

FEB 15 2006
ECONOMIC GROWTH

HOUSE FILE 2402
BY FALLON

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

A BILL FOR

1 An Act relating to economic development programs and making
2 appropriations.

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

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HF 2402

1 Section 1. NEW SECTION. 15E.315 REGULATORY EFFICIENCY
2 COMMISSION.

3 1. A regulatory efficiency commission is established for
4 purposes of identifying unneeded, outdated, or ineffective
5 regulations, fines, and fees that hinder business development
6 or efficient governmental operation relative to business
7 development activities. The commission shall also develop
8 methods for streamlining business access to regulatory
9 information. The commission shall maintain an ongoing process
10 for inviting, receiving, and considering suggestions from the
11 public, business owners, employees, and others for regulatory
12 changes. Commission staffing shall be provided by the
13 department.

14 2. The commission shall consist of ten voting members
15 appointed by the governor and four ex officio members.
16 Members appointed by the governor are subject to confirmation
17 by the senate and shall serve three-year staggered terms as
18 designated by the governor beginning and ending as provided in
19 section 69.19. A vacancy in membership shall be filled in the
20 same manner as the original appointment. The members shall
21 serve without compensation, but shall be reimbursed for actual
22 and necessary expenses incurred in the performance of official
23 duties as a member. The members of the commission shall
24 select a chairperson and any other officers deemed by the
25 commission to be necessary from their membership. The
26 commission shall meet at least quarterly but may meet as often
27 as necessary. Meetings shall be set by a majority of the
28 commission or upon the call of the chairperson. A majority of
29 the commission members shall constitute a quorum.

30 a. The ten voting members shall consist of the following:
31 (1) Two members shall be economic development
32 representatives from two different chambers of commerce. One
33 shall be from a metropolitan area with more than fifty
34 thousand people and one shall be from a metropolitan area with
35 fifty thousand people or less.

1 (2) Two members representing agricultural interests, at
2 least one of whom is involved in marketing farm products
3 directly to consumers or businesses.

4 (3) One member representing the Iowa association of
5 business and industry.

6 (4) One member representing commercial-based businesses.

7 (5) One member representing manufacturing-based
8 businesses.

9 (6) One member representing an environmental organization.

10 (7) One member representing labor interests.

11 (8) One member representing consumer advocacy
12 organizations.

13 b. The four ex officio members shall be members of the
14 general assembly. Two members shall be from the senate and
15 two members shall be from the house of representatives, with
16 not more than one member from each chamber being from the same
17 political party. The two senators shall be designated by the
18 president of the senate after consultation with the majority
19 and minority leaders of the senate. The two representatives
20 shall be designated by the speaker of the house of
21 representatives after consultation with the majority and
22 minority leaders of the house of representatives. Legislative
23 members shall serve in an ex officio, nonvoting capacity.

24 3. The commission shall submit a written report annually
25 by December 15 to the governor and the general assembly. The
26 report shall include the findings and legislative
27 recommendations of the commission. The report shall be
28 distributed by the secretary of the senate and the chief clerk
29 of the house of representatives to the chairpersons and
30 members of the administrative rules review committee and to
31 the standing committees in the senate and the house of
32 representatives that deal with economic development and
33 economic growth.

34 Sec. 2. NEW SECTION. 15E.316 REGULATORY OMBUDSMAN
35 OFFICE.

1 The department shall establish a regulatory ombudsman
2 office for purposes of assisting businesses with regulatory
3 issues. The office shall assist businesses with state program
4 and regulatory applications, direct businesses to proper
5 entities for specialized assistance, and provide businesses
6 with general information regarding programs and regulatory
7 issues.

8 Sec. 3. Section 303.3B, Code Supplement 2005, is amended
9 by adding the following new subsections:

10 NEW SUBSECTION. 4. A city may form a cultural and
11 entertainment district administrative committee for purposes
12 of administering and fostering activities in the district. At
13 least half of the committee membership must include members
14 who are younger than thirty-five years of age at the time of
15 appointment to the committee.

16 NEW SUBSECTION. 5. The department shall establish and
17 administer a cultural and entertainment district events
18 program for purposes of providing financial assistance for
19 cultural and entertainment events located in cultural and
20 entertainment districts certified pursuant to this section.
21 Financial assistance under the program shall take the form of
22 grants.

