

FILED MAR 12 '03

SENATE FILE 367

BY COMMITTEE ON ECONOMIC GROWTH
Referred to Appropriations 3/17
(SUCCESSOR TO SSB 1150)

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

A BILL FOR

1 An Act relating to animal biotechnology by creating an animal
2 biotechnology commercialization fund, extending the time
3 period during which a life science enterprise may purchase
4 agricultural land, making appropriations, and providing an
5 effective date.

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

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S.F. 367

1 Section 1. Section 10C.6, subsection 1, paragraph a,
2 subparagraph (1), Code 2003, is amended to read as follows:

3 (1) The life science enterprise acquires the agricultural
4 land on or before June 30, ~~2004~~ 2008.

5 Sec. 2. NEW SECTION. 15E.221 ANIMAL BIOTECHNOLOGY
6 COMMERCIALIZATION FUND.

7 1. An animal biotechnology commercialization fund is
8 created in the state treasury under the control of the
9 department of economic development. Moneys in the fund shall
10 be used to provide financial assistance in the form of grants
11 and loans for all of the following:

12 a. Constructing infrastructure and developing proprietary
13 biotechnology interests in order to implement life science
14 enterprise plans approved by the department pursuant to
15 section 15.104.

16 b. Constructing facilities for the purification of animal
17 life science products which facilities shall, in part, be
18 available in a commercially reasonable manner to other
19 companies engaging in the business of purification of animal
20 life science products. At least ten million dollars of the
21 total cost of constructing such a facility must be paid for
22 through the use of any combination of federal, local, and
23 private moneys.

24 c. Constructing commercial animal biodefense
25 pharmaceutical production and processing facilities in this
26 state, provided that an Iowa-based qualified life science
27 enterprise holds an equity interest in the facilities. Prior
28 to receiving financial assistance under this paragraph, the
29 recipient must be a party to a federal contract for the
30 construction of a facility described in this paragraph.

31 2. The fund shall consist of moneys appropriated by the
32 general assembly for deposit in the fund, and other moneys
33 available to and obtained or accepted by the department for
34 deposit in the fund. Moneys in the fund are appropriated to
35 the department to be used for the purposes provided in this

1 section.

2 3. a. Applications for financial assistance for projects
3 described in subsection 1, paragraphs "a" and "b", shall be
4 filed with the department not later than May 30, 2003, and
5 shall be acted upon by the department not later than June 30,
6 2003. Administrative rules relating to the time frame for the
7 approval or disapproval of life science enterprise plans shall
8 not apply to the time frame for the application process under
9 this subsection.

10 b. Applications for financial assistance for projects
11 described in subsection 1, paragraph "c", shall be filed with
12 the department not later than July 1, 2005, and financial
13 assistance provided to such projects shall be expended not
14 later than June 30, 2006.

15 4. A financial assistance award approved under this
16 section may involve the disbursement of moneys from the fund
17 over a period of more than one year. At least one-half of
18 each financial assistance award approved under this section
19 shall be in the form of a loan or equity-like investment.

20 5. Notwithstanding section 8.33, all moneys in the animal
21 biotechnology commercialization fund which remain unexpended
22 or unobligated at the close of the fiscal year shall not
23 revert, but shall remain available for expenditure for
24 subsequent fiscal years. Notwithstanding section 12C.7,
25 interest or earnings on moneys in the fund shall be credited
26 to the fund.

27 **Sec. 3. ANIMAL BIOTECHNOLOGY COMMERCIALIZATION FUND**
28 **APPROPRIATION.** There is appropriated from the tax-exempt bond
29 proceeds restricted capital funds account of the tobacco
30 settlement trust fund established in section 12E.12 to the
31 department of economic development for the fiscal period
32 beginning July 1, 2002, and ending June 30, 2005, the
33 following amounts, or so much thereof as is necessary, to be
34 used for the purpose designated:

35 1. For deposit in the animal biotechnology

1 commercialization fund created in section 15E.221 to be used
 2 for purposes of projects described in section 15E.221,
 3 subsection 1, paragraph "a":
 4 FY 2002-2003.....\$ 0
 5 FY 2003-2004.....\$ 5,000,000
 6 FY 2004-2005.....\$ 0

7 2. For deposit in the animal biotechnology
 8 commercialization fund created in section 15E.221 to be used
 9 for purposes of projects described in section 15E.221,
 10 subsection 1, paragraph "b":
 11 FY 2002-2003.....\$ 5,000,000
 12 FY 2003-2004.....\$ 10,000,000
 13 FY 2004-2005.....\$ 0

14 3. For deposit in the animal biotechnology
 15 commercialization fund created in section 15E.221 to be used
 16 for purposes of projects described in section 15E.221,
 17 subsection 1, paragraph "c":
 18 FY 2002-2003.....\$ 0
 19 FY 2003-2004.....\$ 0
 20 FY 2004-2005.....\$ 10,000,000

21 Any moneys remaining in the fund from the appropriations
 22 under subsection 3 that are unexpended or unobligated on June
 23 30, 2006, shall revert to the tax-exempt bond proceeds
 24 restricted capital funds account of the tobacco settlement
 25 trust fund on June 30, 2006.

