

MAR 8 1999

ECONOMIC DEVELOPMENT

HOUSE FILE
BY FORD

564

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

A BILL FOR

1 An Act relating to financial assistance for minority farmers and
2 minority persons with an ownership interest in agricultural-
3 related businesses and providing an appropriation.

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

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AF 564

1 Section 1. NEW SECTION. 15.321 AGRICULTURAL-RELATED
2 FINANCIAL ASSISTANCE TO MINORITY PERSONS.

3 1. From the moneys in the community economic betterment
4 program account, five hundred thousand dollars is appropriated
5 and shall be allocated each year for purposes of providing
6 financial assistance to minority persons who are farmers and
7 minority persons with an ownership interest in an
8 agricultural-related business. The department shall award
9 financial assistance under this section in the form of grants
10 or zero interest loans.

11 2. Any financial assistance awarded under this section
12 shall not exceed the amount an applicant has personally
13 invested in the project for which the applicant is seeking
14 financial assistance under this section.

15 3. A person is eligible to apply to the department for
16 financial assistance under this section if all of the
17 following criteria are met:

18 a. The applicant is a minority person as defined in
19 section 15.102.

20 b. The applicant is a farmer or possesses an ownership
21 interest in an agricultural-related business located in this
22 state.

23 4. An application filed with the department shall include
24 all of the following:

25 a. Information relating to the applicant's investment
26 amount in the project for which the applicant is seeking
27 financial assistance under this section.

28 b. Information relating to the criteria described in
29 subsection 3.

30 c. Information demonstrating prior business experience
31 with a project similar to the project for which the applicant
32 is seeking financial assistance or successful completion of a
33 recognized entrepreneurial venture development curriculum.

34 d. Any other information deemed necessary by the
35 department.

1 5. The department shall approve, deny, or defer each
2 application submitted to the department.

3 6. Payments of interest, repayments of moneys loaned under
4 this section, or recaptures of awards shall be deposited into
5 the strategic investment fund.

6 7. The department shall adopt rules pursuant to chapter
7 17A to administer this section.

8 EXPLANATION

9 This bill annually appropriates and allocates \$500,000 out
10 of the community economic betterment program account of the
11 strategic investment fund to be used for purposes of providing
12 financial assistance to minority farmers and minority persons
13 with an ownership interest in an agricultural-related
14 business.

15 The bill provides that the department of economic
16 development shall not award financial assistance exceeding the
17 amount an applicant has personally invested in the project for
18 which the applicant is seeking financial assistance.

19 The bill provides that an application for financial
20 assistance shall include information regarding eligibility
21 criteria, information demonstrating that the applicant has
22 prior business experience with a project similar to the
23 project for which the applicant is seeking financial
24 assistance or successful completion of a recognized
25 entrepreneurial venture development curriculum, and any
26 additional information deemed necessary by the department.

27 The bill provides that the department shall approve, deny,
28 or defer each application submitted to the department. The
29 bill provides that payments of interest, repayments of moneys
30 loaned, or recaptures of awards shall be deposited into the
31 strategic investment fund.

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