23 Sec. 4. Section 404A.4, subsection 4, Code Supplement
24 2005, is amended to read as follows:

25 4. The For the fiscal year beginning July 1, 2006, the
26 total amount of tax credits that may be approved for the
27 fiscal year under this chapter shall not exceed twenty million
28 dollars. For the fiscal year beginning July 1, 2007, and
29 every fiscal year thereafter, the total amount of tax credits
30 that may be approved for a the fiscal year under this chapter
31 shall not exceed two million four hundred thousand dollars.
32 For the fiscal period beginning July 1, 2005, and ending June
33 30, 2015, an additional four million dollars of tax credits
34 may be approved each fiscal year for purposes of projects
35 located in cultural and entertainment districts certified

1 pursuant to section 303.3B. Any of the additional tax credits
2 allocated for projects located in certified cultural and
3 entertainment districts that are not approved during a fiscal
4 year shall be applied to reserved tax credits issued in
5 accordance with section 404A.3 in order of original
6 reservation. The department of cultural affairs shall
7 establish by rule the procedures for the application, review,
8 selection, and awarding of certifications of completion. The
9 departments of economic development, cultural affairs, and
10 revenue shall each adopt rules to jointly administer this
11 subsection and shall provide by rule for the method to be used
12 to determine for which fiscal year the tax credits are
13 available. With the exception of tax credits issued pursuant
14 to contracts entered into prior to July 1, 2005, tax credits
15 shall not be reserved for more than five years.

16 Sec. 5. APPROPRIATIONS.

17 1. MAIN STREET PROGRAM.

18 a. For the fiscal year beginning July 1, 2006, and ending
19 June 30, 2007, there is appropriated from the general fund of
20 the state to the department of cultural affairs \$1,000,000 for
21 purposes of the main street program.

22 b. The department of economic development shall transfer
23 the administrative duties of the main street program to the
24 department of cultural affairs. The department of cultural
25 affairs shall adopt rules pursuant to chapter 17A for purposes
26 of administering the program. The department of cultural
27 affairs shall make the program available to cities of any size
28 in the state. Any approved project or activity originally
29 approved by the department of economic development under the
30 main street program remains valid. The transfer of
31 administrative duties to the department of cultural affairs
32 shall not constitute grounds for rescission or modification of
33 main street program contracts entered into with the department
34 of economic development.

35 2. CULTURAL AND ENTERTAINMENT DISTRICT EVENTS PROGRAM.

1 For the fiscal year beginning July 1, 2006, and ending June
2 30, 2007, there is appropriated from the general fund of the
3 state to the department of cultural affairs \$1,000,000 for
4 purposes of administering section 303.3B.

5 3. WORKFORCE TRAINING. For the fiscal year beginning July
6 1, 2006, and ending June 30, 2007, there is appropriated from
7 the general fund of the state to the department of economic
8 development \$14,000,000 for deposit into the workforce
9 training and economic development funds of the community
10 colleges created pursuant to section 260C.18A.

11 4. LOAN AND CREDIT GUARANTEE.

12 a. For the fiscal year beginning July 1, 2006, and ending
13 June 30, 2007, there is appropriated from the general fund of
14 the state to the department of economic development
15 \$10,000,000 for deposit into the loan and credit guarantee
16 fund created pursuant to section 15E.227.

17 b. The moneys appropriated under this subsection shall be
18 used by the department under the loan and credit guarantee
19 program for purposes of loan or credit guarantees to small
20 businesses in geographically diverse parts of the state.
21 Within two years of receiving a loan or credit guarantee under
22 the program, a small business must provide and pay at least
23 eighty percent of the cost of a standard medical and dental
24 insurance plan for full-time employees. A small business
25 receiving a loan or credit guarantee under the program shall
26 agree to pay a median wage for new full-time jobs of at least
27 thirteen dollars and thirty-five cents per hour indexed to
28 2004 dollars based on the gross national product implicit
29 price deflator published by the bureau of economic analysis of
30 the United States department of commerce or one hundred thirty
31 percent of the average wage in the county in which the small
32 business is located, whichever is higher. For purposes of
33 this paragraph, "small business" means a business with less
34 than fifty employees.

