

MAR 16 2005
Place On Calendar

HOUSE FILE 800
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HF 561)

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

A BILL FOR

1 An Act relating to requirements for economic development
2 financial assistance used for construction purposes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 800

1 Section 1. Section 15A.1, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. In addition to the other requirements
4 of this section, a disbursement of public moneys for grants,
5 loans, tax incentives, or other financial assistance from the
6 department of economic development which are to be used for
7 construction purposes shall be reduced by ten percent unless
8 at least sixty percent of the construction work is completed
9 by Iowa-based businesses. In determining whether a business
10 is an Iowa-based business, the department of economic
11 development shall consider any substantial contacts the
12 business has with the state including, but not limited to,
13 whether the business is incorporated in the state, whether the
14 business is authorized to do business in the state, whether
15 the business pays taxes to the state, whether the business is
16 headquartered in the state, and what percentage of the
17 workforce of the business is located in the state. Financial
18 assistance awarded by the department of economic development
19 that is subject to the provisions of this subsection may
20 require periodic reports from the recipient to ensure
21 compliance with this subsection. If noncompliance with the
22 provisions of this subsection occurs, the department of
23 economic development may require the recipient to repay all or
24 a portion of the financial assistance received.

25 EXPLANATION

26 This bill relates to requirements for economic development
27 financial assistance used for construction purposes.

28 The bill provides that a disbursement of public moneys for
29 grants, loans, tax incentives, or other financial assistance
30 from the department of economic development which are to be
31 used for construction purposes shall be reduced by 10 percent
32 unless at least 60 percent of the construction work is
33 completed by Iowa-based businesses. In determining whether a
34 business is an Iowa-based business, the bill provides that the
35 department disbursing the public moneys shall consider any

1 substantial contacts the business has with the state. The
2 bill provides that the department may require periodic reports
3 from the recipient to ensure compliance with the provisions of
4 the bill and, if noncompliance occurs, the department may
5 require the recipient to repay all or a portion of the
6 financial assistance received.

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