

Senate Study Bill 3199

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

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

A BILL FOR

1 An Act relating to the grow Iowa values fund by allocating moneys
2 for the physical infrastructure assistance program and
3 changing certain job and wage requirements.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5878SC 82
6 tw/rj/24

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1 1 Section 1. Section 15E.175, subsection 1, Code 2007, is
1 2 amended by striking the subsection and inserting in lieu
1 3 thereof the following:
1 4 1. The department shall establish a physical
1 5 infrastructure financial assistance program to provide
1 6 financial assistance for business or community physical
1 7 infrastructure development or redevelopment projects.
1 8 Physical infrastructure development or redevelopment projects
1 9 include but are not limited to infrastructure projects
1 10 involving any mode of transportation; public works and
1 11 utilities such as sewer, water, power, or telecommunications;
1 12 physical improvements which mitigate, prevent, or eliminate
1 13 environmental contaminants; and any other project deemed
1 14 appropriate by the department.
1 15 a. Physical infrastructure projects that create the
1 16 necessary infrastructure for economic success throughout Iowa,
1 17 that provide the foundation for the creation of quality,
1 18 high-wage jobs, and that involve substantial capital
1 19 investment may be eligible for financial assistance under the
1 20 program if within three years of the completion of the
1 21 project, the project is expected to lead to the creation of
1 22 high-quality and high-wage jobs. If, at the end of the
1 23 three-year period, the project has not lead to the creation of
1 24 high-quality, high-wage jobs, the department may seek to
1 25 reclaim any funds granted through the program. At the
1 26 department's discretion, a project may be granted an
1 27 additional year of time to meet the high-quality, high-wage
1 28 job requirements of this subsection.
1 29 b. The department shall adopt rules governing the awarding
1 30 and use of funds pursuant to this section.
1 31 Sec. 2. Section 15E.175, subsection 2, paragraph c, Code
1 32 2007, is amended to read as follows:
1 33 c. ~~Section Notwithstanding section 8.33 shall not apply~~
~~1 34 to, any unencumbered and unobligated moneys remaining in the~~
1 35 physical infrastructure assistance fund at the end of each
2 1 fiscal year shall be deposited in the grow Iowa values fund
2 2 created in section 15G.108. Notwithstanding section 12C.7,
2 3 interest earned on moneys in the fund shall be credited to the
2 4 fund.
2 5 Sec. 3. Section 15G.111, subsection 1, paragraph a, Code
2 6 Supplement 2007, is amended to read as follows:
2 7 a. For the fiscal period beginning July 1, ~~2005~~ 2007, and
2 8 ending June 30, 2015, there is appropriated each fiscal year
2 9 from the grow Iowa values fund created in section 15G.108, the
2 10 following amounts for the purposes designated:
2 11 ~~(1) For the fiscal year beginning July 1, 2005, and ending~~
~~2 12 June 30, 2006, to the department of economic development~~
~~2 13 thirty-five million dollars for programs administered by the~~
~~2 14 department of economic development.~~
2 15 ~~(2) For each fiscal year of the fiscal period beginning~~
~~2 16 July 1, 2006, and ending June 30, 2007, to the department of~~
~~2 17 economic development thirty-three million dollars for programs~~

2 18 administered by the department of economic development.
2 19 ~~(3)~~ (1) For each fiscal year of the fiscal period
2 20 beginning July 1, 2007, and ending June 30, 2009, to the
2 21 department of economic development thirty million dollars for
2 22 the following programs administered by the department of
2 23 economic development.:

- 2 24 (a) The targeted small business financial assistance
- 2 25 program established pursuant to section 15.247.
- 2 26 (b) The community economic betterment program established
- 2 27 pursuant to section 15.317.
- 2 28 (c) The entrepreneurial venture assistance program
- 2 29 established pursuant to section 15.339.
- 2 30 (d) The value-added agricultural products and processes
- 2 31 financial assistance program established pursuant to section
- 2 32 15E.111.
- 2 33 (e) The physical infrastructure financial assistance
- 2 34 program established pursuant to section 15E.175.
- 2 35 (f) The loan and credit guarantee program established

