and venture  
7 capital opportunities in Iowa by June 30, 2000, the  
8 board shall not invest in any additional funds after  
9 that date and shall study other ways to utilize  
10 remaining funds to encourage seed and venture capital  
11 investments in Iowa and shall report its findings and  
12 recommendations to the general assembly by January 15,  
13 2001."

By OSTERHAUS of Jackson

H-1973 FILED APRIL 28, 1997

LOST

(P. 1647)

SENATE AMENDMENT TO HOUSE FILE 722

H-1958

- 1 Amend House File 722, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 2, line 1, by inserting after the word
- 4 "funds." the following: "In selecting funds for
- 5 investment, the board shall seek to maximize benefits
- 6 which inure to seed and venture capital opportunities
- 7 in Iowa."
- 8 2. Page 3, line 11, by inserting after the word
- 9 "policies," the following: "and".
- 10 3. Page 3, line 18, by striking the words "cash
- 11 invested in" and inserting the following: "net losses
- 12 incurred by".
- 13 4. Page 3, line 19, by inserting after the word
- 14 "board." the following: "The aggregate amount of tax
- 15 credits issued under this section shall not exceed
- 16 thirty million dollars."
- 17 5. Page 3, line 25, by inserting after the word
- 18 "trust." the following: "A taxpayer shall not claim
- 19 tax credits under this section which exceed the total
- 20 amount invested by the taxpayer in the Iowa capital
- 21 investment board."
- 22 6. By renumbering, relettering, and redesignating
- 23 as necessary.

RECEIVED FROM THE SENATE

H-1958 FILED APRIL 28, 1997

CONCURRED

(P. 1647)

HOUSE FILE 722

H-1963

- 1 Amend the Senate amendment, H-1958, to House File
- 2 722, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, line 16, by striking the word "thirty"
- 5 and inserting the following: "ten".

By WEIGEL of Chickasaw

H-1963 FILED APRIL 28, 1997

LOST

(P. 1644)

HOUSE FILE 722

H-1964

- 1 Amend the Senate amendment, H-1958, to House File
- 2 722, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, line 21, by inserting after the word
- 5 "board" the following: "and shall not claim tax
- 6 credits of more than five hundred thousand dollars
- 7 under this section".

By WEIGEL of Chickasaw

H-1964 FILED APRIL 28, 1997

LOST

(P. 1645)

HOUSE FILE 722

AN ACT

RELATING TO ESTABLISHING A CAPITAL INVESTMENT BOARD, TAX CREDITS, TERMINATION OF THE IOWA SEED CAPITAL CORPORATION, ESTABLISHING A CAPITAL TRANSITION BOARD, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. NEW SECTION. 15E.181 PURPOSE.

The purpose of this division is to enhance the quality of life for citizens of the state by encouraging the creation of new jobs, industry, products, and wealth through the increased availability and accessibility to capital, particularly at the seed capital and venture capital investment stages.

Sec. 2. NEW SECTION. 15E.182 IOWA CAPITAL INVESTMENT BOARD.

1. An Iowa capital investment board is established and shall be composed of the following members:
  - a. The treasurer of state.
  - b. The director of the department.
  - c. Three members selected by the governor and confirmed by the senate pursuant to section 2.32.
2. a. The three members selected by the governor shall serve six-year staggered terms as determined by the governor.

A vacancy shall be filled by the governor for the remaining portion of the unexpired term. A member is eligible for reappointment.

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

c. The board shall annually elect a chairperson from among its members.

3. The Iowa capital investment board shall do the following:

a. Facilitate public and private investment in a series of state, regional, or national seed and venture capital funds willing to invest in Iowa seed and venture capital opportunities. Funds selected for investment must focus on economic or industry sectors targeted for development by the state. To the extent feasible, priority shall be given to state funds before consideration of regional or national funds. In selecting funds for investment, the board shall seek to maximize benefits which inure to seed and venture capital opportunities in Iowa.

b. Facilitate the creation of a small business investment company to maximize the leverage from available federal and private sources for investment in seed and venture stage companies in the state.

c. Coordinate with other existing publicly created or supported seed and venture investment funds to gain the highest investment leverage with the lowest possible administrative costs for the state.

d. Report annually to the governor and the general assembly on the investments made pursuant to this division, the current and anticipated value of such investments, the current and anticipated value of any tax credits given, and the estimated current and anticipated impact such investments have on the state.

e. Conduct an annual risk analysis which matches the current and anticipated value of investments made pursuant to this division with the current and anticipated value of any tax credits given. If the anticipated value of any tax credits given exceeds the anticipated value of investments, the department shall establish a reserve account within the strategic investment fund sufficient to cover such losses to the general fund of the state in the event of the termination of the Iowa capital investment board.

4. If tax credits are used to facilitate investment pursuant to subsection 3, paragraph "a" or "b", the tax credits shall only be redeemed for the amount of principal invested, and only based on losses at the time of the termination or insolvency of the Iowa capital investment board.

