

MAR 3 1999

ECONOMIC DEVELOPMENT

HOUSE FILE
BY DOTZLER

491

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to eligible business criteria and final decision
2 making on applications for incentives and assistance in the
3 enterprise zone program.

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

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HF 491

1 Section 1. Section 15E.193, subsection 1, unnumbered
2 paragraph 1, Code 1999, is amended to read as follows:

3 A business which is or will be located in an enterprise
4 zone is eligible to receive incentives and assistance under
5 this division if the business has not closed or reduced its
6 operation in one an area of the state outside the boundaries
7 of the enterprise zone and relocated substantially the same
8 operation ~~into~~ within the boundaries of the enterprise zone
9 and if the business meets all of the following:

10 Sec. 2. Section 15E.193A, subsection 1, unnumbered
11 paragraph 1, Code 1999, is amended to read as follows:

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

20 Sec. 3. Section 15E.193A, subsection 2, Code 1999, is
21 amended to read as follows:

22 2. After approval of a project by ordinance or resolution,
23 the city shall submit an application for incentives and
24 assistance to the department of economic development. As part
25 of the application, the city shall submit information relating
26 the requirements listed in subsection 1 and in section
27 15E.193, subsection 2. The department Iowa economic
28 development board may approve, defer, or deny the application.

29 Sec. 4. Section 15E.193B, subsection 6, unnumbered
30 paragraph 1, Code 1999, is amended to read as follows:

31 An eligible housing business which has been approved to
32 receive incentives and assistance by the department-of Iowa
33 economic development board pursuant to application as provided
34 in section 15E.195 shall receive all of the following
35 incentives and assistance for a period not to exceed ten

1 years:

2 Sec. 5. Section 15E.195, subsections 4 and 5, Code 1999,
3 are amended to read as follows:

4 4. If the enterprise zone commission determines that a
5 business qualifies and is eligible to receive incentives or
6 assistance as provided in either section 15E.193B or section
7 15E.196, the commission shall submit an application for
8 incentives or assistance to the department of economic
9 development. The department final decision concerning an
10 application for incentives or assistance rests solely with the
11 Iowa economic development board. The board may approve,
12 defer, or deny the an application.

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

29 However, if the commission or department board finds that
30 an eligible business has a record of violations of the law,
31 including but not limited to environmental and worker safety
32 statutes, rules, and regulations, over a period of time that
33 tends to show a consistent pattern, the eligible business
34 shall not qualify for incentives or assistance under section
35 15E.193B or section 15E.196, unless the commission or

1 department board finds that the violations did not seriously
2 affect public health or safety or the environment, or if it
3 did that there were mitigating circumstances. In making the
4 findings and determinations regarding violations, mitigating
5 circumstances, and whether an eligible business is eligible
6 for incentives or assistance under section 15E.193B or section
7 15E.196, the commission or department board shall be exempt
8 from chapter 17A. If requested by the commission or
9 department board, the business shall provide copies of
10 materials documenting the type of violation, any fees or
11 penalties assessed, court filings, final disposition of any
12 findings and any other information which would assist the
13 commission or department board in assessing the nature of any
14 violation.

15 Sec. 6. Section 15E.196, unnumbered paragraph 1, Code
16 1999, is amended to read as follows:

17 For purposes of determining the incentives or assistance
18 provided in this section, "eligible business" means a business
19 which has been approved to receive incentives and assistance
20 by the ~~department-of~~ Iowa economic development board pursuant
21 to application as provided in section 15E.195. The incentives
22 and assistance provided under this division for businesses
23 located in enterprise zones shall be for a period not to
24 exceed ten years and shall include all of the following:

25 EXPLANATION

26 This bill relates to the enterprise zone program. The bill
27 provides that, as one criteria, a business shall not be
28 eligible for incentives and assistance if the business closes
29 or reduces its operation in an area of state outside the
30 boundaries of the enterprise zone and relocates substantially
31 the same operation within the boundaries of the enterprise
32 zone. The bill makes a similar amendment to the provision
33 relating to the alternative eligible business criteria which
34 are businesses that are not located in an enterprise zone, but
35 meet certain specified criteria. The bill provides final

1 decision making concerning an application for incentives or
2 assistance rests with the Iowa economic development board.

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