26 Sec. 4. STATE BOARD OF REGENTS APPROPRIATION. There is
 27 appropriated from the tax-exempt bond proceeds restricted
 28 capital funds account of the tobacco settlement trust fund
 29 established in section 12E.12 to the state board of regents
 30 for the fiscal year beginning July 1, 2003, and ending June
 31 30, 2004, the following amount, or so much thereof as is
 32 necessary, to be used for the purpose designated:

33 For the construction of an animal biotechnology commercial
 34 pharmaceutical research center to be built in cooperation with
 35 the establishment by private and local sources of an animal

1 biotechnology business development center:
2 \$ 3,000,000

3 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
4 immediate importance, takes effect upon enactment.

5 EXPLANATION

6 This bill relates to animal biotechnology by creating an
7 animal biotechnology commercialization fund, extending the
8 time period during which a life science enterprise may
9 purchase agricultural land, and making appropriations.

10 The bill extends the time period during which a life
11 science enterprise may purchase agricultural land from June
12 30, 2004, to June 30, 2008.

13 The bill creates an animal biotechnology commercialization
14 fund in the state treasury under the control of the department
15 of economic development. The bill provides that moneys in the
16 fund shall be used to provide financial assistance in the form
17 of grants and loans for constructing infrastructure and
18 developing proprietary biotechnology interests in order to
19 implement life science enterprise plans approved by the
20 department, constructing facilities for the purification of
21 animal life science products, and constructing commercial
22 animal biodefense pharmaceutical production facilities in
23 Iowa. The bill provides that at least \$10 million of the
24 total costs of constructing a purification facility must be
25 paid for through the use of any combination of federal, local,
26 and private moneys. The bill provides that prior to receiving
27 financial assistance for an animal biodefense pharmaceutical
28 production facility, the recipient must be a party to a
29 federal contract for the construction of such a facility.

30 The bill provides that applications for financial
31 assistance for infrastructure projects for life science
32 enterprise plans and purification facilities shall be filed
33 with the department not later than May 30, 2003, and shall be
34 acted upon by the department not later than June 30, 2003.
35 The bill provides that applications for financial assistance

1 for a biodefense facility shall be filed not later than July
2 1, 2005, and financial assistance shall be expended not later
3 than June 30, 2006. The bill provides that a financial
4 assistance package may involve the disbursement of moneys from
5 the fund over a period of more than one year and at least one-
6 half of each financial assistance package shall be a loan or
7 equity-like investment.

8 The bill appropriates moneys from the tax-exempt bond
9 proceeds restricted capital funds account of the tobacco
10 settlement trust fund to the department of economic
11 development for deposit in the animal biotechnology
12 commercialization fund. The bill appropriates \$5 million in
13 FY 2003-2004 for constructing infrastructure and developing
14 proprietary biotechnology interests. The bill appropriates \$5
15 million in FY 2002-2003 and \$10 million in FY 2003-2004 for
16 purification facilities. The bill appropriates \$10 million in
17 FY 2004-2005 for a biodefense facility.

18 The bill appropriates \$3 million from the tax-exempt bond
19 proceeds restricted capital funds account of the tobacco
20 settlement trust fund to the state board of regents for the
21 fiscal year beginning July 1, 2003, and ending June 30, 2004,
22 for the construction of an animal biotechnology commercial
23 pharmaceutical research center to be built in cooperation with
24 the establishment by private and local sources of an animal
25 biotechnology business development center.

26 The bill takes effect upon enactment.

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Veenstra
Hatch
Putney

Economic Growth

SSB 1150
Succeeded By
CF HF 367

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL BY
CHAIRPERSON REHBERG)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
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21 total cost of constructing such a facility must be paid for
22 through the use of any combination of federal, local, and
23 private moneys.

24 c. Constructing commercial animal biodefense
25 pharmaceutical production and processing facilities in this
26 state, provided that an Iowa-based qualified life science
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28 to receiving financial assistance under this paragraph, the
29 recipient must be a party to a federal contract for the
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9 this subsection.

10 b. Applications for financial assistance for projects
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4	FY 2002-2003.....	\$	0
5	FY 2003-2004.....	\$	5,000,000
6	FY 2004-2005.....	\$	0

7 2. For deposit in the animal biotechnology
8 commercialization fund created in section 15E.221 to be used
9 for purposes of projects described in section 15E.221,
10 subsection 1, paragraph "b":

11	FY 2002-2003.....	\$	5,000,000
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