3 1 pursuant to section 15E.224.
3 2 ~~(4)~~ (2) For each fiscal year of the fiscal period
3 3 beginning July 1, 2009, and ending June 30, 2015, to the
3 4 department of economic development thirty-two million dollars
3 5 for the following programs administered by the department of
3 6 economic development.:

- 3 7 (a) The targeted small business financial assistance
- 3 8 program established pursuant to section 15.247.
- 3 9 (b) The community economic betterment program established
- 3 10 pursuant to section 15.317.
- 3 11 (c) The entrepreneurial venture assistance program
- 3 12 established pursuant to section 15.339.
- 3 13 (d) The value-added agricultural products and processes
- 3 14 financial assistance program established pursuant to section
- 3 15 15E.111.
- 3 16 (e) The physical infrastructure financial assistance
- 3 17 program established pursuant to section 15E.175.
- 3 18 (f) The loan and credit guarantee program established
- 3 19 pursuant to section 15E.224.

3 20 Sec. 4. Section 15G.111, Code 2007, is amended by adding
3 21 the following new subsection:

3 22 NEW SUBSECTION. 8A. For the fiscal period beginning July
3 23 1, 2009, and ending June 30, 2015, from the moneys
3 24 appropriated each fiscal year from the grow Iowa values fund
3 25 created in section 15G.108, to the department for program
3 26 administration pursuant to subsection 1, paragraph "a", the
3 27 department shall allocate at least five million dollars for
3 28 deposit in the physical infrastructure assistance fund created
3 29 in section 15E.175. Notwithstanding section 15G.112, projects
3 30 funded with moneys deposited in the physical infrastructure
3 31 assistance fund are not subject to job or wage requirements,
3 32 provided the project provides the infrastructure necessary for
3 33 additional jobs pursuant to the requirements of section
3 34 15E.175.

3 35 Sec. 5. Section 15G.112, subsections 1 and 3, Code 2007,
4 1 are amended to read as follows:

4 2 1. In order to be eligible to receive financial assistance
4 3 from the department from the moneys appropriated in section
4 4 15G.111, subsection 1, paragraph "a", from the grow Iowa
4 5 values fund to the department for programs administered by the
4 6 department, the average annual wage, including benefits, of
4 7 new jobs created must be equal to or greater than one hundred
4 8 thirty percent of the average county wage. For purposes of
4 9 this section, "average county wage" and "benefits" mean the
4 10 same as defined in section 15I.1.

4 11 3. In awarding moneys appropriated to the department
4 12 pursuant to section 15G.111, subsection 1, paragraph "a", from
4 13 the grow Iowa values fund for programs administered by the
4 14 department, the department shall give special consideration to
4 15 projects that include significant physical infrastructure
4 16 components designed to increase property tax revenues to local
4 17 governments.

4 18 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
4 19 immediate necessity, takes effect upon enactment.

4 20 EXPLANATION

4 21 This bill relates to moneys appropriated from the grow Iowa
4 22 values fund.

4 23 Currently, \$50 million is appropriated each year to the
4 24 grow Iowa values fund, and of those moneys, \$30 million is
4 25 appropriated to the department of economic development to fund
4 26 certain programs. Programs funded in this way are subject to
4 27 job and wage creation requirements.

4 28 The bill directs the department to allocate at least \$5

4 29 million to the physical infrastructure assistance program and
4 30 exempts projects funded by this program from the job and wage
4 31 requirements as long as the project is an infrastructure
4 32 project that leads to the creation of jobs within three years.
4 33 Finally, the bill makes certain conforming amendments to
4 34 the grow Iowa values fund and the physical infrastructure
4 35 assistance program to specify program requirements.
5 1 LSB 5878SC 82
5 2 tw/rj/24