

MAR 4 1999

ECONOMIC DEVELOPMENT

HOUSE FILE
BY TEIG

509

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

A BILL FOR

1 An Act establishing an insurance development consortium and
2 providing a tax credit for consortium members.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 509

1 Section 1. NEW SECTION. 15E.221 SHORT TITLE.

2 This division shall be known and may be cited as the "Iowa
3 Insurance Development Consortium Act".

4 Sec. 2. NEW SECTION. 15E.222 PURPOSE.

5 The general assembly finds Iowa's insurance and financial
6 services industry is a large and important part of the state's
7 economy and a limiting constraint on the industry's future
8 growth in Iowa is a shortage of qualified people for
9 employment in the industry. It is the intent of the general
10 assembly to establish an insurance development consortium
11 whose functions will include, but not be limited to, assisting
12 insurance and financial services companies in identifying,
13 screening, training, and otherwise developing people for jobs
14 in Iowa's insurance and financial services industry.

15 Sec. 3. NEW SECTION. 15E.223 DEFINITIONS.

16 As used in this division, unless the context otherwise
17 requires:

18 1. "Board" means the board of the Iowa insurance
19 development consortium.

20 2. "Consortium" means the Iowa insurance development
21 consortium created in section 15E.224.

22 3. "Department" means the Iowa department of economic
23 development.

24 4. "Director" means the director of the department or the
25 director's designee.

26 5. "Industry" means Iowa's insurance and financial
27 services industry.

28 Sec. 4. NEW SECTION. 15E.224 INSURANCE DEVELOPMENT
29 CONSORTIUM ESTABLISHED -- DUTIES.

30 1. The department shall establish an Iowa insurance
31 development consortium for the purpose of identifying,
32 screening, and developing employees in the industry.

33 2. The consortium shall address all of the following
34 issues:

35 a. The promotion of the industry and the generation of

1 interest among people inside and outside the state in possible
2 careers in the industry.

3 | b. The retraining or otherwise further developing of
4 skills of existing employees in the industry to create a cadre
5 of highly skilled individuals within the industry workforce.

6 | c. Identification and initial training of new employees to
7 meet the future human resource needs of the industry.

8 | d. Other related activities as determined by the board.

9 | Sec. 5. NEW SECTION. 15E.225 INSURANCE DEVELOPMENT
10 CONSORTIUM MEMBERSHIP.

11 | Any insurance or financial services entity conducting
12 business within the industry in this state, as defined by the
13 board, is eligible for membership. A business entity
14 interested in joining the consortium shall submit an
15 application for membership to the board. The board shall
16 approve or deny each application for membership.

17 | Sec. 6. NEW SECTION. 15E.226 INSURANCE DEVELOPMENT
18 CONSORTIUM BOARD.

19 | 1. The director shall appoint a nine-member board to
20 govern the activities of the consortium. The board shall
21 serve at the pleasure of the director. The majority of the
22 board shall be representatives of the industry. Board members
23 shall serve four-year terms and may serve more than one term.

24 | 2. The board shall develop and determine all of the
25 following:

26 | a. Consortium membership qualifications.

27 | b. Membership responsibilities.

28 | c. Membership contributions and fees.

29 | d. Policies and procedures for governing the board's
30 activities.

31 | Sec. 7. NEW SECTION. 15E.227 TAX CREDITS.

32 | 1. A consortium member may claim an insurance premium tax
33 credit against taxes imposed pursuant to chapter 432 for
34 contributions and fees paid pursuant to this division during
35 the tax year. The amount claimed shall equal the total

1 contributions and fees paid during the tax year and shall not
2 exceed a maximum of five percent of the taxpayer's tax
3 liability.

4 2. If a consortium member is not eligible to claim an
5 insurance premium tax credit under subsection 1, the
6 consortium member may claim a corporate tax credit equal to
7 the total contributions and fees paid pursuant to this
8 division during the tax year. The tax credit shall not,
9 however, exceed a maximum of five percent of the taxpayer's
10 tax liability. If the business is a partnership, subchapter S
11 corporation, limited liability company, or estate or trust
12 electing to have the income taxed directly to the individual,
13 an individual may claim the tax credit allowed under this
14 subsection. The amount claimed by the individual shall be
15 based upon the pro rata share of the individual's earnings of
16 the partnership, subchapter S corporation, limited liability
17 company, or estate or trust.

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EXPLANATION

19 This bill provides for the department of economic
20 development to establish an insurance development consortium
21 for purposes of identifying, screening, and developing
22 employees for the insurance and financial services industry.
23 The bill provides that the director of the department shall
24 appoint a nine-member board to govern the activities of the
25 consortium, including the development and determination of
26 membership qualifications, membership responsibilities,
27 membership contributions and fees, and policies and procedures
28 for consortium activities. The bill provides that a business
29 conducting business within the industry in the state is
30 eligible for membership in the consortium and may submit an
31 application for membership to the board.

32 The bill provides the consortium shall consider issues
33 which include the promotion of the industry and the generation
34 of interest in careers in the industry, the retraining and
35 development of skills of the industry workforce, and

1 identification and initial training of new employees to meet
2 the future human resource needs of the industry.

3 The bill allows a consortium member to claim an insurance
4 premium tax credit imposed under Code chapter 432 or a
5 corporate tax credit for consortium contributions and fees.
6 The amount of the credit shall equal the total consortium
7 contributions and fees paid during the tax year and shall not
8 exceed five percent of the taxpayer's tax liability.

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