35 5. SMALL BUSINESS DEVELOPMENT CENTERS.

1 a. For the fiscal year beginning July 1, 2006, and ending
2 June 30, 2007, there is appropriated from the general fund of
3 the state to Iowa state university of science and technology
4 \$2,000,000 for the purposes provided in paragraph "b".

5 b. The moneys appropriated in this subsection shall be
6 allocated by Iowa state university to small business
7 development centers to develop and administer programs to
8 assist small businesses to plan for the transfer of ownership
9 of the business, including the transfer of all or a part of
10 the ownership of a business to an employee stock ownership
11 plan.

12 6. REGULATORY OMBUDSMAN OFFICE. For the fiscal year
13 beginning July 1, 2006, and ending June 30, 2007, there is
14 appropriated from the general fund of the state to the
15 department of economic development \$250,000 for purposes of
16 administering section 15E.316, if enacted in this Act. The
17 department may create three full-time equivalent positions for
18 purposes of administering section 15E.316, if enacted in this
19 Act.

20 EXPLANATION

21 This bill relates to economic development programs and
22 makes appropriations.

23 The bill establishes a regulatory efficiency commission
24 consisting of 10 voting members and four ex officio members
25 for purposes of identifying unneeded, outdated, or ineffective
26 regulations, fines, and fees that hinder business development
27 or efficient governmental operation relative to business
28 development activities. The bill requires the commission to
29 develop methods for streamlining business access to regulatory
30 information and maintain an ongoing process for inviting,
31 receiving, and considering suggestions from the public,
32 business owners, employees, and others for regulatory changes.
33 The bill requires the commission to submit a written report
34 annually by December 15 to the governor and the general
35 assembly which includes findings and legislative

1 recommendations of the commission.

2 The bill requires the department of economic development to
3 establish a regulatory ombudsman office for purposes of
4 assisting businesses with regulatory issues.

5 The bill provides that a city may form a cultural and
6 entertainment district administrative committee for purposes
7 of administering and fostering activities in the district.
8 The bill provides that the department of cultural affairs
9 shall establish and administer a cultural and entertainment
10 district events program for purposes of providing financial
11 assistance for cultural and entertainment events located in
12 certified cultural and entertainment districts.

13 The bill provides that, for the fiscal year beginning July
14 1, 2006, the total amount of historic preservation and
15 cultural and entertainment district tax credits that may be
16 approved for the fiscal year shall not exceed \$20 million.

17 The bill provides that for FY 2006-2007 there is
18 appropriated from the general fund of the state to the
19 department of cultural affairs \$1 million for purposes of the
20 main street program. The bill requires the department of
21 economic development to transfer the administrative duties of
22 the main street program to the department of cultural affairs.
23 The bill requires the department of cultural affairs to make
24 the program available to cities of any size in the state.

25 The bill provides that for FY 2006-2007 there is
26 appropriated from the general fund of the state to the
27 department of cultural affairs \$1 million for purposes of
28 administering the cultural and entertainment district events
29 program.

30 The bill provides that for FY 2006-2007 there is
31 appropriated from the general fund of the state to the
32 department of economic development \$14 million for deposit
33 into the workforce training and economic development funds of
34 the community colleges.

35 The bill provides that for FY 2006-2007 there is

1 appropriated from the general fund of the state to the
2 department of economic development \$10 million for deposit
3 into the loan and credit guarantee fund. The bill provides
4 that the moneys appropriated shall be used by the department
5 under the loan and credit guarantee program for purposes of
6 loan or credit guarantees to small businesses in
7 geographically diverse parts of the state.

8 The bill provides that for FY 2006-2007 there is
9 appropriated from the general fund of the state to the Iowa
10 state university of science and technology \$2 million for the
11 university to allocate to small business development centers
12 to develop and administer programs to assist small businesses
13 to plan for the transfer of ownership of the business,
14 including the transfer of all or a part of the ownership of a
15 business to an employee stock ownership plan.

16 The bill provides that for FY 2006-2007 there is
17 appropriated from the general fund of the state to the
18 department of economic development \$250,000 for purposes of
19 administering the regulatory ombudsman office.

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