

House File 2431 - Introduced

HOUSE FILE 2431
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 725)

A BILL FOR

1 An Act relating to the allocation of moneys under the grow
2 Iowa values fund for purposes of making grants to certain
3 microenterprise development organizations.

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

1 Section 1. Section 15.240, Code 2009, is amended to read as
2 follows:

3 **15.240 ~~Community microenterprise~~ Microenterprise development**
4 **organization grant program.**

5 1. The department shall award grants ~~to community~~ pursuant
6 to this section to microenterprise development organizations.
7 The grants may be awarded to qualifying lead microenterprise
8 development organizations or to community microenterprise
9 development organizations.

10 2. To qualify for a grant, a lead microenterprise
11 development organization shall meet all of the following
12 conditions:

13 a. Be a nonprofit organization exempt from federal taxation
14 under section 501(c) of the Internal Revenue Code.

15 b. Have the capability to provide access to microfinancing
16 or microloan programs.

17 c. Have programs or resources that provide for the following
18 services:

19 (1) The provision of market information for local
20 businesses. Market information typically includes high
21 quality data and supporting analysis on various product and
22 consumer markets, the demographics of a community's residents,
23 methods for targeting the various customer markets within the
24 community, and techniques for enhancing competitive advantages.

25 (2) The growth of social and business relationships that
26 facilitates productive partnerships among business owners,
27 industry groups, public officials and public sector supporters,
28 and academic institutions.

29 (3) The provision of affordable access to business
30 information databases, geographic information system services
31 and consulting, marketing data and analysis, best practices for
32 effective advertising and internet search engine optimization,
33 and demographic data analysis.

34 d. Be an organization whose stated mission is to provide
35 ongoing training, technical assistance, and microfinancing

1 expertise to small businesses and microenterprises in order to
2 create jobs and expand family incomes in the state.

3 3. A grant shall not be awarded to a community
4 microenterprise development organization unless the community
5 microenterprise development organization can match at least
6 twenty percent of the funds to be awarded. The matching funds
7 may be from private foundations, federal or local government
8 funds, financial institutions, or individuals.

9 ~~2.~~ 4. In awarding grants to community microenterprise
10 development organizations, the department shall ~~consider~~ make
11 awards to the best applicants after considering all of the
12 following:

13 *a.* The overall geographic diversity of the applicants for
14 grants, including both urban and rural communities.

15 *b.* The ability of a community microenterprise development
16 organization to provide services to low-income and
17 moderate-income individuals and underserved communities.
18 In determining the ability to provide services, all of the
19 following shall be considered:

20 (1) The ability to identify potential microentrepreneurs
21 within a community.

22 (2) The capacity to perform client assessment and
23 screening.

24 (3) The ability to provide business training and technical
25 assistance, including information about access to markets,
26 business management, and financial literacy.

27 (4) The capacity to provide assistance in securing
28 financing.

29 *c.* The scope of services offered and the efficient delivery
30 of such services, especially to low-income, moderate-income,
31 and minority individuals.

32 *d.* The ability to monitor the progress of clients and to
33 identify those clients in need of additional technical and
34 financial assistance.

35 *e.* The ability to build relationships and coordinate

1 resources with other entities supporting microentrepreneurs.
2 These entities may include but are not limited to community
3 colleges, cooperative extension services, small business
4 development centers, chambers of commerce, community economic
5 development organizations, workforce centers, and community
6 nonprofit service providers that serve low-income and
7 moderate-income individuals.

8 *f.* The ability to coordinate activities with any targeted
9 small business advocate services operating in the community.

10 *g.* The amount and sufficiency of operating funds available.

11 *h.* Any other criteria the department deems reasonable.

12 5. An organization receiving a grant pursuant to this
13 section shall submit an annual report to the department that
14 describes how the grant funds were used and what results were
15 achieved.

16 Sec. 2. Section 15G.111, subsection 9, paragraph b, Code
17 Supplement 2009, is amended to read as follows:

18 *b.* Of the moneys allocated under this subsection,
19 the department may use up to fifty thousand dollars each
20 fiscal year during the fiscal period beginning July 1,
21 2009, and ending June 30, 2015, for purposes of ~~providing~~
22 ~~training, materials, and assistance to Iowa business~~
23 resource centers making grants to microenterprise development
24 organizations pursuant to section 15.240.

25 EXPLANATION

26 This bill relates to grants for certain microenterprise
27 development organizations.

28 Currently, Code section 15.240 provides that grants shall
29 be made to certain community microenterprise development
30 organizations, but no moneys have been appropriated for
31 such purposes. This bill adds certain lead microenterprise
32 development organizations to the list of organizations eligible
33 for grants under the program and provides requirements for such
34 organizations to qualify for a grant.

35 Currently, of the moneys allocated for regional financial

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1 assistance under the grow Iowa values fund, the department is
2 authorized to spend up to \$50,000 each fiscal year for purposes
3 of providing training, materials, and assistance to Iowa
4 business resource centers. The bill allocates this \$50,000 for
5 purposes of the microenterprise development organization grant
6 program in Code section 15.240.