5. The general assembly is not obligated to appropriate any moneys to pay for any defaults or to appropriate any moneys to be credited to the board programs beyond the tax credits approved in section 15E.183, and the board in administering this section shall not give or lend the credit of the state of Iowa.

6. On or before July 1, 1998, the Iowa capital investment board shall select and appoint, through a competitive selection process and based on criteria established by the board, an executive director to conduct the affairs of the board. To the extent feasible, the selection of any fund managers, investment advisors, or other consultants shall also be through a competitive selection process and based on criteria established by the board.

7. The Iowa capital investment board shall adopt procedures, policies, and rules pursuant to chapter 17A, and other administrative measures necessary to carry out the purpose of this division and administer the programs and business of the board.

Sec. 3. NEW SECTION. 15E.183 TAX CREDITS.

1. For tax years beginning on or after January 1, 1997, there shall be allowed a tax credit against the taxes imposed in chapter 422, divisions II and III, for net losses incurred by the Iowa capital investment board. The aggregate amount of tax credits issued under this section shall not exceed thirty million dollars. An individual may claim the credit of a partnership, limited liability company, subchapter S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, subchapter S corporation, estate, or trust. A taxpayer shall not claim tax credits under this section which exceed the total amount invested by the taxpayer in the Iowa capital investment board. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following three years or until depleted, whichever is earlier. A tax credit shall not be carried back to the tax year prior to the tax year in which the termination or insolvency of the Iowa capital investment board occurs. A tax credit shall not be refunded.

a. The Iowa capital investment board shall furnish to each person making an investment in the Iowa capital investment board during the preceding year a written statement showing the name of the investor, taxpayer identification number, the total amount of investment in the Iowa capital investment board made by such person, and such other information as the director of revenue and finance may require. The statement shall be attached to the income tax return of such person in order to qualify for the tax credit.

b. The taxpayer making the original investment in the Iowa capital investment board may, during the year of the termination or insolvency of the Iowa capital investment board or during the three years following such termination or insolvency, transfer any unused tax credit to another taxpayer

who may use the tax credit against the taxes imposed under chapter 422, divisions II and III, for any tax year the original investor could have claimed the tax credit.

2. The department of revenue and finance shall, in consultation with the Iowa capital transition board, develop a system for the registration, issuance, transfer, or redemption of tax credits issued by the state under this section. The department shall also, in consultation with the Iowa capital transition board, adopt any other policies, procedures, or rules pursuant to chapter 17A necessary for the administration of tax credits issued by the state under this section.

Sec. 4. NEW SECTION. 15E.184 SUPPORT.

The department shall provide staff assistance, physical facilities, and other support as necessary.

Sec. 5. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

On or before June 30, 1998, the board of directors of the Iowa seed capital corporation shall wind up the affairs of the corporation, including the transfer of remaining assets and liabilities to the Iowa capital investment board, termination of staff, and dissolution of the corporation. In the event that the remaining assets and liabilities cannot be transferred to the Iowa capital investment board, the board of directors of the Iowa seed capital corporation shall liquidate all assets, settle existing liabilities, and transfer remaining moneys to the general fund of the state.

Sec. 6. IOWA CAPITAL TRANSITION BOARD.

1. The Iowa capital transition board is created to coordinate the transition from the state's present seed and venture capital activity to the opportunities provided by the Iowa capital investment board.

2. The membership on the Iowa capital transition board shall consist of all of the following members:

- a. The treasurer of state.
- b. The director of the department.
- c. The director of the department of personnel.

d. The chairperson of the board of directors of the Iowa seed capital corporation.

e. Three other private citizen members selected by a majority of the Iowa capital transition board members designated in paragraphs "a" through "d". Selection shall be based on established experience, expertise, and background in the areas of venture capital investments, entrepreneurial businesses, and seed and venture capital issues in general.

3. The Iowa capital transition board shall select a chairperson from among its members once all of the members of the board have been selected.

4. The duties of the Iowa capital transition board shall include, but are not limited to, the following:

a. Advise and consult with the department of revenue and finance in the development of the capital tax credits system.

b. Advise and consult with the board of directors of the Iowa seed capital corporation in the transition of Iowa seed capital corporation assets and liabilities to the Iowa capital investment board.

c. Advise and consult with the board of directors of the department of economic development on the coordination of existing department financial assistance programs with the seed and venture capital opportunities provided by this division.

d. Provide recommendations to the Iowa capital investment board regarding the carrying out of the Iowa capital investment board's duties.

5. The department of economic development shall provide the board with staff assistance, physical facilities, and other support as necessary.

6. The existence of the Iowa capital transition board shall be terminated on July 1, 1998, unless the board is terminated at an earlier time by a majority vote of the members.

House File 722, p. 7

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

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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 722, Seventy-seventh General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved May 14, 1997

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TERRY E. BRANSTAD  
Governor